

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, June 16, 1989 10:00 a.m.**

Date: 89/06/16

[The House met at 10 a.m.]

[Mr. Speaker in the Chair]

[Some hon. members hummed *Here Comes the Bride*]

MR. SPEAKER: Right

MR. FOX: I do.

MR. SPEAKER: Not you.

PRAYERS

MR. SPEAKER: Let us pray.

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

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

Amen.

head: INTRODUCTION OF VISITORS

MR. ELZINGA: Mr. Speaker, it's my pleasure to introduce to you, sir, and through you to Members of the Legislative Assembly Mr. Max Inhelder, the consul general of Switzerland. He is located in the Speaker's gallery. We had the opportunity to have a very enjoyable visit with him earlier. I would ask that he rise and receive the very warm welcome of this Legislative Assembly.

head: PRESENTING PETITIONS

MR. MITCHELL: Mr. Speaker, I rise to present a petition on behalf of music teachers and parents of students taking private music lessons. This petition encourages this government to take whatever steps necessary to continue to pursue its efforts to see that the proposed national sales tax is not applied to private music lessons in this province and across the country.

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

MR. ADY: Mr. Speaker, pursuant to Standing Order 52 the Standing Committee on the Alberta Heritage Savings Trust Fund Act is required to report to the Legislative Assembly at this time. This will serve as an interim report to inform the Legislative Assembly that the committee for the past session has met several times, voted on recommendations, and a final report is being prepared.

head: TABLING RETURNS AND REPORTS

MR. BOGLE: Mr. Speaker, some time ago this year the Auditor General made public his annual report for 1987-88. Under section 19(4) of the Auditor General Act it is my pleasure

to table four copies of the annual report to members of the Assembly at this time.

head: INTRODUCTION OF SPECIAL GUESTS

MR. ELZINGA: Mr. Speaker, it's my pleasure and delight to have the opportunity to introduce to you and to Members of the Legislative Assembly a group of 30 students from the Madonna community school. They are in the members' gallery and they are joined by their teacher Mrs. Mary Anne Hess and a parent Mrs. Estelle Davison. I would ask that they rise to receive the traditional warm welcome of the Legislative Assembly.

MR. TAYLOR: Mr. Speaker, I'd like to introduce to you and through you to the members of the Legislature 57 alert and bright students from Notre Dame elementary school in Morinville, accompanied by their teachers Bruce Brown, Wendy Thompson, and also by parents John Fletcher, Elaine Bertrand, Rose Altmiks, and Norma Bokenfohr. I'd ask them to rise now and receive the traditional welcome of the Legislature.

MR. SPARROW: Mr. Speaker, I would like to introduce to you and through you to the Members of the Legislative Assembly 28 grade 6 students from the Norwood elementary school in Wetaskiwin. They're accompanied by their teacher Peter Murray. They're seated in the members' gallery, and if they would rise, would the Assembly give them a warm welcome.

MR. GIBEAULT: I would like to introduce to you and to the other members of the Assembly this morning two individuals who are associated with the group Workers with Injuries, which is an advocacy group for people who have difficulties with the Workers' Compensation Board system. They are Mr. Mike Bonner and Ms Elizabeth Thiering, and they're in the public gallery. I would ask them to stand now and receive the warm welcome of the House.

MR. MITCHELL: Mr. Speaker, I would like to introduce to you and through you to the members of the Legislature a number of people who are here today in support of the petition that I presented earlier. They are Gweth Purdy, Susana Singer, Sheila Hoy, Sylvia Maltby-Hiltz, and two others who are not in the gallery at this moment but in the Legislature Building: Anne Burrows and Carol Astle. I would ask the four in the galleries to rise and receive the welcome of the Legislature.

head: ORAL QUESTION PERIOD**Federal Participation in Environmental Assessments**

MR. MARTIN: Mr. Speaker, to the Minister of the Environment. It's clear that instead of worrying about protecting Alberta's environment, we now want to pick a phony fight with Ottawa over jurisdiction. I would say to this minister that Albertans don't give two hoots about who's protecting the environment as long as somebody's doing it. Now, according to a recent decision on the Saskatchewan dam and the federal government legislation, the federal department is prohibited by law from duplicating assessments performed by Alberta. Mr. Speaker, is the minister not aware of this, and that if we had our own comprehensive, adequate environmental impact assessment, we wouldn't have this problem? Why doesn't he deal

with it?

MR. KLEIN: Mr. Speaker, we're dealing with it in the best way possible. Up until May 15 of this year there was a contract with the federal government relative to the environmental impact assessment process. It was a good contract, a contract whereby we would submit proposals for the EIA process or submit completed environmental impact assessments to the federal government for their review. It served us well, that agreement. It served us so well that projects considered by the federal government submitted by Alberta, including the Alberta Newsprint Company, Whitecourt newsprint mill, the Caroline area gas development group, the Champion Forest Products (Alberta) Ltd., Hinton pulp mill, Crestbrook Forest Industries Ltd. -- that's the Al-Pac project -- the Daishowa Canada Ltd. project. General American Oils, Ltd., Forest Oil Corporation, Diamond Shamrock Exploration of Canada...

MR. SPEAKER: Order. Thank you, hon. minister.

MR. KLEIN: Thank you, Mr. Speaker. And the list goes on and on.

MR. MARTIN: All the huffing and puffing and reading isn't going to change this problem that we have, Mr. Minister. The point is: if this government was prepared to have a comprehensive public assessment, we would not be having this problem. Why doesn't this minister start doing his job, and we wouldn't have this phony fight with Ottawa?

MR. KLEIN: Mr. Speaker, the process that has been put in place is a good process. It is a good process, a process that has been quite acceptable to the federal government all along. As a result of the Rafferty-Alameda dam decision the government has raised some concerns. We are trying to sort out with the government how they can participate in a co-operative manner with the province of Alberta -- in a co-operative manner with the province of Alberta -- to participate in the citizens' review process, which will be held in Athabasca in four to five weeks from now. That process will involve public hearings; it will involve full public input. We will be able to look at that situation, and perhaps that will serve as a model as to how EIAs should be conducted not only in this province but throughout the rest of Canada. And again we will have demonstrated that this government is a leader in the field.

Thank you.

MR. MARTIN: The only thing that this government's a leader in is decimating our environment; that's what it is, Mr. Speaker.

Mr. Speaker, I want to ask this minister this question. Will the minister admit now that he's lost the fight in cabinet and what we are in now is protecting a Premier's ego who wants these projects to go ahead at all costs, even fighting Ottawa if necessary?

MR. KLEIN: First of all, Mr. Speaker, I don't think I've lost any battles in cabinet. As a matter of fact, my cabinet colleagues are solidly behind me, and I appreciate it.

Secondly, Mr. Speaker, relative to the question of decimating the environment I noticed where the hon. Member for Edmonton-Jasper Place was, in the Peace River country, not so long ago, and I read in the Grand Prairie newspaper that only

southern Tories are responsible for raping the environment which suggests that the northern Tories are doing a darn fine job.

MR. HORSMAN: If I may supplement the answer by my colleague the Minister of the Environment with respect to the issue raised by the hon. Leader of the Opposition, it may be that he doesn't give two hoots about the responsibilities our government has under the Constitution of Canada. . . . [interjections] And the Liberal Party may not give two hoots about the responsibilities that the Constitution of Canada provides and gives to the provinces, but this government does, and it will carry out its responsibilities whether the Leader of the Opposition cares or not.

MR. SPEAKER: Order please. Thank you. That's really not much new information there.

Social Assistance Policy for Students

MR. MARTIN: Touchy little group this morning, aren't they, Mr. Speaker?

Let's try over to the minister of social services. As I said yesterday, just like the environment they give lip service to the family, but frankly they just can't be trusted, Mr. Speaker, to deal with other than, as the minister quoted, the "ideal" family. We have another example of another Calgary woman that's fallen through the trap in this minister's policies. I'm talking about the case of a visually impaired woman in Calgary who has a five-month-old child and wants to complete a university education she started a few years ago. But again, she can't do both, as indicated yesterday. She's in the welfare trap. My question to this minister is: why does the department have such inflexible regulations? Doesn't the minister realize that the regulations coming from this department are keeping people on welfare rather than allowing them to get off?

MR. OLDRING: Again, Mr. Speaker, just the contraire. This department wants to work with individuals on social allowance and do everything we can to assist them to become meaningfully employed and back into the work force once again.

MR. MARTIN: Mr. Speaker, we've given two examples in this House. This one's a visually impaired woman with a five-month-old child, who has the ability to go to university, who can't go to university. When is the minister going to wake up and realize that this is happening and change those policies?

MR. OLDRING: Mr. Speaker, this department is anxious to get people, again, back into the work force, and we do that as quickly and effectively as we can. Going to university is not the only way to do it. There are some excellent programs. We've assisted many individuals going through in junior colleges across this province. I can think of some very successful cases in my own constituency where I witnessed a young mother on social allowance with two children who was able to go back and, first of all, complete her upgrading, was then able to go on to complete a two-year diploma in rehab practice, and is now meaningfully employed in the work force after being on social allowance for over three years. That's just one of many examples, Mr. Speaker, that are out there.

MR. SPEAKER: Thank you, hon. minister.

MR. MARTIN: Mr. Speaker, that's appalling. Is this minister saying that welfare people should not even attempt to go to university? That's what he's saying. It's okay to take a short-term course but not to go to university. Is that what he's saying? Because that was the answer he gave.

MR. OLDRING: Mr. Speaker, there's nothing appalling about helping a young mother on social allowance become meaningfully employed in the work force. We've done that. We've done that in countless cases, and we're going to continue to do that.

Federal Participation in Environmental Assessments (continued)

MR. DECORE: Mr. Speaker, the economy of Alberta in the last few years has lagged and flagged and sputtered. Much of that, I suggest, is attributable to the inaction or the wrong action by the government. In a desire, and the only desire, to get itself re-elected, they moved forward with undue haste and without care in promoting and pushing these forestry projects at the expense of Alberta's environment. Now the federal government has come in to clean up the mess. My question to the Deputy Premier is this: is the province of Alberta suing the federal government to divert attention from the fact that you haven't done the job that you should have been doing for the environment, to protect Albertans?

MR. HORSMAN: Mr. Speaker, the hon. leader of the Liberal Party should know better than to rely on press reports about suing anybody. No legal action has been instituted; no legal action is contemplated. This is a matter of fact. The members opposite are making a great deal out of this alleged concern. Because what has happened is this -- and the Minister of the Environment has been careful to point this out over the last several days in question period, although members of the opposition don't seem to want to listen.

For three years there was an agreement in effect between the government of Canada and the government of Alberta whereby each government would refer to the other in environmental impact assessments. During that period of time 28 projects were referred by the government of Alberta, after our process had been put in place, to the government of Canada, and every one of those environmental impact assessments done by the government of Alberta was approved by the government of Canada. At the same time, 18 environmental assessment projects undertaken by the government of Canada within Alberta were referred to us for consideration, and in each case we approved of the impact assessment undertaken by the government of Canada. Over a three-year period, therefore, a perfect record was achieved in terms of environmental impact assessments. For the opposition to say that it was not effective is totally and utterly and completely wrong. Get their facts right before they come into this Assembly and try and confuse the people of Alberta.

MR. DECORE: Mr. Speaker, maybe the Deputy Premier should consult with his colleague to find out what he's saying so that he gets his story straight.

I'd like to ask the Deputy Premier this: why would his colleague on Wednesday say that everything is fine and we're co-

operating, when in fact it now appears clear that the lawyers for the government, for the province of Alberta, have been preparing a case to sue the federal government so as to stop them from doing what should have been done in the first case?

MR. HORSMAN: Once again, the hon. leader of the Liberal Party shouldn't believe everything he reads in the newspapers. There has been the closest possible consultation between my colleague the Minister of the Environment and my department and the other departments of government with respect to renewing the agreement I referred to that did expire on May 15.

An element came into the situation which we did not anticipate, that being the decision of the federal court on the matter of the Rafferty-Alameda dam situation. Now that that is in place, it is clear that any responsible government will try and deal with that before the agreement is renewed, and negotiations are under way between the government of Canada and the government of Alberta towards renewing that very effective agreement, which, as I said, had a perfect record.

MR. HAWKESWORTH: Before the federal court ruled . . .

MR. HORSMAN: Ah, now. [interjections] Mr. Speaker, I'm being constantly interrupted by the Member for Calgary-Mountain View, which is his usual wont.

MR. SPEAKER: Thank you, hon. minister.

Perhaps we could have the final supplementary, Edmonton-Glengarry.

MR. DECORE: Mr. Deputy Premier, are you prepared to muzzle your colleague, then, and stop him from running around like a PR huckster and talking nonsense when in fact you're giving a different story than he's been giving?

