

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, August 2, 1989 2:30 p.m.**
Date: 89/08/02

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

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

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

Amen.

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

MR. SPEAKER: The Member for Banff-Cochrane.

MR. EVANS: Thank you, Mr. Speaker. The Standing Committee on Private Bills has had certain Bills under consideration and reports as follows. The committee recommends that the following Bills be proceeded with: Bill Pr. 2, the General Hospital (Grey Nuns) of Edmonton Amendment Act, 1989, and Bill Pr. 9, the Claudia Elizabeth Becker Adoption Act.

The committee recommends that the following Bill be proceeded with, with some amendments: Bill Pr. 7, the Calgary Foundation Amendment Act, 1989.

The committee recommends that the following Bill not be proceeded with: Bill Pr. 8, the Omprakash Panjwani Adoption Act,

I ask for the concurrence of the Assembly in this report.

MR. SPEAKER: Having heard the motion, those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. So ordered.

head: **NOTICES OF MOTIONS**

MR. SPEAKER: The Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. Under the provisions of Standing Order 40, I wish to give notice of a motion I intend to move after question period today related to the fact that the estimates are due to close today. The motion would read:

Be it resolved that as insufficient time has been given over to consideration and approval of the 1989-90 budget estimates, Standing Order 58(1) be waived for the remaining days of this sitting of the Assembly.

I have copies for members of the Assembly. [interjections]

MR. SPEAKER: Order please. Thank you.

head: **INTRODUCTION OF BILLS**

Bill 18**Investment Contracts Repeal Act**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 18, the Investment Contracts Repeal Act.

As all members will remember, on Friday last the Premier indicated that we would bring this legislation to repeal the contracts legislation and to transfer them under the Securities Act.

[Leave granted; Bill 18 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. FJORDBOTTEN: Mr. Speaker, I rise to table the material requested under Motion for a Return 195.

MRS. MIROSH: Mr. Speaker, I'd like to table with the Assembly, the Alberta Registered Professional Foresters Association 1988-89 annual report and the College of Chiropractors of Alberta annual reports of 1987 and 1988.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. WOLOSHYN: Mr. Speaker, to you and through you to the members of the Assembly I would like to introduce four very special Albertans seated in your gallery. They are the world junior women's curling champions for 1989. They have done a fantastic job of representing the Spruce Grove Curling Club, the province of Alberta, and indeed Canada. In the final game in Markham, Ontario, against Norway, these people showed the world how to curl under pressure. I would ask them to stand as I call their names out and receive the traditional welcome of the Assembly. I would like to first note that the third, Sandy Symyrozum, is unable to be with us. Their skip is LaDawn Funk, the second is Cindy Larsen, the lead is Laurelle Funk, sister to LaDawn, and the coach is Carole Larsen, who is Cindy's mother. I'd like you to give them the traditional welcome.

MR. SPEAKER: The Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the Members of the Legislative Assembly Mrs. Edith Seymour Noel, who is visiting from the friendly province of Quebec, visiting our beautiful province of Alberta and beautiful city of Edmonton. She is accompanied today by her son René Noel. They are seated in the public gallery. I would ask them to stand while we welcome them in the traditional manner of this House.

head: **ORAL QUESTION PERIOD**

Loan Guarantees

MR. SPEAKER: The Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. During this session the Official Opposition has revealed some pretty startling facts about this government's assistance to the corporate sector. For instance, we found that Lloyds Bank already held \$70 million

worth of Gainers debentures when that company came to the Alberta government to get another \$55 million in loan guarantees. That wasn't money for job creation; that was a bailout on Mr. Pocklington's existing debts.

Now, on October 22, 1987, the Department of Economic Development and Trade guaranteed a loan for \$3.7 million to the Oil Patch Group Inc. under the export loan guarantee program. Only nine months later, Mr. Speaker, on August 4, 1988, this company went into receivership, and its assets are currently being liquidated. Some management, Mr. Speaker. Can the Minister of Economic Development and Trade tell the Assembly how much Alberta taxpayers stand to lose on this guarantee as a result of this company's liquidation?

MR. ELZINGA: Mr. Speaker, I understand that the Leader of the New Democratic Party echoed the comments in Calgary this morning as to what the hon. member has just raised. I think it's important that we take into context our export loan guarantee program, because this program itself has generated close to one-half a billion dollars worth of sales of products that are produced within this province. If one equates the figures that I've shared with the House on many occasions whereby \$1 billion dollars worth of sales equates to some 19,000 jobs, we recognize that this program itself has created somewhere in the vicinity of 10,000 jobs. If the hon. member wants to talk about jobs, we want to create jobs, and through this program we have created a good number of jobs for the province of Alberta and the individuals within this province.

MS BARRETT: Well, Mr. Speaker, we have it on pretty good authority that the government is anticipating a \$2 million dive on this loan guarantee. Does the minister deny that the taxpayers are on the hook for \$2 million just for this one company?

MR. ELZINGA: Mr. Speaker, the failure rate for our export loan guarantees is somewhere in the vicinity of 3 percent. It's a very small percentage when one examines that flow through to this province. We recognize that there are going to be some losses. We wish we were like the hon. member and were perfect, but we're not. We recognize that there are going to be some losses. But recognizing that fact, we recognize that the contribution is that much greater than the losses and it more than offsets the losses that we have incurred. I indicate to the hon. member that it is somewhere in the vicinity of 3 percent.

SOME HON. MEMBERS: How much?

MR. SPEAKER: The answer was given. Now we'll have Edmonton-Highlands, please.

MS BARRETT: I'm not sure, Mr. Speaker.

MR. SPEAKER: Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I understand that this export loan guarantee program is not subject to the same guarantee and indemnity regulations that apply to other loan guarantee programs offered by this government, offered too often, I might add, but nonetheless offered by the government. Will the minister confirm that in fact under this program no security is required by the Alberta government when it hands out taxpayers' money?

MR. ELZINGA: Mr. Speaker, there is security that is required, because the individuals have to have the order in hand whereby they are going to export goods that are produced within the province. I should indicate to the hon. member that there is a procedure they go through. We do a thorough assessment of these loan guarantees that are offered for export purposes so that we can create meaningful jobs within this province. I find it rather sad that one moment they're suggesting we do more for job creation; when we are actively involved in job creation, they're critical of that involvement. Mr. Speaker, we don't apologize for the jobs that we create within this province, acknowledging that at times there are going to be failures. The overall success rate is that much greater than the failure rate, and it is meaningful job creation within this province, of which we're very proud.

MS BARRETT: The official government lending motto, Mr. Speaker.

Mr. Speaker, I'd like to designate the second question to the Member for Vegreville.

MR. SPEAKER: Vegreville.

Support for Gainers

MR. FOX: Thank you, Mr. Speaker. On March 3, 1988, this Conservative government approved a \$67 million aid package to their friend Peter Pocklington to build a hog slaughter plant in southern Alberta which the Minister of Agriculture says we don't need and to upgrade and expand the Gainers plant in Edmonton, which the Minister of Agriculture now says is too old and obsolete to be worth putting any money into. This government's bungling cost the taxpayers millions of dollars with the Principal fiasco, and it looks like we're going to be in the same sort of mess with the Pocklington fiasco. I'd like to ask the Premier, as one rural Albertan to another: given the fact that he represented agriculture on the priorities committee when this aid package was approved, how on earth did he justify approving such a preposterous package to build a plant that isn't needed and upgrade a plant that's obsolete?

MR. GETTY: Mr. Speaker, as usual the hon. member's allegations leading into his question are incorrect. It's remarkable how often that is the case these days in the Legislature.