MR. HORSMAN: Mr. Speaker, there are none so deaf as those who will not hear, and the Liberal leader is one of the prime examples in that regard. The hon. Minister of the Environment has come into this Assembly day after day after day and told the truth, and if the hon. leader of the Liberal Party doesn't like hearing the truth, that's just too bad for him.

We are not in the process, Mr. Speaker, of suing anybody. We are going to negotiate a fair and effective environmental impact assessment agreement with the government of Canada. We believe the good faith that they demonstrated and which we exercise will carry us into a new period of co-operation that the hon. leader of the Liberal Party couldn't imagine, considering his relationship with Pierre Elliott Trudeau and that gang.

MR. SPEAKER: Redwater-Andrew, followed by Calgary-Forest Lawn, Calgary-North West, Calgary-Fish Creek, Edmonton-Calder, Edmonton-Gold Bar, Rocky Mountain House, Edmonton-Mill Woods, Calgary-Buffalo, Smoky River, Calgary-Mountain View, Westlock-Sturgeon, and anyone else.

Redwater-Andrew.

Economic Impact of Pulp Mills

MR. ZARUSKY: Thank you, Mr. Speaker. My question today is to the Minister of Economic Development and Trade, again concerning the construction of the pulp and paper mills in northern Alberta. As you know, we've heard a lot in this House on

the environmental concerns and the potential problems that could result when these mills do come up, but let me tell you, Mr. Speaker, I think both opposition parties are the ones that are creating these environmental problems. I repeat once more: it's the opposition that's creating these problems.

SOME HON. MEMBERS: Question.

MR. TAYLOR: Steve, you're supposed to let him answer and read that part. You just ask the question.

MR. ZARUSKY: Thank you, hon. member. Mr. Speaker, I . . . [interjections] Well, I guess it's fun day in question period.

Mr. Speaker, we haven't heard much about the economic boosts that this would create in the province. My question is to the minister. Would the minister indicate to the House or tell us if there is any indication or potential of a spin-off industry or industries with these pulp and paper mills in the surrounding areas? [interjections]

MS BARRETT: I guess he's waiting for a supplementary.

MR. SPEAKER: No, the Chair is waiting for peace and quiet.

MS BARRETT: We can hear.

MR. SPEAKER: The Chair is interested that you can hear over your own voice. Thank you.

The Chair recognizes the Minister of Economic Development and Trade.

MR. ELZINGA: Thank you very much, Mr. Speaker. It's delightful to know that at least there are some members within this Legislative Assembly that are concerned about the economic environment within this province. We've indicated on a consistent basis that we are going to have the highest environmental standards in place for these projects. In addition to that, this party has a deep concern for the economic security of individual Albertans who are looking for employment, and we want to continue with that . . .

MR. DECORE: Even when you're going to rape the environment

MR. SPEAKER: Thank you. Perhaps all members could be gracious enough to allow the answer to be given.

MR. ELZINGA: And we want to continue with that trend of economic vitality. We experienced the strongest economic growth of any province in this country last year, Mr. Speaker. The spin-off benefits both direct and indirect are enormous as it relates to the forestry projects that are on stream. We just saw an announcement a few weeks ago whereby Du Pont is going to establish itself in the hon. member's constituency of Redwater-Andrew as one of the spin-off benefits.

In addition to that, we have direct employment in the vicinity of some 4,000 jobs. Mr. Speaker, the benefits are enormous, but we wish to underscore, as the Minister of the Environment has consistently done, that we have the highest environmental standards, but we also want to make sure that the economic climate is one whereby we are . . .

MR. SPEAKER: Thank you.

Short supplementary, Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. My supplementary is to the Minister of Career Development and Employment. As we all know, this Du Pont plant in the Redwater area after construction will need some highly technical and engineering people. Could the minister indicate whether Du Pont will be bringing these people in or would they be training them in the area?

MR. FOX: What's that got to do with pulp mills?

MRS. OSTERMAN: Mr. Speaker, to answer the question in a generic sense, we do have models under a special industry-based training program, and it would be my hope that working with a community-based group, we could assist at least people in the community. I can't say how much expertise they would have in the very technical area, but we would assist people located in the communities adjoining the plants to get employment by working with an industry-based training program.

MR. SPEAKER: Final supplementary.

MR. FOX: Third question. Topic: your choice.

MR. SPEAKER: Thank you, Vegreville.

MR. ZARUSKY: Thank you, Mr. Speaker. As we're all aware, the opposition, especially the socialists, I don't think want to see employment in this province . . .

MR. SPEAKER: Hon. member, please. [interjection] Order first; secondly, the supplementary question, succinctly put, or else the question taken away.

MR. ZARUSKY: Well, Mr. Speaker, it should be known out there, the views of the opposition.

MR. SPEAKER: Thank you, hon. member, very much. The House is well aware.

The Chair now recognizes the Member for Calgary-Forest Lawn, followed by Calgary-North West.

Alberta Royalty Tax Credit Program

MR. PASHAK: Thank you, Mr. Speaker. This government has shown a colossal inability to manage Alberta's nonrenewable energy resources. No better example can be provided than the government's handling of the Alberta royalty tax credit program. Not only do the large companies rather than the small Alberta producers for whom the program was intended derive the greater benefit but some companies take advantage of loopholes to multiply their credits. To the Minister of Energy. Given the need to reduce the drain on the Provincial Treasury, why does the minister not reduce the cap on the ARTC to say, half a million dollars and target the program more effectively to small producers?

MR. ORMAN: Mr. Speaker, in consultation with all of the industry organizations, the small explorers, Canadian Petroleum Association, and IPAC, we are doing just that and have been in

consultation with them for some four or five months.

MR. PASHAK: Fine. Anyway, Mr. Speaker, supplementary to the minister. Given that some companies bend the rules by establishing associate companies and these companies are eligible for royalty tax credits even if the parent owns up to 89.9 percent of the associate company, why won't the minister eliminate this problem by reducing the percentage for associate company status?

MR. ORMAN: Mr. Speaker, I can advise the hon. member that we have that under active consideration. It has been one of the recommendations from all three of the industry organizations that was presented to us, I guess, even prior to my term as Minister of Energy. So it's nice to see the hon. Member for Calgary Forest-Lawn catching up to what's happening in the industry in Calgary.

MR. PASHAK: As a matter of fact, Mr. Speaker, I asked that question last year, and I wonder how much money would have been saved to the Treasury if he had acted sooner.

So my question to the minister, Mr. Speaker, is: would the minister then give us some idea of how much money's been lost to the Alberta Treasury through the bending of associate ownership rules?

MR. ORMAN: Mr. Speaker, the Alberta royalty tax credit program has been a very important program for the industry. It has been in fact in place since, I believe, around 1974. That program is the lifeblood of many of the small companies in this industry. I can tell you that we will monitor this program. We are in the process of receiving recommendations as to how we can review this program in terms of moving from a generic program based on amount of royalties paid to a price-sensitive regime whereby we would be allowed to preserve the infrastructure of the industry during periods of lower prices and move away from the level of assistance in the program during higher prices.

As I indicated in my previous comment, the Provincial Treasurer, under whose jurisdiction the legislation falls, is looking at the modification of the program to make it most responsive to those in the greatest need, Mr. Speaker.

MR. SPEAKER: Calgary-North West, followed by Calgary-Fish Creek, then Edmonton-Calder.

General Systems Research Inc.

MR. BRUSEKER: Thank you, Mr. Speaker. The citizens of this province are becoming increasingly concerned about questionable loan guarantees. It was announced yesterday that General Systems Research of Edmonton will receive yet another guarantee, this time for \$2 million. This company has been to the public trough at least twice before, and government holdings in this company are worth less and less. It started with \$2.5 million worth of common shares; they're now worth about half a million dollars.

My question is to the Minister of Technology, Research and Telecommunications. What assurances does the government have that the \$30 million which the government has invested in a company with an accumulated deficit of some \$33 million is simply not a case of throwing good money after bad? Will we

get our money back?

MR. STEWART: Mr. Speaker, the investment of the government of Alberta is nowhere close to what the hon. member suggests. The investment by way of preferred shares and common shares is in the neighbourhood of \$20 million. But the company does possess advanced technologies in areas of lasers and the aerospace industry. Recently those technologies must move towards the production and commercialization stages. They have signed recent contracts that give it a new light, and those new circumstances are leading to us reconsidering the situation, monitoring it closely. It is hoped that the help and aid that is given to General Systems Research will allow them to bring that technology to full commercialization.

MR. BRUSEKER: Will the minister explain, then, why the government continues to pump more money into this company time after time when the private sector has shown little inclination to do so?

MR. STEWART: Same question, Mr. Speaker. Further moneys have not been pumped into the company. Further aid, by way of a loan guarantee, has been provided for the reasons that I mentioned.

MR. BRUSEKER: My final supplementary, Mr. Speaker. Why does this government, then, hold \$15 million worth of preferred shares, as indicated in their annual report, when there is almost no potential for return and when there are many other companies in the province that could benefit from provincial aid and would likely give us a return on the money we put in from the public purse?

MR. STEWART: Same question again, Mr. Speaker. But I must indicate to the hon. member that in the laser division a real breakthrough has occurred in the sale of a prototype laser cutter to Russell Corporation of Alabama. It's a technologically acceptable move in the research area in the textile field. It is one that has given an indication of further orders from the Russell Corporation, a corporation employing 11,000 people in Alabama. Further prospects are very, very encouraging there and in the aerospace industry as well. They have now signed contracts with McDonnell Douglas, with Boeing: longer term contracts that will bring the advanced technology that General Systems possesses to a commercialization stage.

Energy Policies

MR. PAYNE: Mr. Speaker, in response to a question raised by the Member for Edmonton-Glenarry yesterday regarding natural gas prices, the Minister of Energy made some fairly bullish comments that, frankly, demand some justification in the House. My question to the hon. minister is: on what data or specific developments and projections does he base his optimism for natural gas prices and exports?

MR. ORMAN: Mr. Speaker, I did touch briefly, in kind of a circular way, on this matter yesterday. I should point out to the hon. member that I appreciate his ongoing interest in this particular area that's so vital to the Alberta economy.

Firstly, one of the things that is so very important to us is the nature and vibrance of the United States market for our natural

gas. We export into the United States in excess of 1 trillion cubic feet of natural gas, and I should say that we are capable of producing much more gas, particularly given some recent finds in this province. At the same time, in the United States domestic production was approximately 16 trillion cubic feet with new discoveries accounting for about 7 trillion cubic feet of natural gas. That's approximately at a rate of about 45 percent of domestic production, so you can see that there is a great deal of interest in our natural gas. We are simply confined by pipeline capacity. I can tell the hon. member that there are some \$6 billion to \$10 billion worth of pipeline expansions into California, the midwest of the United States, and the vibrant northeast market.

MR. SPEAKER: Thank you.
Supplementary.

MR. PAYNE: On a directly related matter, Mr. Speaker, and flowing somewhat from the question raised by the Member for Calgary-Forest Lawn regarding Alberta royalty tax credits and the minister's recent speech in Calgary outlining his intended changes in the RTCs, can he realistically report to the House as to how these changes will impact both industry activity and profitability?

MR. ORMAN: Mr. Speaker, it was extremely unfortunate that a Southam wire story out of Calgary on comments that I made in a prepared speech that was distributed to the media had indicated that the royalty tax credit program would come to an end in October 1989 along with the crude oil royalty holiday. That is simply not true. That program has been around, as I indicated earlier in question period, since 1974. The program will continue to be around. It will be in a manner that is more related to price sensitivity. We are moving to a price-sensitivity regime on January 1, 1990, with the input and advice of industry. The consultation process has been extensive. I had the opportunity to meet with IPAC as recently as this week, and we will certainly be putting in a program that will not only be price sensitive but will have some term certainty to it so that the industry knows where they stand.

As I indicated earlier in question period, to the small producers the netbacks on the royalty tax credit are very important, and we want to continue to keep them healthy during this period of pipeline expansion so that the supply will be able to match the demand in the next two years.

MR. SPEAKER: Final supplementary, Calgary-Fish Creek.

MR. PAYNE: Thank you, Mr. Speaker. My final sup has to do with this government's crude oil royalty holiday program. There appears to be a fair amount of confusion and uncertainty in Calgary regarding the status and the minister's plans for this program. Will he clarify today exactly what he has in store for this beneficial and invaluable program?

MR. ORMAN: Mr. Speaker, the crude oil royalty holiday was put in place three years ago, in October, 1986, and it had three tiers to it. Wells that were drilled to the end of October 1987 received a five-year holiday. Wells drilled to the end of October '88 had a three-year holiday. Wells drilled to the end of October '89 had a one-year royalty holiday. That royalty holiday applies whether or not there is production so that if there is pro-

duction established in crude oil that is not produced for some time in the future, the crude oil royalty holiday is still applicable.

I should point out that this program has resulted in somewhere between \$400 million and \$700 million, based on estimates to the end of the program in October '89. The regime came in place at substantially lower prices than today, and this government believes that at \$20 west Texas intermediate, or around \$24 to \$25 Canadian, that program should and will expire October 31 of this year.

MR. SPEAKER: Thank you.

Edmonton-Calder, Edmonton-Gold Bar, Rocky Mountain House.

Social Assistance Policy

MS MJOLSNESS: Thank you, Mr. Speaker. My questions are to the Minister of Family and Social Services. The minister stated in the House yesterday in response to the Leader of the Official Opposition that his government meets basic needs for people on social assistance. In fact, their basic needs are not being met. Four hundred and ninety dollars a month for rent and utilities for a young family is simply not adequate, and clothing allowance has not been increased since 1982. In view of the fact that social assistance rates do not reflect the true costs incurred by families and individuals, will the minister prove that he really meant what he said yesterday and increase the rates?

MR. OLDRING: Mr. Speaker, we as a government monitor those rates on an ongoing basis. We evaluate them on an ongoing basis. We take into consideration economic factors, cost of food, cost of living. We will continue to do that on an ongoing basis, and when there's appropriate needs for increments, we'll take the necessary action.

MS MJOLSNESS: Mr. Speaker, if you're monitoring, you should know that the rates are too low then.

Supplementary to the minister. How can the people of this province trust this government to meet their basic needs in social assistance when the rates are set arbitrarily and they just do not reflect the true cost; of rent, utilities, food, and clothing?

MR. OLDRING: Again, Mr. Speaker, I mentioned earlier that we take into consideration a number of factors in establishing those rates and that we're going to continue to make sure we provide for those essential services, being food, clothing, and shelter. We've done that in the past, and we'll continue to do that in the future.

MR. SPEAKER: Final supplementary, Edmonton-Calder.

MS MJOLSNESS: Thank you, Mr. Speaker. The rates are set arbitrarily. Given that of the 140,000 people on social assistance in Alberta thousands are children, how can this minister and this government say that they support families when they force so many families and children to live in poverty?

MR. OLDRING: Mr. Speaker, I would first of all want to say that we as a government are of course very concerned about children living below the poverty line. It's something that isn't unique to this province. It's something that we as a nation are

facing, and I don't think any Canadians take pride in seeing children living below the poverty line. I would want to say on a more positive note, though, that here in Alberta we have the second lowest number of children below the poverty line in Canada. I would say that I'm encouraged by the initiatives we are taking as a government as it relates to the unemployment rate that we saw drop so drastically last month here in Alberta, the initiatives that relate to our forestry industry, the initiatives that relate to tourism . . .

MR. SPEAKER: Thank you, hon. minister. Thank you. A fair number still want to get into question period.

Suicide Prevention for Foster Children

MRS. HEWES: Mr. Speaker, last week in response to my question regarding the suicide of foster care child Wayne Moberly the Minister of Family and Social Services answered:

It is a tragic situation, but I am satisfied that we did everything that we could, and I don't think you can ask us to do anything more than that.

Well, I'm asking for something more. I want to draw to the minister's attention that his department commissioned an inquiry following a similar tragedy, that of Richard Cardinal, some years ago. This is the Thomlison report. The report contained 27 sensible recommendations regarding child welfare which the minister of the day responded to, stated would result in changes to the system, and which he committed himself to. That's this report, Mr. Minister. My question is: were the 27 recommendations of the Thomlison report taken seriously, were they implemented, and if not, why not?

MR. OLDRING: Mr. Speaker, a number of questions were thrown out there. I would want to say that this member is really stretching it to try to compare the Cardinal situation to the Moberly situation. In terms of the report that she's made reference to, it was an excellent report, and we've already implemented a number of those recommendations.

MRS. HEWES: Mr. Speaker, you don't have to get mad just because you don't know the answer. The answer is no, they have not been implemented.

MR. SPEAKER: It's not up to you to supply the answers to the questions. Could we have the supplementary?

MRS. HEWES: Does the department have a special methodology and a team to identify these high-risk children who are in foster care and to give backup to the regular workers who already have a high caseload? Do you have the team? Is that one of the ones you put in place?

MR. SPEAKER: Thank you, hon. member. Three questions. One is enough.

MR. OLDRING: Mr. Speaker, I know that the member was somewhat embarrassed over her preamble, and she likes to start off by trying to take an inappropriate shot. Again, this department has implemented a number of initiatives, and a number of those initiatives were very apparent in the way the Moberly case was handled.

MR. SPEAKER: Final supplementary.

MRS. HEWES: Mr. Speaker, it's not working.

My final supplementary is: are all child welfare workers given the Thomlison recommendation for suicide prevention and training programs? Are they regularly given that training program, Mr. Minister? That's part of your department as well.

MR. OLDRING: Mr. Speaker, we have some very capable child care workers here in the province of Alberta. We're very fortunate to have some very well-trained, very caring, and very committed individuals. Those individuals face some very challenging choices and decisions on a daily basis. In the Moberly incidence I'm very appreciative of the extra commitment I think the individuals made in that particular situation. Again, I mentioned that a number of the implementations as it related to the Cardinal report were in place, and I'd like to talk about that as it relates to the Moberly case. [interjections]

MR. SPEAKER: One quick comment, please.

MR. OLDRING: Mr. Speaker, it's difficult to give a quick comment to the question.

MR. SPEAKER: I'm sorry, hon. minister. Thank you.

Rocky Mountain House, Edmonton-Mill Woods, Calgary-Buffalo.

School Foundation Program Fund

MR. LUND: Thank you, Mr. Speaker. Municipalities in this province are required to assess most of the property within their jurisdiction. They set a mill rate, then collect the taxes for their own needs and the amounts that are requisitioned by jurisdictions outside their municipality. One of those jurisdictions is the provincial government via the school foundation program. This year the school foundation program has risen by about 2.5 percent. My question to the Minister of Education: what effect will this have on the residents of the province of Alberta, the residential property?

MR. DINNING: Mr. Speaker, this levy is not levied on residential homeowners; it is levied on commercial and industrial property owners only. The rate has moved from 15.5 mills to 15.9 mills.

MR. SPEAKER: Supplementary.

MR. LUND: Thank you, Mr. Speaker. The fact is that this increase came about and the municipalities were notified after many of the tax notices were sent out. In view of that I would ask the minister: what action is he going to take, if any?

MR. DINNING: Well, Mr. Speaker, as I said earlier, this mill rate is levied by municipalities, it's paid to the government in trust, and it goes into the school foundation program fund, from which the government pays a per pupil grant to all of the school boards in the province. I might add that this year that is a 5.5 percent increase in those grants to those school boards, the highest of any of the grants that this provincial government pays, which shows -- and it underscores what the Provincial Treasurer said in his speech last Thursday -- that education is and remains

this government's number one priority.

Mr. Speaker, I do regret that the advice went to municipalities later than it normally has, but we will be expecting municipalities to pay that 15.9 mill rate into the school foundation program fund.

International Development Aid

MR. GIBEAULT: Mr. Speaker, Alberta used to be a leader in Canada with its international development assistance program, yet in this budget that was tabled in the House last week, there was a vicious cut of 34 percent in that particular program. That came on top of a 12.5 percent cut last year, following a 50 percent cut the previous year. So I'd like to ask the Minister of Economic Development and Trade this question: can he tell us, since he had no problem finding \$4 million for this government's buddy Peter Pocklington while he was attacking the international assistance program, what other conclusion could Albertans come to except that this government cannot be trusted anymore to work co-operatively with Alberta's international development community?

MR. ELZINGA: Mr. Speaker, I'm delighted that I have the opportunity to put the record straight because the New Democratic Party on a consistent basis attempts to distort the facts. The truth of the matter is that this province continues to support, in a way unexcelled by any other province throughout this country, our nongovernmental agencies, and we are going to continue to offer that support. What I have done is I've communicated to these agencies, indicating to them that there will be modest reductions in the funding this year. I've also indicated to them that I would very much appreciate their input as to how we can make this program more responsive.

Mr. Speaker, if the hon. member has any constructive suggestions, we would appreciate them also.

MR. GIBEAULT: Going from \$7 million to \$2 million in three years is hardly modest, but I want to ask the minister this: given that most Albertans would have the concept that a democratic government is one that responds to the citizens of this province, can he explain to us how it is that one letter from Peter Pocklington seems to be worth at least \$4 million this year, and hundreds of letters from Albertans don't seem to count for anything with this government?

MR. ELZINGA: Mr. Speaker, the hon. member persists in dealing in distortion. Peter Pocklington did not receive any grant, and if the hon. member persists in involving himself in these distortions, I don't feel his question is worthy of an answer.

MR. GIBEAULT: Mr. Speaker, can this minister tell the House why it is that his government has betrayed the trust of the thousands of volunteers who have worked over the years with this government in international development, have donated funds to that program, and now they've sold them out? He's hacked this program away three years in a row. Why have you sold them out?

MR. ELZINGA: Mr. Speaker, the only trust that's been betrayed in this House is the trust of telling the truth, which the hon. member is not doing.

MR. SPEAKER: I'm sure the hon. minister will pause and reflect and withdraw that remark.

AN HON. MEMBER: No way.

MR. SPEAKER: In terms of the matter of . . . Well, other people saying "no way" really is beside the point. It's the minister involved who's got to make up his mind. The comments that begin with "distrust" and "mistrust" and so forth are in the generic sense, whether it be government, opposition. But in this particular instance the remarks were directed at an individual, and perhaps the minister would be kind enough to withdraw.

MR. ELZINGA: Mr. Speaker, if I in any way, sir, have erred, I would be more than happy to withdraw that comment . . .

MR. McEACHERN: He didn't, though.

MR. ELZINGA: . . . recognizing the sanctity of the Legislative Assembly. But let me indicate to the hon. member that we are going to continue . . .

MR. McEACHERN: He didn't ask for a recall. He asked . . .

MR. SPEAKER: Edmonton-Kingsway. Please.

MR. ELZINGA: . . . to support in an unparalleled way the nongovernmental agencies, recognizing the extremely worthwhile work they do. As I indicated, I did ask them for input as to how we can continue with that strong support, recognizing that our means are somewhat more modest. I would also point out to the hon. member that in the event that he is sincere in his desire to pursue this matter, we look forward to doing so when my estimates are before the House.

MR. SPEAKER: Thank you.

The time for question period has expired.

There is a question that the Chair must ask. Minister of the Environment, yesterday a matter was raised, and the minister was prepared to give additional information. Is that now prepared to be entertained? Thank you.

Since question period time has expired, might we have unanimous consent to complete this series of questions and answers?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

Oldman River Dam

MR. KLEIN: Mr. Speaker, the question yesterday was asked by the hon. Member for Edmonton-Jasper Place:

The Alberta government applied for and received a federal permit to construct a dam on the Oldman River under the Navigable Waters Protection Act. Today in court the government's lawyer showed up and announced that the Alberta government has unapplied for that permit, if you can believe that I wonder why the Minister of the Environment, who talked yesterday about co-operation and federal participation -- all nice words -- is engaged in such cheap legal manoeuvring today.

I took that question under notice, Mr. Speaker, and today, since this is a matter that is before the court, I would like to defer to

the Attorney General, who may wish to respond.

MR. HORSMAN: Mr. Speaker, all I can say is that it is before the courts and will be determined. [interjections]

MR. SPEAKER: It's sub judice on that aspect.
Edmonton-Jasper Place, with regard to the general issue.

MR. McINNIS: My question for the Minister of the Environment is: has he determined why he wasn't informed by the government that this action was taken, and has he taken steps to get in the picture as far as decision-making on the environment is concerned?

MR. KLEIN: Well, very simply, Mr. Speaker, I was in caucus all morning.

MR. SPEAKER: On a point of order, Edmonton-Highlands.

MS BARRETT: Mr. Speaker, I'm not sure if this is a violation -- well, I know it's not -- of any standing order. But I did understand by agreement from the House leaders that written notice of supplementary information would always be given to the original questioner, and that notice was not delivered.

AN HON. MEMBER: Aw.

MS BARRETT: That's right.

MR. SPEAKER: It is indeed not a point of order -- well, the understanding of Government House Leader, then.

MR. HORSMAN: That's a matter, Mr. Speaker, that I think we should discuss at a House leaders' meeting with Your Honour.

ORDERS OF THE DAY

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. SPEAKER: The Chair recognizes the Member for Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to the members of the Assembly 13 grade 6 students from the Pope John XXIII school in Fort Saskatchewan in the constituency of Clover Bar. They're accompanied by their teacher Mr. Larry Sheriff. Our guests are seated in the members' gallery. I would ask that the students and their teacher stand and receive the traditional warm welcome of the members of this House.