Mr. Speaker, there's no question that in any of our deliberations regarding a matter such as the Gainers plant, we'd be directed in this by several factors. One would be to make sure that we had agricultural processing in the province to assist our agricultural industry; secondly, we would want to provide jobs and try and ensure jobs for people already working in the agricultural processing area; and thirdly, in the Edmonton area, of course, to make sure that this city has as diversified and as strong an economy as possible.

MR. FOX: Well, Mr. Speaker, the government has all but admitted that their original promise to create jobs was a false one and that they were hoping to at least protect jobs.

I'd like to ask the minister of economic development: given the statements by the Minister of Agriculture that he's not overly concerned about the possible closure of the Gainers plant thereby raising the spectre of losing 1,100 jobs in the Edmonton area, what does he have to offer the men and women who work

at Gainers and the hog producers of northern Alberta, other than false hope and broken promises, that jobs are going to be maintained in the Edmonton area and that pork processing capacity will be maintained in northern Alberta?

MR. ELZINGA: Mr. Speaker, I must say that I find it shameful that the hon. Member for Vegreville will use these employees as pawns for his own political purpose. I find it very shameful because when we involve ourselves in a package of support to make sure that these jobs are maintained, they criticize us for it. A moment later they indicate their concern. It's shameful the attitude whereby, again, the New Democratic Party wants to use the workers of this province for pawns for their own political purpose. [interjections] Mr. Speaker, it is extremely distasteful.

MR. SPEAKER: Order.

MR. ELZINGA: Even to the extent that he has twisted the news release that was issued by the previous minister whereby the previous minister -- I'm happy to quote for the hon. member -- indicated that this will be used for "an upgraded and modernized beef and pork processing plant in Edmonton." Mr. Speaker, that possibility still exists.

MR. McEACHERN: Yeah, right. That's what he said.

MR. ELZINGA: That's what we're working towards. In addition to that, it's important . . .

MR. TAYLOR: It's certainly a possibility, isn't it? A remote possibility.

MR. ELZINGA: Mr. Speaker, they ask the questions, but they don't like the answers.

Mr. Speaker, in addition to that, it's important that we review in context the support we have offered to Gainers, whereby we have offered support to XL, to Lakeside, to Cargill, to Fletchers itself. We've offered that support because, as the Premier has indicated, we want to have first-class food processing facilities and we want to have first-class jobs for the individual Albertan within this province.

MR. FOX: You've offered everything that Peter Pocklington wants and nothing but false hope and broken promises to Albertans, Mr. Speaker.

Given the response from the minister I'd him like to tell us in the Assembly right now what negotiations have taken place with Peter Pocklington with respect to the possibility of further funding from this government to open a plant in the event that the existing Gainers plant does close.

MR. SPEAKER: That's hypothetical.

MR. FOX: If you've had the discussions, they're not hypothetical.

MR. ELZINGA: Mr. Speaker, I'm sure, as you've indicated, we all recognize the hypothetical nature of the question, but as is the hon. member's tradition, he likes to deal in the fairy world.

MR. SPEAKER: The Member for Edmonton-Glengarry. [interjections]

MR. DECORE: Mr. Speaker . . .

MR. SPEAKER: Order please, hon. member. [interjections] Perhaps certain members could curb their remarks until they get a chance to enter question period so that we would recognize now Edmonton-Glengarry, leader of the Liberals.

Responsibility for Regulating FIC and AIC

MR. DECORE: Mr. Speaker, we know from the Code report that the government was found to be negligent and blameworthy in the handling of the FIC/AIC matter. The Premier and the Provincial Treasurer have refused to inform this Assembly of others who were involved in the handling of those issues. On July 31, as reported in *Hansard*, the Provincial Treasurer stated that Code said that the Minister of Consumer and Corporate Affairs was responsible for the control and charge over all issues concerning FIC and AIC. Astonishingly, the Premier yesterday in this Assembly stated that blame is not being placed on the former minister by the Premier or by the government. My question is to the Premier. If the Premier does not blame the former minister, although he has moved that minister to the back benches, who then in the Premier's view is blameworthy for this \$100 million fiasco?

MR. GETTY: Mr. Speaker, obviously the hon. member is not paying attention either to answers in the Legislature or to my response to the Code report. It was obvious in my response, as I said yesterday, that that matter was brought up by an inspector of the Alberta Court of Queen's Bench. Because of his finding, it was necessary to make a change, but that does not mean that I'm assigning blame to a minister.

MR. DECORE: Well, Mr. Premier, given that taxpayers of Alberta have now got to shell out \$100 million because of somebody's blameworthiness, I want to ask you this question. Given that Code does find the minister blameworthy and given that you do not, does that mean that the Premier disbelieves the Code conclusion in that regard?

MR. GETTY: Again, Mr. Speaker, it took some time to deal with this in my response, and if the hon. member doesn't want to read it or listen, I can't keep trying to drive it through his thick skull.

MR. DECORE: Mr. Premier, it's your thick skull that has created this terrible mess.

I would like to know from you, Mr. Premier: given that the Provincial Treasurer accepts Code's conclusion that the Member for Three Hills was responsible for control of all issues and that Code found the handling of those issues blameworthy, how do you reconcile the difference between your statements of responsibility and those of the Provincial Treasurer?

MR. GETTY: There are no differences, Mr. Speaker.

MR. SPEAKER: The Member for Smoky River, followed by Calgary-Mountain View.

MR. FOX: Don't let the smoke get in your eyes.

MR. TAYLOR: On top of old Smoky.

MR. SPEAKER: Thank you very much, Westlock-Sturgeon and Vegreville. [interjection] I would rather doubt it. Member for Smoky River.

Zeidler Forest Industries Ltd. Labour Dispute

MR. PASZKOWSKI: Thank you, Mr. Speaker. For some time now there's been a major labour confrontation in the constituency that adjoins mine. My question is to the Minister of Labour. Now that the Labour Relations Board has issued its ruling regarding the Zeidler dispute, will the minister clarify what she can do to help bring this dispute to an end?

MS McCOY: Mr. Speaker, my department has been actively involved in this dispute for many years now. In fact, we appointed a mediator way back in 1985, before the strike began, and in 1986 we appointed a disputes inquiry board. In 1986 also, at the end of the year, the Deputy Minister of Labour became involved and proposed a settlement that was rejected by both sides. Since then he has continued to be actively involved and so have the mediators that have been involved in it.

The Labour Relations Board, of course, has also been actively involved and has promptly answered the questions that have been put before it, and as the member mentioned, yesterday the Labour Relations Board did issue a decision. The decision did speak to the point of the reinstatement or otherwise of employees, and it was decided by the board that it would not order reinstatement of those employees who had been fired for cause. It is now up to both management and union to come together at the bargaining table. That is their responsibility, and I would fully expect them to take up their responsibility, come back to the bargaining table, and arrive at a fair and just settlement for both sides.

MR. SPEAKER: Supplementary.

MR. PASZKOWSKI: Thank you, Mr. Speaker. Again, as I mentioned before, this dispute has gone on for a very lengthy period of time. To the minister. Can she clarify what steps can be taken to help prevent such lengthy disputes in the future?

MS McCOY: The first point I'd like to make, Mr. Speaker, is that this dispute has nothing to do with the new labour code. It started, as I mentioned, in 1986. That's three years ago, under the old Labour Relations Act. The new Labour Relations Code did not come into effect until November of 1988.

The second point I would make, Mr. Speaker, is that we ought to keep the Zeidler dispute in perspective. It truly is an exception in Alberta. It's unfair to judge Alberta's labour relations climate by this one incident. For example, we should keep in mind that workers in the forestry industry in Alberta have 10 collective agreements. All but one of those collective agreements have been successfully negotiated to a collective agreement within the last three years.

The other fact I would put forward is this. Fully 97 percent of the collective agreements in this province have been settled without work stoppage of any sort, Mr. Speaker, and I think that's a remarkable record. Almost 100 percent of our collective agreements have been concluded without work stoppages in the last several years.