MR. McINNIS: Mr. Speaker, I'd like to introduce, in the gallery, Mr. Gerry Paschen, who's the director of Canadians for Responsible Northern Development, a tireless worker, on behalf of the environment and especially the northern part.

MR. SPEAKER: The Chair would like to give notice to House leaders that some discussion will take place with regard to the matter of introduction of individuals. Thank you very much, as we add that to our agenda, as well.

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 2 Appropriation (Interim Supply) Act, 1989

MR. JOHNSTON: Mr. Speaker, I move second reading of Bill 2, Appropriation (Interim Supply) Act, 1989.

As all members know, this Bill provides funding for the province to operate through the General Revenue Fund from April 1, 1989, through to the anticipated end of the Legislative Assembly, sometime in August or September of the year. Accordingly, Mr. Speaker, we are requesting approval to spend \$6,119,758,116. Of course, those dollars go for those important programs; in particular, transfers to municipalities, to health, to even some of those social programs that my colleague the Member for Edmonton-Norwood is advocating. In fact, it is a matter of note that this \$6 million will subsume the interim special warrant which was passed by Executive Council between the election and the calling of the House.

Accordingly, knowing the procedure of the Assembly, I move the second reading of this Bill.

MR. SPEAKER: Thank you.
Member, for Calgary-Mountain View.

MR. HAWKESWORTH: Mr. Speaker, far be it from us to hold up the government getting its hands on the money it needs to run the province; nevertheless, the fact that over \$4 billion of a special warrant was passed by a cabinet for whom large numbers were not even elected . . . Given that that was unprecedented as far as the use and abuse of special warrants are concerned, I think I can't let the opportunity go by without making note that that special warrant provided earlier this year was totally unnecessary had the government used any better methods of arranging its financial and political agenda in order to look after the people of this province. It was unnecessary. It could have been dealt with in an interim supply Bill way back when we were brought into this House in February of this year. It was not necessary for the government to create the crisis it created by calling the election the way it did and thereby putting the province in the perilous situation of being forced to go to special warrant to cover up to \$4 billion of government expenditure.

Mr. Speaker, I just wanted to take the opportunity to point that out to this Provincial Treasurer. Perhaps sometime in the future when they're looking at managing the affairs of this province, they'll look further ahead than the front of their own noses in making their decisions so that the due process won't be abused again.

Thank you, Mr. Speaker.

MR. DECORE: Mr. Speaker, I think it has to be underscored and highlighted that this was an improper procedure, that there were other options, that there were opportunities the government could have taken to have brought forward a proper budget process that allows government to be accountable, that allows decisions to be made in the open. Almost 40 percent of the budget of the last year was done in this manner, and I don't think that's right. I think Albertans should be appalled at the way this was done. It was done simply for political expediency, simply so they could delay the issue of the deficit. Statements that were made during the course of the election by the Premier in particular were that the deficit was under control, and the most annoying statement was the statement the Premier made that the deficit reduction plan was on target. I would like to suggest that the Provincial Treasurer probably knew it was not on target and that this was a cold, deliberate attempt to mislead Albertans, to keep that information away from Albertans during the course of the general election. I think it's deplorable -- and the record should show and state that this government abused a process that people in England many years ago would die for -- to have decisions made in the back rooms rather than out front.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Speaker. I want to also say that I think the government didn't need to box itself into the kind of situation it did. I might remind everybody that it did the same thing back in 1986 by holding an election after the fiscal year had started. It meant that we weren't into the Assembly until the middle of June, and we found ourselves in exactly the same kind of situation and the government had to bring in a huge interim supply Bill at that time. So this year they organized themselves in the same sloppy manner, and as other members have already said, it was just for political expediency that they did so.

It wasn't just that they did it; it was the cynical way in which they did it. Now, I will admit that there were some things in the budget that this interim supply Bill embodies that were okay. You know, I think it was important to restore some of the education funding. I would point out that the increases were merely enough to almost make up for the cuts they introduced the year after the election the last time around, and the same with the health care increases. So there were some things in the budget that were positive. The Treasurer talked in his Budget Address about diversification, and that's a question mark. There's been some diversification, and there are lots of pros and cons about that. We'll get around to raising those and talking about them in specific estimates as they come up.

The Treasurer also bragged that last year was an extremely good year, but what he won't admit is that every forecaster in the country is basically saying that the forecast for this year puts Alberta in the 2 to 2.5 percent growth range, the poorest in Canada. So, Mr. Speaker, the Treasurer gave a totally false picture of the situation we're faced with today. Even if you accept that last year was a good year and accept the Mulroney dictum during the federal election which just occurred last fall that we've had six good years of growth in this country, this Treasurer and this government would have to admit, as does the Mulroney government, that we have not shared the wealth in this country and particularly in this province in the last number of years. So there are some really negative sides to the growth we've experienced, and in fact the questions to the family and support services minister today would indicate that. In fact, the

AISH grant is still \$720 and has been that way for at least five years.

Now, Mr. Speaker, this budget needs to be looked at in the context of the election and pre-election statements and promises made by this government -- the broken promises on taxes -- and particularly I want to take some time with the December 6 Treasurer's update. The member that spoke before me indicated that the Treasurer had not given exactly a true picture of the state of the province prior to the election, and I want to substantiate that in some detail.

MR. SPEAKER: Perhaps, hon. member, we could indeed deal with this and less of the background.

MR. McEACHERN: Well, Mr. Speaker, this is . . .

MR. SPEAKER: Order please. Order. Back to the interim supply Bill.

MR. McEACHERN: Mr. Speaker, this is the fiscal expenditure plans of the province of Alberta, and if you're going to spend money you also have to have revenues to be able to pay for those expenditures. We have been around this debate before in terms of not only interim supply Bills but the appropriation Bills at the end of the session, and the inevitable conclusion was, particularly given the introduction the Treasurer used in every case of introducing his Bill and ranging far and wide about the plans and the reasons and all that sort of thing, that in fact a Bill of this sort opens up the whole budget. If you want to get into an argument about that, fine, we can do that. But really . . .

MR. SPEAKER: Back to this Bill.

MR. McEACHERN: Go ahead? Well, I am talking about this Bill and . . .

MR. SPEAKER: Thank you, hon. member. We are not going to deal with the whole budget of the province. The House is indeed well commenced in terms of dealing with supply, and there's more than ample opportunity for that. In terms of second-reading with Bill 2, let's focus your remarks much more, thank you.

MR. McEACHERN: Mr. Speaker, with due respect, all the expenditures of the government are in here. It does embody the fiscal plan of the government. And considering that the government has given us only one day to debate the budget in general, it would seem to me it would be appropriate that under the appropriation Bill, this interim supply Bill, we should be able to address some general remarks to the budget. I don't think that's unfair.

MR. SPEAKER: Thank you, hon. member. The Chair realizes that you're not standing on a point of order even though you sound like you're discussing it as a point of order. For the third and last time, would you please focus your remarks, otherwise your right to speak will be removed.

MR. McEACHERN: So there's no point of order then?

MR. SPEAKER: Thank you, hon. member. The Chair has given its admonition. For the third and last time, please focus

your remarks.

MR. McEACHERN: Can I raise a point of order, please? Precedent, for one thing, Mr. Speaker . . .

SOME HON. MEMBERS: Citation, citation.

MR. SPEAKER: A standing order? *Beauchesne*?

MR. McEACHERN: I don't have *Beauchesne* with me and the standing order in it. Mr. Speaker, I can show you the *Hansard* from last year where we went through exactly this argument, and the conclusion was that in addressing the general appropriation Bill of the province, the whole fiscal plan of the government was in order. We went through that last year. I don't see why we have to go through the fight again this year.

MR. SPEAKER: Thank you, hon. member. The Chair does not uphold your point of order. Please focus your remarks for the last time.

MR. McEACHERN: Mr. Speaker, in this document the government says they're going to spend over \$6 billion under the interim supply Bill outlining the expenditures of the government, and the total expenditure, the \$6 billion, represents over 50 percent of the \$11 billion total expenditure of this province. Now, the revenues to cover that come \$1.5 billion short by the Treasurer's own estimates. If you were to add the heritage trust fund expenditures, which he very conveniently left out of page 23 of the documents this year -- of course, last year's budget speech had them in -- you would find the estimates are \$1.63 billion short.

MR. HORSMAN: Point of order, Mr. Speaker. I don't want to curtail the hon. member's debate, but the interim supply Bill is here and if there's anything in there the hon. member doesn't want to spend, he should say so. But in terms of dealing with revenues, which he is now purporting to do, they are not part of the interim supply Bill. Therefore, I would ask the hon. member, with due respect, to confine his remarks to what there is in the interim supply Bill that he doesn't want to see expended. That's really interim supply and the whole nature of it. It's quite clear.

MR. McEACHERN: Well, Mr. Speaker, this Bill has a lot of expenditures in it that total up more than the revenues of the province, as I've already pointed out, and the Treasurer should be recording the true picture of the province, not giving us a lot of numbers that are not accurate. Now, he indicated just prior to the election that the shortfall in revenues in oil would be some \$690 million but he was going to get \$270 million from Ottawa, so he was going to come out with a deficit of \$1.37 billion. I would maintain that he knew at that time that that deficit would be bigger than that, because the oil prices have been higher since that time . . .

MR. SPEAKER: Thank you, hon. member. What's printed in the Bill, please? Thank you.

The Chair recognizes Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. I'm going to be brief and not get into the substance, since this is an interim measure

and we will get a chance to debate the final Bill before long. However, I would like to associate myself with the comments of some of the previous speakers, in particular the Member for Edmonton-Glengarry. The particular point is that Albertans should be extremely concerned about the spectacular use of the warrant process by this government; \$4.1 billion was authorized by means of warrant. This is enough for operating this province for a period of almost five months. It's a very bad precedent, I would submit, to approve the expenditure of that sum of money behind the closed doors of the cabinet room, particularly when the government could have very easily approved enough expenditures during the time in which this House met in mid-February. It knew at that time what was going on; it knew about its fiscal situation. Nevertheless, it has continued to mislead Albertans and proceeded to expend throughout the province on the basis of a cynical backroom decision which it made based on the true facts but which it refused to disclose to the people of this province. Indeed, it totally misled the people of this province. We've heard the minister refer to miscommunication. Well, it's a type of miscommunication that Albertans do not want to see again in this province, Mr. Speaker.

Thank you.

MR. SPEAKER: Thank you.
Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I just want to make a few comments in second reading of the Appropriation (Interim Supply) Act, 1989. It's more to do, I guess, with the process here. I mean, far be it from me to stand up and speak against any of the particular items mentioned in the appropriation Bill here. I'm sure most of it's spent on worthwhile and much needed services for Albertans. But I don't want the Treasurer to think for a moment that if we on this side of the House support his Bill in second reading, we're endorsing the process through which this came about. There are occasions when special warrants need to be resorted to. That's a practical consideration and an avenue that's open to governments in our parliamentary system. However, the reasons for in excess of \$4 billion in special warrants being approved, Mr. Speaker, were not practical reasons; they were political reasons. I take great offence to that amount of money being approved with very little consideration by a small group of people behind closed doors when I, a democratically elected representative of the people, am sent to this Assembly to try and guard the public trust, to represent people's best interests in that regard.

I just want to make an appeal to the Provincial Treasurer and his colleagues in cabinet to take a very close look at the suggestion put forward by my colleague the Member for Edmonton-Highlands regarding the establishment of an all-party committee that would get involved in reviewing requests for a decision prior to approval of special warrants by cabinet. I think that would not jeopardize the process at all but would introduce an important element of democracy into the special warrant process, which I admit is something that needs to be resorted to on occasion for emergency-type expenditures. But the four point whatever billion dollars that was approved by special warrants after the election was anything but emergency. It was a politically motivated decision that could have been avoided by prudent management not only of the government's budget but of the government's agenda.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Call for the question. May the Provincial Treasurer sum up? Thank you.

MR. JOHNSTON: Mr. Speaker, first of all, let me just make some comments about some of the points which were germane. There were some rambling comments which were not at all germane to the debate before us, and I'll try to avoid those and avoid any comment with respect to those comments.

What we have before us, though, is in fact an appropriate process which has been used in Alberta at least three times over the past decade, and it's been used more than that in other provinces similar to us. So I think in terms of setting precedent or in the way in which our parliamentary system evolves and emerges here in western Canada, in fact this process, in particular the process of passing a special warrant to provide for interim supply, has been approved. Essentially what the governments have done, certainly the government of Alberta over those periods I refer to, is come back into the House with a Budget Address and an interim appropriation bill as soon as possible. The Legislature essentially has agreed to that process. We can't tell from time to time when it's necessary for us to have an interim supply appropriation by special warrant, because such things as elections do intervene. All members essentially who are in the House now recall full well that we did the same thing in 1986, and I've indicated it has happened before.

MR. McEACHERN: That doesn't make it right

MR. JOHNSTON: Therefore, it does make it right, Mr. Speaker. In fact, the parliamentary process has agreed that this process is one which Alberta has accepted. It is not a question of inappropriate, or it is certainly not a question of being legal or illegal. It is in fact a legal process.

So when you get into the debate, Mr. Speaker, the only thing the members can raise is: was there some reasonable judgment with respect to the \$4 billion? We have said before in this House that in fact the \$4 billion appropriation was necessary to effect the transfers to schools, municipalities, and other local authorities, was in fact necessary to keep them operating. What the opposition is talking about is that in fact if you did not approve that appropriation by way of special warrant, you would not be able to provide that transfer to those important local governments. Our view is that we want to keep those local governments comfortable, keep the transfer of dollars working, and therefore from our point of view we don't object at all to the need to transfer that money, and in fact as I've indicated in my budget, it constitutes a very large portion of the transfer of dollars. So there is only a specious argument here about the process. It is not illegal, it is appropriate, it has been done in the western Canadian parliamentary system many times, and I think it will be done again as well in the future.

So, Mr. Speaker, there is no debate about the size of the dollars from the opposition, there is no debate about the appropriateness of the process of this Bill itself, and therefore I conclude by saying that we should pass this Bill now so we do have behind us the interim supply to continue to run the government through to the end of the summer at least.

[Motion carried; Bill 2 read a second time]

Bill 3

Appropriation (Alberta Capital Fund) Interim Supply Act, 1989

MR. JOHNSTON: Mr. Speaker, I move Bill 3, Appropriation (Alberta Capital Fund) Interim Supply Act, 1989.

Mr. Speaker, this Bill provides for the interim supply for the Alberta Capital Fund.

MR. McEACHERN: A couple of questions, Mr. Speaker. I see there are a couple of additions to the expenditures of the province under the Capital Fund this year compared to last year. Perhaps the Treasurer, rather than just sort of naming the Bill and sitting down and assuming it will be railroaded through, would give us some little explanation about why the changes, what the additions are and what they're for. It would be appropriate, it would seem to the.

MR. SPEAKER: Thank you.

AN HON. MEMBER: Question.

MR. SPEAKER: Call for the question. May the Provincial Treasurer sum up?

MR. JOHNSTON: Mr. Speaker, as all members know, of course, this is an interim supply. The more formal process and debate on the actual appropriation Bill, the Capital Fund budget itself, will be before the House. I'm sure at that point, as the Bill proceeds through, there'll be ample opportunity to provide an explanation as to the very significant investments this government is making in universities, colleges, and hospitals. What you have here is a capital investment decision to ensure that hospitals are built, colleges are built, and universities are built. In particular, we want to maintain that priority, and therefore that's what this Bill is about.

[Motion carried; Bill 3 read a second time]

Bill 4

Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1989-90

MR. JOHNSTON: Mr. Speaker, I move Bill 4, Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1989-90.

This Bill provides for the Heritage Savings Trust Fund interim supply.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Call for the question.

[Motion carried; Bill 4 read a second time]

Bill 7

Farm Credit Stability Fund Amendment Act, 1989

MR. JOHNSTON: Mr. Speaker, I move Bill 7, the Farm Credit Stability Fund Amendment Act, 1989.

This Bill is a fairly simple amendment to the legislation

which was introduced in 1986 in that we are extending from June 30, 1989, to June 30, 1991, the term by which farmers in all of Alberta have an opportunity to access the pool of money providing secure long-term financing at 9 percent. We have already announced that this would be enriched by approximately \$500 million. As we look at the interest rates right now in Alberta, we can see the major commitment this is for the farming communities across Alberta. Securing this money for a 20-year period at 9 percent is certainly a significant benefit. This is a separate fund, and dollars are provided to the fund. Of course, it operates internally with respect to its own cash flow, and there is an appropriation within the Department of Agriculture which provides for some of the administrative costs.

The current status, as far as I can see, with respect to June 9, 1989, Mr. Speaker, certainly confirms that this is a positive, successful program going directly to the heart of the financing problem for farmers and ranchers in this province. There are total active loan authorizations under way of 21,823. The total amount of money committed so far is \$1,944,600,000, the average loan amount being \$89,000. We can conclude that this plan has worked effectively. The banking system has done most of the administration. As I've explained, in 1986 we simply transferred money to the banks, allowed them to invest it, but it was in fact our money. The banks are the ones who receive a fee for the delivery of the service to the farming community. We use essentially the creditworthiness judgment used by the banking system to ensure that the operation takes place. I should say that the vast majority of these loans, about 76 percent, are for the 20-year period.

So I think the farming community has responded. I think our program meets their needs. What we're doing here today, Mr. Speaker, is asking for approval to ensure that this very positive, successful program continues to operate for another two years, to ensure, through some changes in the regulations which the minister will be showing you in the near term, some additional changes with respect to how the loan applications flow.

I think, Mr. Speaker, because of the success of this program and this government's commitment to ensure that agriculture is our number one economic priority, we would encourage the House to agree to second reading of this Bill.

MR. SPEAKER: Member for Vegreville, followed by Calgary-Fish Creek.

MR. FOX: Thank you, Mr. Speaker. The amending Act proposed by the Provincial Treasurer is a fairly straightforward and simple piece of legislation, as he states, merely extending the terms of the Farm Credit Stability Fund Act, and that's something we certainly wouldn't argue with. But I think it's important to note here that the response to the Farm Credit Stability Fund program hasn't been as rosy as he would have us believe. There have been some problems with farmers accessing that money.

If I could refer briefly to the history of the debate on this Act, it came forward in 1986, I believe, in response to several years of pressure from the Official Opposition on the government to get them to come forward with a program of long-term, fixed low-interest loans for agriculture, something we argued long and hard for in this Assembly. The government finally came forward with a program that attempted to do at least part of that, and during the course of debate we on this side of the House supported and attempted to amend the Act but did sup-

port the Farm Credit Stability Fund Act. The concerns I raised at the time are concerns I have to this day, and I'm a little disappointed that the Treasurer didn't use the opportunity of this amending Act to make some further changes in the Bill. Perhaps I'll have an opportunity to recommend them again when we get into committee stage.

The purpose of the Farm Credit Stability Fund, hence the purpose of the amending Act, is to stabilize the financing costs in the agricultural community and take some action, hopefully dramatic action, that would be of benefit to farmers and ranchers in Alberta. I think the Bill misses the boat in a couple of ways, Mr. Speaker. The choosing of the 9 percent interest rate is, in our opinion and the opinion of many in the farm community, simply not low enough to be much in the way of significant benefit to farmers. I think it was unfortunate that the government went through the long and involved process of setting up this Farm Credit Stability Fund program to help farmers -- there was, you know, a lot of bureaucracy involved, a lot of wheeling and dealing on the part of the Treasurer to get the program in place -- and then picked an interest rate that's too high to really attack the heart of the problem. One could compare it to putting a potato in the oven and then baking it at room temperature, Mr. Speaker, because they took a step in the right direction but didn't go all the way.

It again reminded me of how we in the opposition are happy to provide ideas to the government that they eventually take up and put in place for Albertans, but we wish they'd get it right for a change, Mr. Speaker. I guess that strengthens our resolve to move across the House in the next election so we can be responsible for implementing our programs rather than them responsible for screwing them up.

The other problem with the Farm Credit Stability Fund Act, and the minister had a chance to deal with that here and doesn't seem to want to, is that the . . .

MR. SPEAKER: Order please, hon. member. I'm afraid in *Beauchesne* the phrase used, "screwing up," is not parliamentary. Thank you. For future reference.

MR. FOX: I'll withdraw the term, Mr. Speaker, and refer to the fact that we're tired of the government not getting our programs quite right.

I think another problem with the Farm Credit Stability Fund program is its accessibility to the farm community. Certainly people who don't need the money have no trouble getting it. You know, if you're a borrower in good standing with your local bank and have lots in the way of assets and if your operation could withstand the re-evaluation of your assets to qualify for the loan, then you'd likely get it. But the Treasurer well knows that there's been an endless number of cases of farmers who need the help, who could make good use of the assistance, and who have been denied access to the program by the banks.

Oftentimes it's a real mystery, Mr. Speaker, because you'll have a client who's got a loan portfolio, a couple of hundred thousand dollars in various loans with the bank, paying 12 or 13 percent on those loans; the bank seems willing to carry them at 12 or 13 percent, yet will deny them access to the benefits of this program at 9 percent. Certainly a reasonable person would assume that the farm operation would be more viable and more likely to be able to honour its commitments if the interest rate was lowered to 9 percent, but the banks have that final decision on whether or not to let farmers access the 9 percent farm loan

program. I think there should have been a little more guidance from the government, a little more clear targeting, because the problem expressed by many farmers is that those who need it won't get it and those who don't need it will get it. I think that in some cases has been true. That's not to discount the fact that the program has been used by a number of producers in the country and has been of benefit to them, but I think we have a chance here to take some dramatic action and make it a better program all around.

In terms of the minister taking ideas from the opposition, I wish he'd listened closely during the election when we advocated a 3, 6, 9 interest rate program which dealt specifically with the Farm Credit Stability Fund Act. Rather than extending the provisions for a couple of years, as the Treasurer's proposing here, he could have made this a permanent entitlement for Alberta producers, so that producers would know this is something they can count on in the future, not like so many of the programs the Conservative government brings in that are subject to the political whims of the day -- give it one time, take it away the next; up and down, up and down; no stability, no long-term vision. Making this program a permanent entitlement for farmers and ranchers in Alberta I think would have been a very positive step, one which we suggested and they neglected to take action on.

The other thing the 3, 6, 9 interest rate program proposed was that the interest rate on the first \$100,000 of the program be lowered to 6 percent, with the balance at 9 percent. It wouldn't have cost the Treasury very much money and would have signaled the government's intention to provide meaningful interest rate relief for farmers, not the interest rate shielding program that was announced during the election, where they picked 14.5 percent: you know, pay interest over and above that rate when interest rates aren't likely to reach or stay above that rate for very long. It's probably a program that won't cost the government very much, much like this program, Mr. Speaker. The farm credit stability plan program hasn't cost the government very much. They beat their collective chests and refer to the \$2 billion of assistance to our number one economic priority, Mr. Speaker. But when you look at the Provincial Treasurer's budget figures, you see that the actual annual cost of the program to the Treasury has been anywhere from \$17 million to \$40 million, I think. The actual impact on the taxpayer's pocket has not been significant. It's a fairly modest, I believe, financial commitment on the part of this government to addressing the credit problems and farm finance problems in rural Alberta.

I remember clearly in 1987, when the budget was first presented that told us what this program, this \$2 billion promise, was going to cost the Treasury, that the Provincial Treasurer paid for all of it and garnered \$1 million to boot by taking a nickel a litre off the farm fuel distribution allowance for farmers. He saved his budget \$36 million by that mean-spirited, capricious move at a time when farmers could least afford it, and was allocating \$35 million for the actual cost of the farm credit stability program. So as is his style, the Provincial Treasurer likes to get up and brag about the government's initiatives.

We're going to support this Bill, Mr. Speaker, because we think it's a step in the right direction. But again I express my disappointment that the government and the Treasurer don't take advantage of the opportunity to really make some dramatic improvements to the program.

MR. PAYNE: Mr. Speaker, I wonder if the Provincial Treas-

urer would be prepared, in his concluding remarks on Bill 7, to indicate to the Assembly or give us an estimate of what the additional draw on the fund might be as a consequence of this 24-month extension.

MR. SPEAKER: Westlock-Sturgeon.

MR. TAYLOR: Thank you very much, Mr. Speaker. I, like the hon. Member for Vegreville, and our caucus approve the Bill. But we just don't want the Provincial Treasurer to feel that he's got away scot-free, and I'd like to suggest some improvements to him.

In fact, I think one of the problems has been in the original Bill and the whole question of farm credit to farmers, that maybe not enough consultation takes place between the Department of Agriculture and the Treasury Department. My experience so far in the Legislature, Mr. Speaker, has been that our Treasurer is a very imaginative soul, so imaginative, in fact, that it's like a watermelon seed to try and get hold of him in question period. He does slip around. Consequently, I think he's quite capable of coming up with a better Act for us, because the Act is very pedantic, very straightforward, something that an Agriculture minister in the 1890s or 1910 would come out with.

I think there are a couple of areas -- and we will be moving some amendments when we come to the second stage -- that I would like to draw his attention to. Knowing his imagination and his ability to move, he may forestall that and introduce them as government amendments. But one of the areas that I think the government has overlooked in the fixed rate term -- and I think it's a good idea -- is the fact that those people in an income-tax-paying position that take a loan are able to deduct the cost of the interest from their taxable income. So that really means that what we have here is a Bill or a system whereby the rich farmer can maybe be paying only 4.5 percent interest. In other words, if he's in a 50 percent tax bracket, Mr. Speaker, half the interest charge is regainable from income tax, whereas the farmer that is really the one that needs the money and is desperately trying to get by pays the full 9 percent out of cash flow.