MR. PASZKOWSKI: Thank you, Mr. Speaker. The minister's

remarks notwithstanding, will she review the Alberta labour laws to see if exceptions such as the Zeidler's dispute could be prevented in the future?

MS McCOY: Well, Mr. Speaker, I've addressed this in the House and elsewhere. I think we should keep in mind that labour relations are, in fact, human relations, and there will always be exceptions in human as in labour relations. I would never be prepared to dismantle our labour legislation based on exception. However, I will say that the new labour code will be monitored very carefully over the next two or three years. Again, I will say that we need to see it in action throughout a collective bargaining cycle, and that is approximately the time frame for collective agreements. The monitoring will be kept very close by my department, but I think all of us -- that is, employers and employees as well as the government and the public -- need to give this code a chance to see how it is operating before we judge whether it is truly fair for both sides.

MR. SPEAKER: Calgary-Mountain View, followed by Calgary-Buffalo, and then Wainwright

Responsibility for Regulating FIC and AIC (continued)

MR. HAWKESWORTH: Thank you, Mr. Speaker. When the Premier took office in late 1985, FIC and AIC were already effectively insolvent, yet he and his government allowed them to continue in business for another year and a half, letting them entice many innocent people into parting with their hard-earned savings. In late 1985 the Premier received a memo from the then Provincial Treasurer itemizing those problems at FIC and AIC. In reviewing that memo, fresh in his memory may have been the knowledge that his campaign fund-raising team had successfully approached Mr. Cormie and had received a \$20,000 donation to his leadership race. To the Premier. Given the paralysis that occurred in his office for many months in dealing with this matter, how can the people of Alberta now trust the Premier to be able to protect the public interest when it comes to dealing with companies controlled by the powerful and wealthy friends that bankrolled his run into the Premier's office?

MR. GETTY: It seems, Mr. Speaker, that the hon. member, who has exhibited considerable ability to come up with some pretty poor questions, has now reached an all-time low with that one.

MR. HAWKESWORTH: Mr. Speaker, the Premier has publicly said that he met twice with Mr. Cormie during this same period, between the time he received Mr. Hyndman's memo and when the licences on those two companies were pulled. Given that the Premier had received Mr. Hyndman's memo about the serious problems at FIC and AIC, why did the Premier not take the opportunity at those meetings to press Mr. Cormie to remedy the problems at FIC and AIC? Why did he not take that opportunity?

MR. GETTY: Mr. Speaker, that's a matter that was dealt with very specifically both in the Code report and on Friday in our response. I should point out again to the hon. member that the Provincial Treasurer's memo didn't mention either company.

MR. HAWKESWORTH: Well, Mr. Speaker, given that the Member for Three Hills has paid a significant price to her career and reputation because she failed to act when it was required, will the Premier now admit that he, too, failed to act when he had the opportunities to remedy this matter and that the standard of his conduct was no different from that of the former minister?

MR. GETTY: I can appreciate the frustration of the hon. member and the party he belongs to and the other members of the opposition who would hope, Mr. Speaker, that the government's response would not have been accepted with strength and support by the people of Alberta, but it has been. I know it bothers the hon. members, but that's just too bad.

MR. SPEAKER: Calgary-Buffalo, followed by Wainwright.

Support for Gainers
(continued)

MR. CHUMIR: Thank you, Mr. Speaker. To the Provincial Treasurer. We know that the government was handing Albertans a load of Gainers baloney because the \$55 million loan guarantee of March 1988 was to bail out Gainers' existing loan with Lloyds Bank and not to upgrade the Edmonton plant. Now we have the extraordinary admission by the Minister of Agriculture that the Gainers Edmonton plant is too old and obsolete and will have to be closed within two years. Now, this government is well on its way to having to call in Mr. Code for another report in respect of the \$130 million in financing to Mr. Pocklington. I'm wondering whether the Provincial Treasurer is prepared to confirm that the Edmonton plant is too old and obsolete to be modernized and that it's on its way to being closed. Or does he disagree with the statements of the Minister of Agriculture in that regard?

MR. JOHNSTON: Well, Mr. Speaker, I haven't had an opportunity to discuss the reputed remarks of my colleague the Minister of Agriculture. Should you wish to address them to him, I understand there'll be an opportunity very soon. I can't confirm what has been reported in the press. I have not had a chance to discuss this issue with him.

MR. CHUMIR: Well, Mr. Speaker, it was the minister's responsibility to approve that guarantee made just over one year ago. I'm wondering whether the minister is prepared to tell us: when he approved that guarantee in March of 1988 was he aware that the plant then was too old and obsolete to be upgraded and that the people of Alberta were being misled by the government's press release, which referred to upgrading and modernizing of the plant?

MR. JOHNSTON: Well, there again, Mr. Speaker, presumably the member has some information that's not available to the government. Now, if he is a technical expert who knows about the hog processing system and can give a informed opinion as to whether or not the plant is, as he claims, obsolescent, then I would appreciate hearing from him. I can only relate to the members what we did as a government. I've indicated this before in the House, but I think it's important that we put the premises on the table, the outline of the deal before us.

First of all, before any guarantee could be put in place, we accepted from appraisers views as to what the assets were

worth, not just here in Alberta but assets which were located right across Canada. Secondly, Mr. Speaker, it was then clear that we would look at and receive information from the company as to its viability. The company did have profits. Obviously, the strike affected it significantly, but the company had been profitable. Thirdly, we put in place a very rigorous contract which ensured that the plant would operate here in Alberta, that the conditions would be adhered to, and that in fact continuous information would flow to the government to ensure that the position we have is well maintained. Finally, Mr. Speaker, as part of a package put together by the government, a term loan credit facility was provided. We've explained that already in the House. That is a loan with guarantees taken, with a position in place, and with a repayment schedule also confirmed.

So that's what happened. Let me repeat again that appraisals were taken. If the member has some view or some information with respect to the obsolescence of the plant, then he should give it to me.

MR. CHUMIR: We're getting more baloney, Mr. Speaker, when we need the pork. I'm wondering, since we're at risk and we now have an old and obsolete plant as security, is the Treasurer prepared to tell us whether the \$55 million loan from Lloyds which we are guaranteeing is current or in arrears, and if in arrears, by how much?

MR. JOHNSTON: Two mistakes, Mr. Speaker. I'm not too sure where the member got the information that we're guaranteeing now the Lloyds loan. I'm not too sure of that fact. Second, the loan is not in arrears.

MR. SPEAKER: Wainwright, followed by Edmonton-Calder, then Edmonton-Gold Bar.

Wainwright Incineration Project

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of the Environment, and it's concerning the pilot incineration project in Wainwright. There have been numerous difficulties with the installation and operation of the burners, and consequently it had to be shut down. I would like to ask the minister what steps his department is taking now to get our project back going again.

MR. KLEIN: Well, you might say it's a burning issue, Mr. Speaker. Indeed, as the hon. member points out, there were some problems with the experiment relative to incineration at Wainwright, but we think it's worth pursuing as an alternative to landfill. Our officials met with town officials a couple of weeks ago and with the Wainwright waste authority, and we're developing a research strategy which hopefully will result in a state-of-the-art facility being put in place, hopefully in the near future.

MR. SPEAKER: Supplementary, Wainwright.

MR. FISCHER: Thank you. Could you give us an indication of when we're going to see this happen? We've been waiting for numerous months now.

MR. KLEIN: Mr. Speaker, scientists from the research centre at Vegreville are working out the research parameters, and we

hope to get back to the waste authority with a plan this fall.

MR. SPEAKER: Final.

MR. FISCHER: Thank you. Could you . . .

MR. SPEAKER: "The minister."

MR. FISCHER: Could the minister enlighten us on the future of the technology of this project?

MR. KLEIN: Well, Mr. Speaker, it's developing technology, and it's worthwhile looking at and worthwhile pursuing in terms of searching out alternatives to landfill. This is a viable alternative that has been proven in some other jurisdictions, and what we would like to do is establish a working model to see if it can be applied to other parts of the province.

MR. SPEAKER: Edmonton-Calder, Edmonton-Gold Bar, Smoky River.

Food for Children and Seniors

MS MJOLSNES: Thank you, Mr. Speaker. The government said in its June throne speech that it

is committed to assuring that families remain strong and that those in crisis receive the support of a caring society.

Yet when we look at the government's track record, Mr. Speaker, we find families with hungry children, we find increased fees to seniors served by Meals on Wheels, and a volunteer sector that has been stretched to the limit by this uncaring government. To the Minister of Family and Social Services. Given that we have thousands of children being fed by the food banks and given that this minister's mandate, through the Child Welfare Act, is to protect all children, will this minister admit that he has failed in doing his job?

MR. OLDRING: Mr. Speaker, not at all. This government does care, and this government has introduced a number of initiatives to address the concern that the member has raised. I'm not sure where she's getting her information from when she suggests that thousands of children are not being provided for. Certainly if the member is aware of any specific cases, I as the minister responsible would want to hear about it specifically and right away, because we have programs in place that will provide for the care that this member seems to feel isn't there.

MS MJOLSNES: A supplementary, Mr. Speaker, to the Minister of Health. Given that inadequate funding for family and community support services and health units means that some seniors will be unable to afford the services of Meals on Wheels, how can the minister justify the lack of caring in risking the health of our seniors?

MRS. BETKOWSKI: Mr. Speaker, the issue of Meals on Wheels and how meals are provided to seniors in this province is one that we have left, in large part, to the local authorities. We certainly have provided a 44 percent increase in home care across this province. Some communities that are responsible for those home care dollars have taken the decision that they felt they would get better value from those dollars by working towards programs other than Meals on Wheels, and that is cer-

tainly something that we support, in terms of local autonomy.

Nonetheless, the issue of FCSS, which the hon. member raises, is one that we discussed, certainly, during the estimates of the Department of Health. I think we can be proud in this province that we have a program of the magnitude of \$32 million, unique in this country, to support initiatives within the community, to support families and communities, and I will always endorse those kinds of programs.

MS MJOLSNES: Mr. Speaker, the needs are clearly not being met.

My final supplementary is to the Premier. Given that there are children going hungry in this province and that the government is not meeting the needs of many seniors, even those in the Premier's own constituency, will the Premier show that he cares and make a commitment to this Assembly to increase the funding for these programs for these hungry children and for these seniors?

MR. GETTY: I find it remarkable, Mr. Speaker, that the hon. member doesn't recognize that this government has the best people programs in Canada, the best education, the best health, the best social services, and the best seniors programs in Canada, and with the lowest taxes in Canada.

Home Care Programs

MRS. HEWES: Mr. Speaker, I'd like to pursue the same subject. The minister and the government have consistently professed commitment to home care, but problems are now occurring all over our province, and the current Meals on Wheels crisis is simply a manifestation of that. Home care not only lacks sufficient resources, in spite of the increase spoken to by the minister, but it lacks consistency of delivery throughout Alberta and fails to make Meals on Wheels an indigenous part of the service, leaving it to compete with FCSS agencies.

Mr. Speaker, this phenomenon isn't restricted to the urban centres. It now surfaces even in the Premier's constituency of Stettler. Home care in Stettler has been severely curtailed. Meals on Wheels is no longer authorized as part of that program. Can I ask the Minister of Health: to reassure Albertans, will the minister now undertake a complete review of home care services throughout Alberta, including Meals on Wheels, to ensure that the service is consistent and adequate?

MRS. BETKOWSKI: Mr. Speaker, this government has undertaken a complete review of long-term care in this province and produced a very excellent report under the leadership of the Member for Calgary-Glenmore. We believe very strongly that there must be a component of local community input. The local community, in the case of the east-central Alberta home care decision, was one where they decided they could get better use out of that 44 percent increase in home care dollars that we have provided in this year's budget by allocating those dollars in a different way. We are not a government that speaks on one hand about local autonomy and slaps its face on the other hand, and we are going to continue to exercise that right for all Albertans.

MRS. HEWES: Well, Mr. Speaker, the local home care unit has now sent out a rather terrifying memo on the subject. Will the minister now move to amend the home care Act to list Meals on

Wheels as a service that "shall" -- not "may" but "shall" -- be provided so that service can have the security it needs?

MRS. BETKOWSKI: Mr. Speaker, no, I will not, because in fact there are some communities that feel that Meals on Wheels should be a part of their home care budget, and that is permitted under our Legislation. But there are others who do not feel that way, that they can get better value out of exercising their prerogatives in terms of spending in a way that they deem to be appropriate. I am not supportive of saying, "You must do this in order to meet the home care needs of your community." We want communities to have that kind of input, and I believe the reasonable fees that are being charged, particularly in this instance with respect to the Meals on Wheels program, is a decision that the home care people have made appropriately for their community.

MRS. HEWES: Mr. Speaker, then will the minister please explain to this House and the people of Alberta why the department is wavering on this inexpensive and rational solution of home care/Meals on Wheels, where the cost effectiveness has been proven long ago?

MRS. BETKOWSKI: Mr. Speaker, I don't understand the question. I don't know what the evidence is of wavering with respect to home care. Certainly getting patients on to home care, getting people to use home care, is a very . . .

MRS. HEWES: They can't get on it.

MR. SPEAKER: Order.

MRS. BETKOWSKI: . . . is a very important part of our home care program.

With respect to what the hon. member means by wavering, she'll have to be a little more definitive in her question.

MR. SPEAKER: Clover Bar, followed by Edmonton-Jasper Place, then Edmonton-Whitemud.

Ethylene Pipeline Expansion

MR. GESELL: Thank you, Mr. Speaker. I hope you heard my point of order that I raised just previously.

My question, Mr. Speaker, is directed to the Minister of Energy. I would want to reference the proposed new alignment for a second high vapour pressure ethylene pipeline from Joffre to Fort Saskatchewan. Such new alignment would increase the potential exposure of a number of residents in my constituency to the volatile contents of that pipeline. I would want to ask the minister: would the minister indicate if the proposed second pipeline could be located adjacent to the existing line, which is in an existing pipeline corridor, the transportation utility corridor of the RDA, which is specifically designated for that purpose?

MR. ORMAN: Mr. Speaker, I must begin by commending the Member for Clover Bar for bringing this matter to my attention and for taking up the concerns of his constituents.

I should point out that this new pipeline expansion is really as a result of some good news, Mr. Speaker, and that is the additional capacity for the expanding petrochemical industry in the

Alberta Gas Ethylene plant at Joffre moving products north to Fort Saskatchewan.

Mr. Speaker, may I indicate to the hon. member that the Energy Resources Conservation Board is the regulatory body that makes the decisions on the aligning of pipelines, the direction of pipelines. I'm of the understanding that there are two alternatives being presented to the ERCB. One is to piggyback the existing line that moves north from Joffre, and there is an alternative. It is encouraged by the board that two alternatives be presented so they can make a decision as to the best results based on the least impact on the community. As I understand it, there is no application to date. There will be public hearings, and I encourage the hon. member to advise the people who are concerned in his community that they do make a presentation to the board when they hear this important matter.

MR. GESELL: Mr. Speaker, I will certainly do that, but I want to raise a further question with the minister. I would want to advise him that Novacorp International is actively pursuing agreements with landowners for this right-of-way, and it concerns me. Would the minister make representation that the essential monitoring for this pipeline, for the eventual two pipelines that might be located, might be much more efficient and effective if they were located within the same corridor?