I would suggest that with the minister's well-known ability to craft changes, that would be a very positive change. Seeing that in fact a great deal of the cost is out of the federal government anyhow, to change that around so that the poorer farmers that do not have taxable income -- in effect, it would do something very similar to what the NDP is talking. The effective rate would only be down, say, 5 or 6 percent, yet you wouldn't lose the 9 percent to the high income tax area. So that would be one area that could be adjusted.

The second area -- and I'm a little surprised too; I don't think the minister had that input into the Bill -- is something that has been brought up recently by the former Minister of Agriculture in British Columbia, a fairly right-wing province, someone that is now, I believe, appointed to the Farm Credit Corporation's board, and an idea that I brought up, I think, a couple of years ago in this Legislature. Could you take a page out of the oil and gas industry financing book, what they call the old section 82, where the farmer would sign over to the government or that portion of government all income that he or she is to receive, say 10 or 11 percent of the income, so that the 10 or 11 or 12 percent of the farmer's cash flow would be taken off at source? In other words, it's the same thing in the oil business. Once the banker and the creditors file that you owe some money against some oil, when the oil is sold, whoever pays for the oil, the refinery,

remits directly to the one that lent the amount of money. Consequently, the payment then floats with the amount of oil that's sold. There's no fixed payment category.

One of the sad parts about this loan is the fixed payment category, although admittedly you can go in on your hands and knees, introduced by your MLA, provided he or she is a Tory, and beg for some sort of alleviation on your loan or postponement. I don't think that's a proper way to do it, Mr. Speaker. I think we could craft this loan in such a way that if the farmer's income is down, his payments are down; if the farmer's income is up, the payments are up. In other words, there's a fixed charge against all farm gross income that would be paid by whoever -- the elevator company or whoever's buying the grain, the stockyard if it's cattle, and whatever other areas that sales are made. Admittedly, in bad years there'd be very little paid on the loans and the governments might have to carry the debt. But it could be made up, more than made up, in the good years.

So I'd like to throw these out and suggest to the minister that although we're going to vote for this, this was one small step in the direction of financing agriculture in a way that agriculture has to be financed and, number one, getting away from the old idea of short-term cash flow and, secondly, getting away from the idea that bankers are basically lending on land value rather than productivity. I think if we could tie in loans to the productivity of the farm establishment, it would balance out on a 10-, 15-, 20-year term, or whatever -- the 20-year term, I should say, we're going at now.

Thank you, Mr. Speaker.

MR. SPEAKER: Edmonton-Kingsway. Bill 7.

MR. McEACHERN: Thank you, Mr. Speaker. I wish to make a few comments and ask the Treasurer a couple of questions.

The 1987-88 public accounts show that the Alberta government has borrowed some \$1.4 billion for this program. He's telling us today that it's now at \$1.9 billion, and I guess what I'm wondering is: does that mean that they've put some money in since March 31, 1988, to the tune of half a billion dollars, or have the banks actually taken out some of these loans? My understanding when the program was first put together was that the banks were supposed to put up some of the money, that this was supposed to be set up in such a way that the banks would come through with the money. If you look at the public accounts, the loans are detailed from a number of different places, one of them from the heritage trust fund. I was just looking at the latest heritage trust fund statement and I can't find a direct reference there, but the September 30 statement said that there was some \$377 million of the heritage trust fund money in the farm credit stability program. Some of the money has been borrowed abroad on some of the bond issues -- the Eurodollar bond issue, I believe -- some other money has been borrowed in a number of different places to the tune of \$1.4 billion. Now, what that would tell me is that the local banks really haven't got involved in putting up the money themselves for this program, that the Treasurer has had to take the bulk of the loans. And I guess it raises some questions in my mind about some of the terms under which these deals were set up.

There is, I believe, a provision in the Bill for the Alberta government guaranteeing the loan. It was something like 20 percent the first year, up to 40 percent the second, 60 percent the third, and up to 80 percent, I believe, by the fourth year. Now, I'm wondering how that fits in, if you're guaranteeing the loan

for the bank when the bank hasn't put up the money. In fact, the Treasurer has had to go elsewhere to borrow the money to put into this program. Of course, he's supposedly going to recover it all from the farmers. But my understanding also is that the banks, when they write the terms for the farmer, make the farmer consolidate all his loans in that bank, and if he defaults on it, they have the right to take over the property.

Now, if the banks aren't putting up the money and we're borrowing the money and guaranteeing the loan and the farmer is the only one that has to pay it back, so that the government doesn't have to put up a lot of dollars -- as my colleague from Vegreville said, in fact we really end up paying administrative costs and, I assume, some interest rate differential costs when interest rates are higher than 9 percent -- why are the banks getting such a good deal? I know they didn't think 2.375 percent administrative costs was a great deal; nonetheless, some of these other provisions would make it seem to me that a farmer, for instance, could lose his land to the bank, the bank having not put up any of the money, the Alberta government having taken all the risk of borrowing the money and making it available to the farmer.

I guess I would just ask the Treasurer to address some of those concerns.

MR. SPEAKER: Is there a call for the question?

SOME HON. MEMBERS: Question.

MR. SPEAKER: May the Treasurer sum up, please.

MR. JOHNSTON: Mr. Speaker, I first of all apologize for not spending more time during the second reading to go into the history of the Act. I understood that most of the members who are here would have probably recalled the debate, because it is not a very long time ago that we did in fact have a discussion about how this process would operate. But now and in Committee of Supply, Mr. Speaker, I'll be glad to deal with the fundamental questions which have been raised and, wherever possible, to answer those questions, which would allow for a greater if not continuing understanding of how this process operates. But let me make just one or two comments which may assist our considerations, and I would hope, Mr. Speaker, that if I go too far from the principles and get onto the details you will, in your normal way, bring the back into line.

As I indicated, Mr. Speaker, some time ago -- certainly the themes that we'd addressed in 1986 when this legislation was proposed through the election and brought forward and confirmed in this Assembly -- we had a couple of principles that we wanted to ensure were enshrined both in the legislation and in the process itself. To some extent those principles have been referred to, and I made the mistake of assuming that the principles were well understood by members.

The two fundamental principles were that we would, wherever possible, move in and take advantage of our borrowing power to ensure that farmers had access to long-term credit, long term in this case being as long as you wanted but not longer than 20 years. And the term, as we've already described, was at the order of 9 percent. The second principle, Mr. Speaker, was that we wanted to use our dollars; that is, the government dollars.

And so as has been mentioned by other members, in fact we used our money from a variety of sources, including our bor-

rowing capacity in the international markets, capital markets, to fund this special fund. The Alberta Farm Credit Stability Fund was funded by our borrowing power offshore, and we have done, I think, modestly, a fairly effective job of securing and minimizing the cost of those funds so that the burden on the taxpayer is reasonable. Now, everybody knows that this plan is essentially redistribution of wealth from you and I as the common taxpayer to the farmers, and I think generally most of us agreed with that principle, recognizing the economics of agriculture, the variable nature of the borrowing power problems and, of course, the cyclical nature of the industry itself. Factoring all those things together we brought forward this plan.

Well, of course, anybody who wants to be critical of a plan -- and recognizing that it's the government that has to make the decisions and the opposition that has to make the wish list, that of course we had to make some choice about how the plan operated and of course we had to establish the rate. Now, the Member for Vegreville would rather have this operate as a full grant. That's the last thing from our mind, Mr. Speaker, and it's certainly the last thing from the farming community's mind. They don't want a grant program. I know the Member for Vegreville rails and rails and rails about giving the money to the poor farmers at zero cost, but I don't think the farmers want it. I should go on to say that the current advantage to the farmer, at 9 percent on 20-year money, is a phenomenal advantage. At the current cost of borrowing, no matter what market you look at and even if you can't read the financial pages, even the Member for Vegreville should be able to figure out that the cost of borrowing right now on a traditional 20-year mortgage for the farming community would be up around the 15 percent level someplace.

Now, simple mathematics -- the member for Meadowlark can take 15 percent and subtract 9 percent and figure out that somewhere there's got to be a benefit to the farming community. Even the member for Meadowlark can do that, Mr. Speaker. So let the say . . . [interjection] Hey, sit down. You've had your shot.

AN HON. MEMBER: He's the Member for Edmonton-Kingsway, not Meadowlark.

MR. JOHNSTON: Oh, that's right.

MR. SPEAKER: The Chair also takes this opportunity to say that there is no such constituency as Meadowlark or Kingsway. It's Edmonton-Meadowlark and Edmonton-Kingsway. Thank you.

MR. JOHNSTON: Of course, Mr. Speaker, you're right there, and I always use the truncated form. At least it's not an acronym, Mr. Speaker. But I don't think there's any confusion, because there isn't a Lethbridge-Meadowlark and there isn't a Lethbridge-Norwood, I can assure you. And Lethbridge would not have socialists elected like we have across the way in those seats. [interjections]

Let the come back to the issue here, Mr. Speaker. I think members across the way know we have a successful program here. They know that this has responded to the need. The only thing they can do is try to carve out a small piece and say, "Well, it was our idea; we gave you those ideas." Humbug, I say. That's nonsense. Everyone knows that it's a Conservative Party that brings forward new ideas, that puts in place some of the most unique programs to deal with the agricultural sector --

and this is certainly one of them -- and then make it work. They make the plan work. The proof is in the details.

Now, I've already told you that the drawdown on this fund has been phenomenal. In the last little while the fund has gone from \$1.7 billion to just under the \$2 billion amount, and that's why we're enriching it by \$500 million for the next two-year period. My colleague across the way raised the right question: is this demand going to be met by the farming community? I can say that the \$500 million likely will be drawn down over that two-year period, running a total investment by this government in long-term financing under this program to close to \$2.5 billion at 9 percent for 20 years. Now, that's a performance to be proud of. And I can assure you, Mr. Speaker, that we have responded to that need. We're the government who brings the ideas forward, and this program is working.

Now, mistakenly, Mr. Speaker, the Member for Vegreville has suggested that there have been rejections. Well, like many of the positions taken by the Member for Vegreville, he doesn't have the facts right, just doesn't know what he's talking about, Mr. Speaker. [interjections] Talking through his hat again. I would even go on to say he missed something, but that's a little hard. I mean, the member's got his new tie on today, and I don't want to have him too upset.

MR. SPEAKER: Order please. The Chair realizes it's Friday and a certain atmosphere seems to develop on Fridays. Perhaps we could come to a conclusion on the focus of the Bill.

MR. JOHNSTON: I'm doing my utmost, Mr. Speaker, but there's been so many mistakes on principle in this Bill that I think it's important to clarify it. I realize the opposition has such a short memory that we have to continue to reinforce what it is we've achieved as a government, and I only have a very few opportunities to do it, Mr. Speaker. So I'm sorry if I've caused you any concern or a wrinkled brow. I know the weekend is big for you, and we all look forward to that anticipation, Mr. Speaker.

MR. SPEAKER: May I assure the Provincial Treasurer that I look forward to it with a greater anticipation than he does. Now, could we anticipate the concluding remarks.

MR. JOHNSTON: I hope both parties share that anticipation, Mr. Speaker.

I wanted to make one final point, Mr. Speaker, because it is very significant. We have a total number of requests on this program of 25,000, and I've already indicated that there were 21,823 active loans. The technical point that I wanted to be sure was on the record is that the total number of requests rejected was 29. Now, my mathematics isn't very good; certainly better than the member from Meadowlark-Kingsway. But in any event, it's one one-thousandth of the total applications that have been rejected, Mr. Speaker, a very phenomenal record. A phenomenal record. Because we have bent the credit rules we have made this program work, and there is no doubt that this program has been well received, has met the needs, and can be seen to be the most aggressive, unique program for agricultural financing in all of Canada, if not all of North America. We're proud of it. We stand behind it, and you can see we're going to make it work.

Mr. Speaker, I am proud to move second reading of this Bill.

[Motion carried; Bill 7 read a second time]

MR. SPEAKER: Order please. Might we have unanimous consent of the House to revert to the Introduction of Special Guests.

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
Member for Calgary-Glenmore.

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

MRS. MIROSH: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly a group of students from the Nellie McClung elementary school in the Calgary-Glenmore constituency. They are accompanied by their teachers Mr. Ferby and Miss Stimpson. I'd just like to point out that the Nellie McClung school was named after one of the first women MLAs in the Legislative Assembly of Alberta, and she was a Liberal. I'd also like to point out that all three of my sons have attended this elementary school. I'd now like them to rise to receive the warm welcome of this Assembly.

head: **GOVERNMENT MOTIONS**

4. Moved by Mr. Johnston:
Be it resolved that the Legislative Assembly approve in general the fiscal policies of the government.