MR. ORMAN: Mr. Speaker, this is exactly the reason we have an independent, quasi-judicial board in the ERCB weighing these matters. The points the Member for Clover Bar brings up are really the points that should be brought up during the hearing. The board has a very good reputation for being able to land on the best decision on a balance for both the industry and the community. I would encourage that the member pursue that and raise those questions with the board.

I should also point out that my research tells me, Mr. Speaker, that Nova and Alberta Gas Ethylene are looking at state-of-the-art monitoring techniques. My understanding is that putting in a second line, as opposed to piggybacking the existing line, will give them the opportunity to increase the state-of-the-art monitoring in the event that there are problems, which is a very, very low probability in the area.

MR. GESELL: Thank you, Mr. Speaker. Will the minister confirm that consideration will be given . . . I know the minister indicated that representation should be made from the constituency, and that will happen. But I want to make the minister aware that consideration should be given to relocation of the existing line adjacent to Sherwood Park. Relocation further west will provide a better separation between residences and this particular line.

MR. ORMAN: Mr. Speaker, the member makes another point that should be considered during discussions about pipelines in general. I should say that we have hundreds of thousands of miles of pipelines, whether they're gas, oil, or ethylene lines, and these public hearings that the ERCB conducts do hear these matters. As I've indicated, I appreciate the leadership that the hon. member has taken in bringing this matter forward, and I would hope that he takes the message back to his community that representatives of the community should be encouraged to make representations and intervention when the board has the public hearings.

MR. SPEAKER: Edmonton-Jasper Place, followed by Edmonton-Whitemud, then Athabasca-Lac La Biche.

PCB Leak at Swan Hills Plant

MR. McINNIS: Thank you, Mr. Speaker. A week ago an honest, good-thinking citizen informed an *Edmonton Journal* reporter that a quantity of polychlorinated biphenyl had been accidentally released through a crack in the foundation of the Swan Hills special waste facility. Were it not for the courageous action of this one individual, members of the public and federal authorities -- I say no one outside the minister's circle would be aware of this incident. Certainly the Swan Hills facility does appear to be in violation of section 36(3) of the Canadian Environmental Protection Act. What steps has the Minister of the Environment taken to ensure that there is no such cover-up of accidental chemical releases from the Swan Hills plant in the future?

MR. KLEIN: Well, first of all, Mr. Speaker, there was no attempt whatsoever to cover anything up. As a matter of fact, when the crack was first discovered, it was reported to officials in my department, and secondly, it was reported to the advisory committee, a group of citizens in Swan Hills. Action was taken immediately to study what caused the crack in the first place, and work is going on now to repair the crack, put in weeping tile to make sure that all the contaminants are removed, and nothing is being hidden at all in this matter. It's being treated in a very, very straightforward fashion.

MR. McINNIS: It was two months later that it was leaked in the newspaper, and the minister knows that.

In view of the fact that a week ago the minister explained that the PCBs had accidentally washed down a crack in the foundation after a rainstorm, I wonder if the minister would explain why the PCBs are slopping about the concrete bridge crane pad waiting to be washed down in the event of a rainstorm?

MR. KLEIN: Well, first of all, the leak of the PCBs down the crack is no more serious than the alleged leak to the newspaper. There was no leak to the newspaper. It was a publicly reported matter, a matter that was reported to a public body within the town. That's hardly keeping things under wrap. And the amount of PCBs is reported to be minute. The matter has been dealt with. The crack is being repaired, and hopefully it won't happen again.

MR. McINNIS: No report to federal authorities, no report to the public. Last week the minister dismissed the incident. Today he dismisses the incident citing a PCB concentration of "270 parts per million and 45 parts per million." This is *Hansard* July 25, page 990. Does the minister have any explanation for why federal officials found concentrations of 2,900 parts per million or 10 to 64 times what the minister acknowledged last week?

MR. KLEIN: Mr. Speaker, I must say that we have communicated with the federal government. I'm afraid to use the word letter or document because if I do, their ears perk up and their eyes get all glassy and they start to water at the mouth. You know; a document, another motion for a return. It's become a growth industry over there. Our communication with the federal

government was such that we are not entirely sure as to the reporting procedure, and we're sitting down with the federal government to get clarification on the procedures for reporting. This was a crack and not a spill. Under our agreement with the federal government, we are to report spills.

MR. SPEAKER: The time for question period has expired. Points of order. Westlock-Sturgeon and then Clover Bar.

MR. TAYLOR: My point of order, Mr. Speaker, was with regard to points 171 and 168 in the order in your duties saying that "actions of the Speaker cannot be criticized" and "confidence in the impartiality of the Speaker is an indispensable condition of the successful working of procedure." It says in 168(2), "The Speaker does not attend any party caucus nor take part in any outside partisan political activity." I'm going on. In 171, "the Speaker has the duty to maintain an orderly conduct of the debate by repressing disorder when it arises."

I only bring this up because yesterday I think I got a great deal of sharp heckling from you on the gas plant and again today, and it makes it very difficult, Mr. Speaker, to have this sense of order that you request if you are heckling. I find it almost irresistible to lip back. I'm trying to get across that just a silent scowl would be better.

MR. FOX: He works with body language.

MR. SPEAKER: Body language? How about this? [Mr. Speaker turned his back to the House] I was just "checkling" the emblem on the back of the Chair.

The Chair is entirely intrigued that one of the best hecklers in the House should feel so terribly personally aggrieved, especially that when on the two occasions that the Chair has used it in good fun the Chair at least has said please and thank you. However, that's with regard to the second point, hon. member. The Chair, however, is intrigued and would like you to speak further to the more serious issue which you raised, 168 (2). What did that have to do with the point of order?

AN HON. MEMBER: He had the wrong number

MR. SPEAKER: Is that correct, hon. member? It was the wrong number that was cited?

MR. TAYLOR: Nothing.

MR. SPEAKER: Thank you, hon. member.
Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. I rise to a point of order, and you may have noted that I raised that point of order after the Premier had concluded the answer so as not to interrupt the speaker. I'm citing Standing Order 13(4)(b), and I might just refer the House to that point:

(4) When a member is speaking, no person shall . . .

(b) interrupt that member, except to raise a point of order.

I find as a new member, Mr. Speaker, that there is some considerable heckling going on, particularly by the Member for Edmonton-Kingsway. I find that heckling to be completely

inconsiderate . . . [interjections]

MR. SPEAKER: Order in the whole House.

MR. GESELL: I find that constant heckling and the remarks inconsiderate, disrespectful, childish, and almost crude. [interjections]

MR. SPEAKER: Thank you. Order. Order please. There is some leeway given to question period. The leeway is not to be there during debate, and it's not to be there during points of order. Now to have heckling going on in this is entirely inappropriate, especially when the Chair hears it from about the same location almost on every opportunity.

Clover Bar, please.

MR. GESELL: Thank you, Mr. Speaker. That was exactly my point. I find that these ongoing remarks are lacking in decorum, and I would ask the hon. member to refrain.

MR. SPEAKER: I think that with the member bringing it to the attention of the House, the whole House has indeed taken note of it. The Chair has indeed tried to get some of that settled down in question period and will indeed be doing it even in a more stringent manner in the next days of this sitting. It's a matter of concern for members and perhaps even of that member's own caucus. But we all know, after the length of time we've been in here, that there are certain members who, while they may have very witty and precise kind of comments, nevertheless the volume at which they are uttered is really somewhat inappropriate. In addition, the Chair would like to point out something that the Chair noted a week or two ago, that when a question has been asked, the very least one can expect is that the first two sentences of an answer be listened to before we start having all this heckling take place.

Before we deal with Orders of the Day, we have a request under Standing Order 40. Edmonton Highlands.

head: **MOTIONS UNDER STANDING ORDER 40**

Ms Barrett:

Be it resolved that as insufficient time has been given over to consideration and approval of the 1989-90 budget estimates, Standing Order 58(1) be waived for the remaining days of this sitting of the Assembly

MS BARRETT: Thank you, Mr. Speaker. Several years ago, when there were relatively few members of the opposition in the Assembly, the government under the leadership of Peter Lougheed changed the Standing Orders of this Assembly such that the ones that we now have to live with, particularly 58(1), impose a limit of 25 days for consideration and approval of the annual estimates brought to the Assembly. Now, I in fact have had an informal conversation about this matter with the Member for Little Bow, who now sits as the Municipal Affairs minister, and recall that he took part not only in the debate regarding the imposition of those Standing Orders but also in the filibuster and in the objection to the closure that was ultimately used by the government to impose that particular Standing Order. I won't go into a great deal of history.

MR. SPEAKER: Thank you. Order please, hon. member. The

use of the word "closure" is inappropriate. To follow our Standing Orders is just carrying out the action of Standing of Orders, not the word "closure." Thank you.

MS BARRETT: Thank you, Mr. Speaker. The action to kill the debate, I should say, on the imposition of the Standing Orders at that time followed a very interesting part of history in the Alberta Assembly, I recall, related to the trust fund estimates. But the reason it is of importance today has to do with the fact that today is day 25, and at 5:15 p.m., no matter what's going on in the rest of the world, the Chairman at that Table is going to interrupt debate on consideration of the estimates and say, "That's it; game over," and call the vote. No debate is further allowed.

Now, I believe that this is an urgent issue. It's not the first time we've raised it, but I would like you to consider this prior to going to the request for unanimous consent to deal with the debate: 56 percent of Albertans voted for the opposition, only 44 percent for the government party. In this instance, the opposition is no longer a small group of people; it is a much larger group of people who take a lot more time and are very thorough in reviewing the government estimates.

I believe, Mr. Speaker, that this request for unanimous consent under the consideration of the 5:15 deadline today is very appropriate, and I would encourage members to give unanimous consent for consideration of this motion.

MR. SPEAKER: Under Standing Order 40 only the mover may speak to the request for urgency. Those in favour of granting unanimous consent, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion fails.

ORDERS OF THE DAY

head: **GOVERNMENT MOTIONS**

12. Moved by Mr. Horsman:

Be it resolved that when the Legislative Assembly adjourns on Friday, August 4, 1989, at the regular hour of 1 p.m., it shall stand adjourned to Wednesday, August 9, 1989, at 2:30 p.m.

[Motion carried]

head: **COMMITTEE OF SUPPLY**

[Mr. Schumacher in the Chair]

MR. DECORE: Mr. Chairman, I wish to rise on *Beauchesne* 24 on a point of privilege.

MR. CHAIRMAN: Order please. Hon. member, points of privilege, while they must be raised at the earliest opportunity, must be raised in the full Assembly. The proper procedure is to write a letter to the Speaker setting out briefly the grounds for the point. You will not be prejudicing your position with regard

to late application if you follow that procedure. I'd refer you to Standing Order 15.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Members of the committee . . . A point of order, the hon. Member for Edmonton-Kingsway?

AN HON. MEMBER: They were calling, "Question."

MR. CHAIRMAN: No. The committee hasn't been called to order yet, which I will do right now.

head: Main Estimates 1989-90

Treasury

MR. CHAIRMAN: We're to deal with the estimates of the department of the Treasury, which commence . . .

MR. DECORE: Mr. Chairman.

MR. CHAIRMAN: Yes.

MR. DECORE: Point of order. You've drawn my attention to Standing Order 15. Standing Order 15(5) allows a member to rise on a question of privilege at any time.

MR. CHAIRMAN: That's in the Assembly, hon. member, not in committee. The hon. Member for Edmonton-Highlands has raised the point about being short on time, and I really do think we should get down to dealing with the order of business for today in committee, which is the Treasury Department. As I was pointing out, they are to be found at page 349 of the main book and 151 of the elements book. I would invite the hon. Provincial Treasurer to introduce the estimates.

MR. JOHNSTON: Mr. Chairman, on June 8 we started the process of reviewing the 1989-90 budget. The opening statement I had at that time was:

Mr. Speaker, I am pleased to report that Alberta has a strong and healthy economy.

Well, Mr. Chairman, it is, in fact, repetitious, but for emphasis we should say that if it was strong and healthy on June 8, 1989, it is even more buoyant, it is even stronger, and it is even more aggressive in terms of its economic performance. Since that budget was brought down, Mr. Chairman, we have seen some very significant indicators that support the position we took in June, that have confirmed the direction this government is heading, and in fact have in a dramatic way shown that this government and this province are really in the process of renewal.

Now, I know the opposition doesn't like to hear the words . . . [interjection]

MR. DECORE: Point of order.

MR. CHAIRMAN: Order please. Order please. The hon. leader of the Liberals is rising on a point of order?

MR. DECORE: I knew it had to be here somewhere. I draw your attention to 62(4).

MR. JOHNSTON: Well, Mr. Chairman, with respect, now I'm raising a point of order as well.

MR. CHAIRMAN: Well, we can only deal with one point of order at a time. The hon. Member for Edmonton-Glengarry is suggesting that the committee adjourn to call the Assembly back to deal with his point of privilege?

MR. DECORE: That's exactly what I'm suggesting, sir.

MR. STEWART: In looking at 62(4), I would suggest that the wording is that: "When a question of privilege arises in a committee . . ." And unless the hon. member can show that the question of privilege he intends to bring arose in this committee, then I don't think that he is relying upon any correct -- it's irrelevant.

MR. CHAIRMAN: In this circumstance, I think I will invite the hon. Member for Edmonton-Glengarry to succinctly state what his point of privilege is, and we can then ascertain whether it arose in committee or in the Assembly.

MR. DECORE: Mr. Chairman, my point of privilege is that, as the elected representative of Edmonton-Glengarry, it's my duty on behalf of my constituents to ask as many questions as I can to inform myself as best I can so as to be able to vote on all of the matters involving the estimates of this government. I am not able to do that. I draw one example to the Chairman's attention: the questions that I put to the hon. Minister of the Environment, questions with respect to his \$119 million budget, specific questions. You were in the Chair, Mr. Chairman, when I asked those questions. I asked specifically for information on each of, I think, three or four subject matters. The minister informed the representative from Edmonton-Glengarry that those answers would be given. I'm not able to vote on the issues regarding the expenditure of many millions of dollars, and when there is something as serious as the high deficit that we have in our province, I think it's incumbent upon us to get all of those answers.

MR. CHAIRMAN: Order please. The Chair is prepared to make a ruling on this. The Chair does not feel this is a point of privilege. This is a point of order, and it is a matter for debate. There are no grounds for adjourning the committee to deal with any question of privilege, and the normal rules of debate will apply. I therefore have no alternative but to recognize the hon. Provincial Treasurer to continue with his remarks, unless the Provincial Treasurer has a point of privilege that he wanted to raise.

MR. JOHNSTON: Well, Mr. Chairman, I don't have a point of order. I want to get on with the business of reporting to the people of Alberta about the great success story that's happening in this province. None of this doom and gloom stuff these Blues Brothers from across the way, Mr. Chairman -- we want to deal with the real information. We want to bring the truth to the people of Alberta. We want to get on with action and performance, Mr. Chairman. We don't want to be like those people across the way. The feckless direction of those socialists over there, Mr. Chairman . . . If they had control of this province, it would be doomed and it would be bankrupt, Mr. Chairman. As I said before, Mr. Chairman . . . [interjections]

MR. CHAIRMAN: Order please. Order in the whole House.
The hon. Provincial Treasurer.