[Adjourned debate June 12: Mrs. B. Laing]

MRS. B. LAING: Mr. Speaker, budget programs which match the complementary needs of seniors or younger Albertans are the first home buyers program and the mortgage shielding program. As seniors retire, many do wish to move to smaller, more easily maintained homes, and the younger singles and couples are buying the seniors' homes. Calgary has the highest priced housing in the province, and help is needed for young families to make room and to find the home of their choice. The community will benefit from growing populations and revitalization. Even now, schools that were threatened with closure a few years ago are adding portables to accommodate the growing demand.

Alberta families now do not have to fear high interest rates when making a decision to invest in their future and the future of this province through the purchase of a home. We made a promise to strengthen young families in the provincial election, and these programs fulfill that promise. As part of this revitalization, community groups are making use of the community enhancement facility program, which provides funds to upgrade the infrastructure of the needed community services. Residents of Greenwood Village, mobile homes in my area, appreciate the recent elimination of the loan ceiling for mobile home insurance programs. Families which would not otherwise be able to afford a home have found an alternative in this closely knit, friendly community.

Another constituency concern is jobs, and I'm proud of this government's record to date. In 1988 employment grew by 3.5 percent to 1.186 million. The unemployed rate averaged 8 percent, which was down sharply from 9.6 in 1987. The figures for 1989 are even better. Our actual unemployment rate from May

was down to 6.7 percent. This is the lowest level of unemployment we've had since April of 1982.

We promised policies which would attract investment and jobs, and we are continuing that with this budget. For example, continuing to invest in Alberta's tourism program has recognized the tremendous job-creation potential of this growth industry. There is a lot of potential for tourism development in my riding. The area around 10th Street N.W. and Kensington Road has an abundance of historical buildings, some of which have been converted to fashionable shops and trendy boutiques. Many quaint and romantic restaurants already abound there, making this a very desirable place for both Calgarians and tourists.

Small business is also recognized as having great potential for job creation. We have a good base to build with, with approximately 200 businesses in my riding. The interest shielding program and the Alberta capital loan guarantee program are two vehicles which will help them immensely. Often overlooked is the fact that Albertans pay the lowest income tax in the country and no sales tax. These policies are an example of the government's commitment to creating a positive, stable environment in which small business can flourish.

[Mr. Deputy Speaker in the Chair]

To prepare our children, Mr. Speaker, to meet the challenges of a competitive world, the constituents believe that good education is a requirement of good government. Many local schools have a special-needs program in place. Two examples from Calgary-Bow are the hearing-impaired children who attend Parkdale elementary school and the gifted and talented program for children at Queen Elizabeth elementary school. I recently attended a model parliament at Queen Elizabeth high school, along with two of my opposition colleagues, and was duly impressed with the high level of commitment, the preparation, and the total participation in this program. Our other secondary institute, Bowness high, is renowned for its music, drama, and athletic programs. We in Calgary-Bow are very proud of our excellent schools and teachers. As well, Mr. Speaker, my constituents and I as an educator are pleased that the budget continues to place a very high priority on education in our province and confirms the government policy that education is an investment in the future of our society.

Mr. Speaker, Foothills hospital is located in Calgary-Bow, and its presence generates a very strong interest in health programs and issues. The constituency appreciates the high quality health care provided by this province and would like to see the standard maintained. The recent new health Act, with its emphasis on prevention, will surely find approval with my constituents, and I will watch closely for their comments and feedback as it is implemented. The throne speech discussion and the follow-up commitment on the budget of the nursing enhancement program was of great interest. Many of the student nurses at Foothills hospital have made their concerns known to me, and I'm pleased that the government is responding to the needs of this important health care profession.

The last two specific budget areas I'd like to comment on are emerging as two of the most important in the constituency. One is the changing form of the family. In our constituency there are many single-parent families. Additional resources to improve the maintenance enforcement program plus more funds to inner schools are definitely two steps in the right direction. This gov-

ernment has promised to make the family, in its many forms, an area of commitment, and we see this as evident of that commitment.

The last special policy area I would like to discuss is rapidly becoming a very key global issue: the environment. The budget decision to increase the Department of the Environment's spending by more than 9 percent to \$119 million reflects appreciation for this growing concern. Enjoying the many benefits of the beautiful Bow River in the middle of an urban area, my constituents are particularly aware of the importance of a clean environment. Although we view economic growth and diversification as desirable, Calgary-Bow wants a government that acts to protect and preserve our environment. The stringent guidelines for the new pulp mills and emphasis on the multisectoral roundtable are other indications of this government's concern for environmental protection. Mr. Speaker, I know the constituents care deeply about this, and they've asked the to work hard to ensure that the government takes great care to balance economic development with environmental protection.

I would like to conclude by responding to an accusation that's been cropping up lately in the hon. opposition members' comments on the provincial budget. The accusation is that this budget somehow betrays Albertans by not fulfilling the promises that were made by the Progressive Conservative government prior to and during the election campaign. In order to do this, it's helpful to look at the government's recent record as well as the budget. Progressive Conservatives promised good government and to promote confidence in our economy, to increase investment, stability, and growth. How have we performed to date? We see that the real estate investment in industries, more than in the energy sector, has climbed by almost 50 percent in the last two years. In 1988 Alberta experienced its first positive inflow of immigration since 1982, with 5,500 people moving to the province. This growing population coupled with improving income spurred housing construction. As I've already mentioned, in 1988 employment grew by 3.5 percent to 1.186 million, and the unemployment rate averaged 8 percent, down sharply from 9.6 percent in 1987. This is a record.

Mr. Speaker, the best part is that these trends are improving and that this budget builds on this growth, which is exactly what we promised in the election. If you compare the promises made to the programs in the budget, you will see. We promised not to raise income tax, and we didn't. Albertans will continue to pay the lowest taxes in the country and will not have a provincial sales tax. We promised to control the deficit, and we are on track. We promised to control spending, and over the past four years the total program spending increases have averaged some 1.3 percent per year. This budget is only 5.4 percent above the level in 1985-86, although inflation has risen 14.5 percent during this same period of time. All program costs are subject to review, and we have a governmentwide commitment to freeze travel budgets and reduce hosting expenditures. Moreover, by spending more efficiently, it was possible to redirect additional funds to needed areas. For example, we promised to maintain the best funded education and health care programs in the country, and this we have done. The Alberta capital loan guarantee program, the Alberta farm credit stability program, the farm fuel rebate program, and the new tripartite honey plan fulfills our promises to small businesses and farmers.

During the election we made a promise to our seniors. To meet this obligation, there's a 44 percent increase to \$47 million for seniors' home care in the budget. Mr. Speaker, overall the

seniors are supported by \$1 billion in government spending.

We promised to develop and expand recreation facilities to help ensure the residents' safety by increasing funding for policing services. All of these things are in the budget. We did not neglect our promise to promote the environment for future generations. As I said, Alberta Environment's budget is increased to \$119 million, or 9 percent, to support recycling, hazardous waste treatment land reclamation, fish and wildlife conservation, and environmental research. In addition, \$22 million was budgeted for programs to manage and enhance our forests.

I could continue detailing the promises we have fulfilled, but I think the point is clear, Mr. Speaker. We have a budget that maintains the best people services in Canada, the lowest taxes in the country, and meets all of our commitments and moves towards a balanced budget. This budget is worthy of support. The people of Alberta have again chosen a Progressive Conservative government for Alberta led by our leader, the worthy Premier, Don Getty. As Progressive Conservatives we try to preserve what is tried and true, while at the same time adjusting to a constantly changing world. Our ideology promotes private enterprise as the engine of economic growth and recognizes the government has a duty to foster caring social policies. These two policies are not incompatible, but it does require a good deal of dialogue and debate to achieve an acceptable balance. That provides a standard of care which is within our provincial means. This is how I see my goal as a member of this government. This budget reinforces that goal.

I am generally proud of the people of Calgary-Bow, hardworking and concerned citizens, and I look forward to four years of hard work to represent their interests to the best of my ability.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. In light of the oppression evident in many parts of the world, it is with considerable gratitude for the freedom that we have to be able speak in public on any matter, including this budget, without fear of reprisal, that I rise to address the motion before the House. I beg for your and the Assembly's indulgence as I deliver my maiden speech.

First, I would like to congratulate the Lieutenant Governor on her excellent presentation of her Speech from the Throne and the initiatives announced in this important document. What a gracious lady we have as our Lieutenant Governor.

Next, I would like to congratulate you, Mr. Speaker, on your election as Speaker of the House. In the short time that I have been sitting in this House, it has become very clear to the why you were chosen for this important job. I also want to congratulate the Provincial Treasurer on the budget he presented last Thursday night. Truly, Mr. Speaker, this budget gives our province a very clear direction and clearly shows, much to the chagrin of the opposition, what a caring and trustworthy government we have in Alberta, a government, sir, that keeps its promises.

Mr. Speaker, although I am a new member in the Assembly, I consider my presence here not a beginning but a continuation, a progression of a service to the friends and neighbours who are now my constituents. Before being elected to the provincial Assembly, I was involved in rural politics for several years. I

served as a chairman of the local improvement district advisory council. After the area's incorporation as the municipal district of Clearwater, I served as its reeve. I also represented 13 municipalities on the Alberta Association of Municipal Districts and Counties' provincial executive. My tenure as reeve was a very satisfying experience during which several things were accomplished that I am very proud to have been a part of. The incorporation of the municipal district of Clearwater made it the largest incorporated municipality in the province. It is also one of the only rural municipalities with an economic development department. To my knowledge, Mr. Speaker, the MD of Clearwater is the only municipality to have established a citizens' advisory committee to deal with local concerns surrounding major developments requiring environmental impact assessments. I took personal responsibility for setting up this committee.

My decision to enter provincial politics grew out of the desire to serve the public on a broader scale than is possible at the municipal level of government. I felt a need to promote some convictions which I hold very strongly, convictions about the role government should play in the lives of people. Mr. Speaker, you will see that I don't believe government can or should do all things for all people all the time. Rather, it is a facilitator.

Mr. Speaker, democracy is a form of government superior to any other. We all know that true democracy, where people gather in the town hall and make all the decisions, is not a practical way of doing things in our complex and populated world that we now live in. That is why we are here. We are elected to represent all the people and to carry out the will of the majority. The role of the majority is the most fundamental and important aspect of democracy. The events in the last month in China provide a good example of the crimes that can occur when a small group holds power and is not responsible to the majority.

I believe that the role of government is to keep law and order in the land and to provide essential services like education, health care, transportation, and to direct the activities to meet the goals of its citizens. Our duty is to make sure that everyone is treated fairly under the law, to safeguard their freedom, and to carry out the will of the majority, while protecting the rights of the minority. I am proud that I have been chosen to carry out these responsibilities for the residents of the constituency of Rocky Mountain House. I am also proud to take part in managing the affairs of this province and working for the best interests of Albertans. This budget will most certainly benefit the people of my constituency and all the residents of Alberta.

Mr. Speaker, the Rocky Mountain House constituency includes parts of the counties of Lacombe and Red Deer and contains most of the municipal district of Clearwater. It contains almost every type of environment found in the province, from the excellent farmland in the east, through the gray-wooded lands to the foothills, and to the eastern slopes of the Rockies. Agriculture, petroleum exploration and extraction, the servicing of that industry, forestry, and tourism all flourish in the Rocky constituency.

As a result of our diverse resource base, the residents of my constituency engage in many kinds of businesses. Lately, because of the vision and the entrepreneurial talents many of my constituents possess, there has been an increasing move towards diversification, adding value to the resources before they leave our area. Mr. Speaker, I believe that the new budget encourages this kind of activity. The towns in the Rocky Mountain House constituency are already diversifying, and this budget will en-

courage more growth. Eckville, a town of 870 people, now serves the petroleum industry as well as the agricultural industry.

Caroline, with a population of 387 people, is the only village in my constituency. Kurt Browning, the 1989 world's figure skating champion, hails from the Caroline area. While it used to depend heavily on forestry, Caroline now serves ranching and the petroleum industry as well. Shell's recent major discovery of sour gas near Caroline promises further prosperity for its residents. When I say major, Mr. Speaker, I mean this is the biggest find in 20 years. The Caroline discovery, along with the Bearberry sulphur discovery, which is only about six miles away, accounts for 60 percent of Alberta's known sulphur reserves and about 20 percent of Alberta's known liquid hydrocarbon reserves. I'd like to point out, Mr. Speaker, that this is the development which prompted the to set up the citizens' advisory committee of which I spoke earlier. A sidenote to the Caroline discovery will underline this government's commitment to the environment. The Alberta resources conservation board has stated that they will not allow any development of the Caroline field unless the processing guarantees at least 99.8 sulphur recovery.