MR. JOHNSTON: My, Mr. Chairman, what sensitive people we have across the way.

MR. McEACHERN: We're taking you up on your challenge.

MR. JOHNSTON: Well, it's much better to give than to receive. [interjections] I know; I know.

Where was I, Mr. Chairman? I guess I'd better begin again, because it's important to get this message clear to Albertans, because Albertans have a lot at risk with respect to the future of this province. They know that it's moving in the right direction. They want to hear the words from the province, the government, that confirms their view, reinforces what it is they know to be true.

And as I introduced my remarks, Mr. Chairman, now, in closing a long, complete, full debate on this budget, today I'm also "pleased to report that Alberta has a strong and healthy economy." Mr. Chairman, I said those words on June 8, 1989, and it could not be more true today than it was then. It is, in fact, stronger today, healthier, and the fundamental indicators that we see, the measurements that we all turn to, are supporting that very view. For example, in May of 1989 the retail sales per capita were the highest of any province in Canada. That certainly confirms the fiscal package that we put forward, a fiscal profile, as the Premier pointed out today in question period, which has all the caring elements, has all the resources we can afford, committed in a very logical way to education and health and other areas, giving Alberta the distinct and unique advantage of being one of the most comprehensive social program provinces in Canada. But at the same time, Mr. Chairman, the fact that we have the lowest income tax and no sales tax in this province is in fact bringing that health, that vigour, that investment confidence back to this province again.

When we talk about the retail sales per capita, Mr. Chairman, you know, that's an amazing indicator, an amazing indicator. We know that people in this province have a very sound and positive view about the future of this province. They think their jobs are secure; they know that the economy is strong; they realize that inflation is under control and their jobs are in place. Mr. Chairman, the opposition doesn't like those kinds of statements. The opposition wants to have it some other way. They want to build on misery. They want to build on failure. They want to build on the desolate. That's not the way in which this province operates. That's not the pioneering spirit that built this province. We know better than that, Mr. Chairman. That's why this is such an important indicator, an indicator which shows confidence, which shows that people are investing in durable goods and nondurable goods, that they know their job is secure. That's why that indicator is such a significant indicator.

At the same time, in June-July of this year, more people were employed in Alberta than ever before. Even with 100,000 students coming on stream to seek very valuable student jobs to go back to our very best universities and colleges, we were able to absorb 1.3 million people into the work force. Now, in 1977 we couldn't even achieve that, when we had this big boom going on, when people thought nothing could end but greatness. Well, Mr. Chairman, there are more people at work in this province than ever before, and on a consistent base, going back to July of 1988, the facts have confirmed just that. Over that year since

July 1988, that has been the case. Something must be happening, Mr. Chairman. Something must be happening in this province.

MR. CHUMIR: Not by your estimates.

MR. JOHNSTON: I'll tell you what it has to do, Mr. Buffalo. You're not going to buffalo anyone with your comments when you get those negative criticisms. We want to talk about opportunity, and you don't like to hear about opportunity. I know that. You don't like us to give you the facts which say that people have confidence in this province, and ergo, people have confidence in this government, Mr. Chairman.

AN HON. MEMBER: Not any more, Dick.

MR. JOHNSTON: Oh, yes they do. Now, I remind them of the election which just took place a few weeks ago here, Mr. Chairman. That's the greatest poll you can see, a poll which returned the Conservative government again, a poll which showed that we were the ones who could lead this province, that we had the policies for the future and we were the ones who could manage the fiscal plan of this province, and are doing just that, Mr. Chairman. That's what that poll said, and that's what the people of Alberta expect from us, Mr. Chairman. And you know, we're not going to let them down; we're not going to let them down.

So I think it's important to start any final comments -- now, that's an oxymoron; I know it -- by confirming where it is we are. Whatever it is we've done in June, whatever we said in June of 1989 has, in fact, been confirmed. Oil prices, Mr. Chairman: when we said the oil price would be \$19, we had all kinds of hoots and hollers from across the way, and the average price of oil since January 1 to July 31, 1989, is well over the \$19 level already. Sure we expect some softness in that price. This is the season when you do have softness, and of course that may take place. But, even so, the price is holding steady, and we think that the resolve of OPEC together with the increasing demand for liquid hydrocarbons worldwide will hold that price in good position. Moreover, Mr. Chairman, the oil opportunities are strong. We know that the gas opportunities are just as strong, and we look to that as being an important part of the fiscal opportunities, the fiscal plan of this province.

On investment, Mr. Chairman. It is investment that drives jobs. Investment comes where there's a great climate, an economic climate that supports private-sector activities where rewards are available, and that's what's happening in this province as well. Ministers have, over the past few days, outlined a considerable amount of new money coming to this province, money which flows into our pipeline systems, into our petrochemical systems, into our housing sector, into our oil and gas sector, into a variety of areas including forestry, which everyone knows about. We are the profile of a boom in investment, Mr. Chairman. That of course brings confidence to everybody in this province, and that is essentially where we are right now. Now, you can't deny that, Mr. Chairman. That can't be denied because no matter what facts you have, we can show that in fact it's taking place, it's happening, the economy is strong, and the government is out front in terms of its leadership on the economic recovery and the fiscal plan which we've presented.

Mr. Chairman, let me just come back a few minutes to the Treasury Department. This department goes back some time. It's made up of very capable staffers. We have essentially a

two-stream department, one which is a budget side and one which is a financing side, headed by Al O'Brien on the budget side and Allister McPherson on the financing side, two very important people in the role of government, certainly two significant people in the way in which Treasury is operated since they've been involved. I think they reflect the kinds of professionals that are involved throughout Treasury; a very dedicated staff, the whole 866 of them, and obviously unstinting in their service to this government and to this province. I have to underscore that recognition today. At the same time, Mr. Chairman, in my office staff I have had the fortune of working with two of them for at least 14 or 15 years each, Sharon and Arlene. And my two executive assistants, Myles and Randy, and of course the new addition to our office, Loretta, are all valuable assistants to me personally, and to them I owe a great deal of gratitude. I want to make sure that that's on the record as well.

Our department, Mr. Chairman, plays a significant role. Now, we've been through a very difficult period when we've had to deal with financial institutions, we've had to deal with increasing deficits, we've had to manage better. I think the department has performed, and it has been significant to see that, in fact, the results are there. It's interesting to just run through some of the points of contact with Treasury. Treasury isn't always seen to be a program department the way some other departments are, but in fact we have as many contacts with Albertans as most other departments would. Obviously, some of the larger program delivery departments have more clients, but I think we have more of an array of contacts, and we continually provide the best service possible. Like Nordstroms, we like to provide good service, and we think that service in government must be a requisite to being a civil servant.

Notice that we do provide information on the Alberta farm fuel distribution allowance. We provide information through the statistics section of our department, through the Alberta statistics group, and of course we administer the corporate income tax side as well. In doing that, Mr. Chairman, we have a lot of contacts. In the case of the hotel tax, for example, we deal on an ongoing basis with 1,200 hoteliers. We deal with about 113,000 corporate income taxes a year, and we have, if the number is right, about 136,000 bond owners that have participated in our Alberta capital bond issue. So you can see that in a variety of ways this department is in contact with Albertans, providing services. Now, we try to do the best service we can. When it comes to writing cheques, when it comes to providing information, when it comes to providing the service, I must say that the department has performed exceptionally well.

I should just pause there. When I talked about the statistics department under Harv Ford, this is the 50th anniversary of stats Alberta, a very informed group of hardworking people who keep the information flow available to us on such things as population trends, such things as what it is the federal government has done, and keep the information flowing, in particular, through something called the Alberta statistical information system, which is a computerized approach to providing an array of data to users that I think all of us in this Assembly from time to time have an opportunity to test. So I think it's important that we mention today that this is the 50th year of the Alberta statistics department.