As the bedroom community for commuters who work in Red Deer, Sylvan Lake, on the eastern edge of the Rocky Mountain House constituency, has expanded to more than 4,000 people. In the last 10 years it has grown from a small town into a thriving tourist destination, as well as servicing the oil and agricultural industries in that area. With the initiatives for tourism announced in the throne speech and in the budget, it will encourage continued prosperity in the Sylvan Lake area. Mr. Speaker, many in this Assembly, including yourself, have said that they represent the best constituency in the province. Well, I'm not going to say that, but if it wasn't true, I would also say that. But I'm going to throw out a challenge -- and I don't want to start a rush on the community, but Sylvan Lake, within my constituency, is the only place in the prairies that has a lighthouse. I rest my case.

Rocky Mountain House, the largest town in my constituency with a population of only 5,300, is experiencing very healthy growth. In addition to a flourishing oil field industry and service industry for agriculture, forestry promises to fulfill great expectations in the near future. Rocky also boasts some light manufacturing, including the only lime and gypsum pelletizing plant in the province.

The people of my constituency are prepared to take full advantage of the tourist opportunities. In fact, the town of Rocky Mountain House was the first municipality in the province to develop a tourism action plan. The David Thompson Highway, which dissects my constituency, has helped the tourism industry throughout. The lakes, streams, and forests provide a tremendous recreational area, which is becoming increasingly popular. Visits to both Sylvan Lake and Crimson Lake are increasing dramatically.

West of Rocky Mountain House on the site of the original Hudson's Bay trading post is Alberta's only national historic park. Nordegg, an abandoned mining town in the west of my constituency, is also being restored. Projects like these are part of our initiative to strengthen tourism in my constituency. I must point out, as well, that the west country provides a tremendous opportunity for the guiding and outfitting industry.

Primarily, though, Mr. Speaker, we are still a constituency of farmers. I myself am a third generation farmer. My

grandfather, my father, and myself cleared land, some of it by hand. I am proud of the fact that the land title on my home quarter has only had the name Lund on it. Mr. Speaker, a farm is a super place to raise your children. It provides a great opportunity for them to learn about community and co-operation and to develop a healthy work ethic. It gives them an opportunity to see the value of the family. They can see a husband and wife work hard together, hand in hand, as equal partners in the business of farming and in life. Anyone who says that inequality exists between the sexes has never seen a farm couple in action. The farm family is an indispensable part of Alberta society. The farming community is environmentally conscious. As stewards of the land farmers are serious about protecting the land because it is their future. We take our roles in preserving the environment very seriously.

Mr. Speaker, this budget helps rural people do an even better job of conservation and improving our great resource, namely land. There has been talk of moving toward the corporate farm, about unionizing farm labour. Well, I for one have no fear of a corporate farm, especially if a union gets involved. They simply could not compete. The family farm is the cheapest producer of food there is. The corporate farm might flourish under NDP protection but not on the open market, not in the real world; it won't stand a chance. Having said this, however, I am well aware of the difficulties farmers face. We still have to work on the economies of scale. The mass of capital investment needed and the narrow operating margins have rendered the old quarter section and half section farms unviable in many cases.

Mr. Speaker, the interest shielding program this government established does provide some protection for farmers against high interest rates, but the subsidy war between the United States and the European Common Market continues to threaten the Alberta farmer. I do not believe subsidies are the answer to the problems the farming industry is experiencing. Ad hoc programs only provide temporary solutions to the problems. They do not solve them. Because of our dependence on agricultural exports, we as a government must look at agriculture as an industry. Efficient and good management must be rewarded. The role of the government is to provide a level playing field, not to give aid to the less skilled players at the expense of the better ones. Government aid programs should be production neutral. They should not provide incentives to overproduce, and they should not penalize the efficient farmer for managing his farm well. The red meat stabilization program, the western grain stabilization program, and the Canada/Alberta hail and crop insurance program are examples of attempts to develop fair and equitable programs.

As long as we're going to have a cheap food policy in this country, we as producers must not have to pay taxes on the input costs for the production of food. Mr. Speaker, both the throne speech and the budget confirm this government's commitment to lower input costs through programs like the farm fertilizer protection program, the farm fuel distribution allowance, and the Alberta farm credit stabilization program. As both a farmer and a member of this government I would like to say that the programs announced in this budget and the benefits of the free trade agreement between Canada and the United States will be a great boost to the farmers in the Rocky Mountain House constituency.

I do not believe, Mr. Speaker, that it is the role of government to weigh business down with heavy legislation and stifle its flexibility. This seems to be the view held by some members of the House. They want to legislate the level to which some

participants in Alberta's economy can perform so that they do not outdo competitors who are not as well as they are. Unlike some members of this Assembly I do not consider profit a dirty word. In the same way that freedom is the key word and the most important concept in the system of government we ascribe to, profit is the key word and the most important concept in the free enterprise system that this government endorses. Profit is the prime motivator in the free enterprise system. It unleashes human ingenuity, vision, ambition, and allows it to reach its fullest potential. It is a reward for those who stick their neck out, and the payoff is for taking the risk.

Small business is an indispensable part of the business engine that drives our economy. It is the sector of our economy that provides more jobs than any other. It is also the most efficient sector. I'm pleased to see the assistance and emphasis given to small business in both the throne speech and the budget through initiatives like the small business interest shielding program and the Alberta capital loan guarantee program.

I want to talk a bit about forestry. Government has a role to play in the forestry industry. It must ensure that the small operator, the small businessman, has an opportunity to participate in its development. It must ensure that the forests are treated with care. Developing our forestry industry does not mean that we have to destroy the environment; it's not an either/or situation, Mr. Speaker.

The Leader of the Opposition has said that it is imperative that the forests be developed in a rational manner. I agree with him, Mr. Speaker; the forest does need to be developed in a rational manner. That is exactly what this government is doing. I want to credit the Alberta Forest Service for the work they have continued to do in managing Alberta's forests while safeguarding the environment. The Forest Service has done a fine job of managing cut blocks to address environmental concerns like erosion and habitat.

It is important to remember that our forests are a renewable resource. Timber stands must be managed wisely to make the most of the areas we targeted for development. Like anything that grows and is harvested, once an area has reached maturity, it should be harvested promptly. Replanting increases the productivity of these areas. This allows us to continue to increase our output without greatly increasing the area of harvested timber stands. The continued support by the government of Alberta to the expansion of the forest industry will help sustain economic growth in the Rocky Mountain House constituency.

[Mr. Speaker in the Chair]

The secondary highway paving program, which has been reaffirmed in both the throne speech and this budget, will benefit all Albertans. In my constituency it will fill a long sought after goal, the paving of rural road 766, which will at last provide a major paved north/south link between highways 11 and 54. This is something local residents have been after for a long time. I don't know where the opposition gets their information, but I have yet to meet rural residents who would prefer gravel to paved roads. We rural residents are all very happy that this program continued to be a priority of the government. It will give a big boost to the growth in the oil field service industry and forestry. It will make the Rocky Mountain House constituency even more attractive to industry and tourism, and it will be a great boom for farmers.

The growth of business and industry that we have already experienced has increased the population of the Rocky Mountain House constituency to over 22,000 people. I must admit, Mr. Speaker, that I was initially surprised by this figure, but on further reflection I'm sure that during the campaign I must have knocked on at least that many doors. Seriously, though, Mr. Speaker, a population of this size requires adequate social services, hospitals, and school systems. They will be pushed to their capacity.

The care of seniors was an important election issue in my constituency. The support announced for seniors in the budget will be very pleasing to my constituents. The importance of home care, the creation of the seniors' help line, and the offering of financial aid to seniors in the budget so that they may stay and live in their own homes and communities indicate a high degree of commitment to seniors by this government. In rural areas, though, home care and attempts to put seniors back into their own homes are not always the most practical of solutions. There exists a serious shortage of senior citizens' housing in my constituency. That's one area that we must address.

While we are on the topic, Mr. Speaker, I would like to respond to an issue raised by the Liberal Party. Their leader has said, and I assume it's their policy since they have said it in the House, that small rural hospitals are not a good thing. He said that not only should we stop building them; we should convert the ones we already have. They have said that we need big, centralized hospitals. Rural residents, in my constituency at least, don't buy this. Sure, we need large hospitals for more specialized treatment, but who wants to be sick two hours away from home? It's much better to convalesce near the ones who we love and who love us. There are more volunteers and nurses available in rural communities to assist in the hospitals. They're also our major creation of jobs in rural areas and small towns.

We are truly grateful, Mr. Speaker, for the 50-bed extended care hospital being built in Rocky and the new active treatment and extended care facility in Eckville. Why should we want to remove all these benefits and create big, impersonalized hospitals? This foolish notion is a clear indication that either the Liberal Party doesn't care about rural Alberta or its members are totally ignorant of the situation. I pray that it's not both.

There is another issue that is very important to me. The native people on the three reserves in my constituency continue to experience problems. Mr. Speaker, they need more than just money from us. I feel it is our responsibility to help these people regain their self-esteem. The waste of human life through substance abuse, the terrible feeling of isolation, and the lack of accomplishment work together in a vicious circle which results in the loss of a tremendous, valuable resource.

MR. SPEAKER: Thank you, hon. member. The Chair hesitates to interrupt, but under Standing Order 19(1)(c) we must now move to disposition of the question with regard to Motion 1.

head: **CONSIDERATION OF HER HONOUR THE LIEUTENANT GOVERNOR'S SPEECH**

Moved by Mr. Clegg:

That an humble address be presented to Her Honour the Honourable the Lieutenant Governor as follows:

To Her Honour the Honourable W. Helen Hunley,
Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

MR. SPEAKER: We're now then voting with regard to the motion on the address and reply to the Speech from the Throne as moved by the hon. Member for Dunvegan, seconded by the Member for Calgary-Foothills. All those in favour of the motion, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion carries.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Ady	Fischer	Osterman
Anderson	Fowler	Paszkowski
Bogle	Gesell	Payne
Brassard	Horsman	Schumacher
Calahasen	Hyland	Severtson
Cardinal	Johnston	Shrake
Clegg	Jonson	Sparrow
Day	Laing, B.	Stewart
Dinning	Lund	Tannas
Drobot	Main	Weiss
Elliott	Musgrove	West
Elzinga	Orman	Zarusky

Against the motion:

Barrett	Hawkesworth	Mitchell
Bruseker	Hewes	Mjolsness
Decore	Laing, M.	Pashak
Doyle	Martin	Sigurdson
Ewasjuk	McEachern	Taylor
Fox	McInnis	Wright
Gagnon		

Totals: Ayes – 36 Noes – 19

[Motion carried]

head: **GOVERNMENT MOTIONS**

- Moved by Mr. Horsman on behalf of Mr. Getty:
Be it resolved that the address in reply to the Speech from the Throne be engrossed and presented to Her Honour the Honourable the Lieutenant Governor by such members of the Assembly as are members of the Executive Council.

[Motion carried]

MR. HORSMAN: Mr. Speaker, this House being the master of its own rules and having no precedent to guide us on this particular occasion and with unanimous consent previously arranged with the other parties in the Assembly, I move the following motion:

Be it resolved that this Assembly extend to the Hon. Dr. David Carter and to Jean Bartlett sincere congratulations and best wishes on the occasion of their forthcoming marriage, to take place Sunday next, 1989.

[applause]

MR. MARTIN: Mr. Speaker, the Official Opposition joins in and congratulates you and wishes you the best, but I have to wonder about your timing. I can't imagine anybody wanting to spend their honeymoon during the time the session is on. Maybe you're going to bring your bride up into the Speaker's gallery to watch on the honeymoon. But we do wish you the best. I know it's going to be an exciting weekend. Congratulations and all the best in the future.

MR. DECORE: Mr. Speaker, on behalf of the Liberal caucus we, too, would like to extend our congratulations. We've known that your disposition in the last few days has been particularly sweet, and we would have no objection, sir, if you wish to take three or four weeks' additional time for your honeymoon starting on Monday.

SOME HON. MEMBERS: Question.

MR. SPEAKER: I can't call it.

SOME HON. MEMBERS: Division.

MR. SPEAKER: Okay; let's see a division on this.

The question had previously been put by myself, and fortunately the lady answered in the affirmative. I would share with all hon. members that the day I discovered the answer was yes was while we were all here listening to the throne speech by Her Honour. It was after that that I discovered I was indeed engaged in more pleasant business than sometimes occurs occasionally in this House.

Nevertheless, on behalf of Jean and myself I thank you all most sincerely. I greatly appreciate your comments. I'll be back here on Monday with you with, I'm sure, an even more pleasant disposition than I had today.

Anyway, all those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Thank you from there.

[At 12:45 p.m. the House adjourned to Monday at 2:30 p.m.]