Let me talk about some of the more specific programs that are within the department. I've mentioned already the Alberta farm fuel distribution allowance. This is a tax abatement to farmers, in particular for the tax on gasoline plus an additional

sales tax abatement, and of course those dollars are reflected in my budget this year, as is the administration cost. Any increase, essentially, in our department is a result of that abatement, and therefore much of the increase in the expenditures is as a result of that program. As we announced, that program is working effectively. We have provided in this year's budget an additional assistance to farmers for the diesel fuel allowance, and of course administratively we rely on the about 600 bulk dealers across Alberta to ensure that that system operates.

Now, Mr. Chairman, as well, we also have something called the Alberta stock savings plan. I will be making more comments about the Alberta stock savings plan sometime toward the fall. That program was introduced in 1986 to allow small investment public companies to participate in equity issues, using the tax system in particular, and we have found that as of June 30, 1989, approximately, if my numbers are accurate, 107 issues have been issued under that program. The idea is, of course, that the Alberta individual buy shares in a company and will get a tax credit over some period for his investment, providing he maintains the investment. We have had, obviously, some interesting examples of people trying to use the system to their own advantage. The opposition has criticized us from time to time that in fact the benefits do not flow to Alberta. But generally speaking, Mr. Chairman, considering that the total amount of equity proposed under this system is close to \$300 million equity capital put together as a result of this program, I think the program, at least in its initial three years, has been successful.

The reason I flag it now is that I would have liked to have introduced legislation in this session, but because of the timing, because of the election in particular, I will have to hold off introducing that legislation. But I expect that I will outline the way in which the plan will operate sometime in September so that those people who are still interested in the plan will have an opportunity to take advantage of it, and those people who want to use the plan in terms of share issues may also have an opportunity to continue with their planning.

And so despite some criticism, despite some operational problems, I think, generally speaking, that it's my view that we would like to keep the Alberta stock savings plan operating to ensure that public companies will have an opportunity to pool equity, use the tax system, and to generate investment in this province.

The other item, Mr. Chairman, is the corporate tax system. I wanted to spend just a moment on that. As I indicated earlier on, approximately 113,000 corporate tax returns are filed in this province. The dollar value of corporate tax received is about \$800 million. It's important to note here, Mr. Chairman, that we in the province of Alberta have an opportunity to set our own tax policy on the corporate side. Now, I already mentioned the Alberta stock savings plan in particular. I want to mention as well that the corporate tax plan does allow us to have the uniqueness of our own economic objectives reflected in the tax policy, and we are one of a few provinces that has our own provincial corporate tax system. Now, the opposition has criticized us historically saying that we have not equitably balanced the tax cost as between corporate and personal income tax. That could not be further from the truth, Mr. Chairman.

Let's remember how the corporate tax system operates. In the corporate tax law it is in fact true that tax losses which have been generated in any one year can be carried forward. You don't have to be an economic or financial genius to know that corporations in this province for the period 1986-87 in fact ex-

perienced significant tax losses, tax losses generated by the very deep recession that this province went through, and of course those tax losses are being carried forward. So you can see that if you have a pool made up of 50 marbles here and 100 marbles here, it might be that the balance is one-third/two-thirds. But if suddenly the 50 marbles have gone, obviously the balance isn't there any more at all. So when you have tax losses and therefore less tax collected on the corporate side, it's to be expected there's going to be a shifting of the ratio more to the personal tax side as well. And so that to some extent has happened. But we expect that that will correct as you move over the three- to five-year period ahead, as those tax losses are used in earnings, because in fact corporations are now earning more money than they have before. In fact, you will find that corporate taxes will increase significantly in this province. That's why there's so much interest. And our objective, to ensure that diversification takes place, is to ensure that corporate taxation comes into this province. They come with their investments, they come with a tax regime, and they come with tax dollars for the government to deliver the programs that we are now delivering. At the same time, a certain weighting must go towards the personal income tax side, and of course you must expect that personal taxes will increase, because our economy is so healthy.

As I said in my opening remarks, Mr. Chairman, we have more Albertans at work than ever before in this province. Despite the lowest personal taxes, certainly, in Canada in this province, with more people working, with more income in their hands at a higher rate, you may have to expect they're going to get more taxes to pay to the province. That doesn't mean that we are unbalanced in our view, because you know that in 1987 when we brought in our budget at that point in response to the very serious economic times we were facing, we did increase corporate taxes by about 35 percent -- a very strong hit, Mr. Chairman. Now, we reduced our personal income taxes in the summer of 1988 by stripping off 50 percent of the temporary flat tax, and that went back to Albertans, as we committed, in July of 1988, along with the federal tax change. That went right into the pockets of Albertans, and that's our commitment to Albertans. They know it. They know we've got the lowest tax regime in this province. They know we're going to continue the high level of services, and they know that we are the only province that is opposed vigorously, I think significantly as well, to the imposition of the federal sales tax.

It's interesting when you talk about the federal sales tax, Mr. Chairman, because you know, as I've said before, both parties are somewhat vacillating in their position. I have to give the NDP Party -- I like to use that, because it bothers them. The NDP Party are a little more certain in their position, but you know, the Liberals aren't. The Liberals aren't. I just happen to have an article here dated December of 1988: "Decore says VAT not bad." VAT not bad. Well, if that's the view of the Liberal Party, I think all Albertans should know about it. I for one intend to ensure that happens, but I also want to have it on the public record here today, Mr. Chairman, because the Liberal Party is supporting the intrusion by that federal government into our economy. Albertans don't want a sales tax, and I would love to have them out there talking about the need for a sales tax in this province.

You know what that federal sales tax is going to do, Mr. Chairman? That federal sales tax is going to be difficult on our government. A provincial sales tax is one thing; we don't have one, but other jurisdictions do. It is the one source of income

that has been given to them traditionally. They have it; they can define the base; they collect it -- a very important part of the revenue base. But the imposition of that federal sales tax here in Alberta at the rate that is now being described would do nothing but lead us down the treacherous, risky path of recession for Canada, and that isn't what Alberta needs. It would drive investment out of this province until the correction takes place. It would be inflationary, Mr. Chairman, and we would have a round of wage/price changes. And it would absolutely be not to our advantage because it would dislocate our industries and advantage the industries in Ontario. We have outlined this position consistently. We have taken a stand. We have led the way when in fact other provinces were hesitant to take a position, and now I think most Albertans understand, and certainly most Canadians have been confirmed that what it is we outlined, the inflationary impacts, the dislocation to sectors, the dislocation to the regions, is in fact taking place. We can't accept that, Mr. Chairman, and I think it's abhorrent that the Liberal Party across the way supports the notion of this federal sales tax.

MR. FOX: How about the dislocation of the Dodger?

MR. JOHNSTON: There goes Foxy Loxy again: "The sky is falling, the sky is falling." He must run and tell the king.

AN HON. MEMBER: Come on, Tricky Dickie. That won't help us.

MR. JOHNSTON: Well, go talk to Turkey Lurkey too.

AN HON. MEMBER: I can't. He's sitting here.

MR. CHAIRMAN: Order please. Order.

MR. JOHNSTON: I apologize, Mr. Chairman. I was carried away.

Let me turn to financial institutions. I was mostly amused today when a federal member said that they thought they would impose a federal regulator on the provinces, a regulator who would obviously take charge. Mr. Blenkarn, in his comments, I thought was somewhat inappropriate. He said that because of the problems with Alberta institutions, particularly the Principal Group, he thought it would be appropriate for the big hand of the federal government to come home, that they would take charge, they would help us out, they would regulate. Mr. Chairman, I don't know where this man's been, but let me assure him he should probably look in his own backyard before he starts casting about in the provinces to regulate what we're doing. Let me make it very clear that we will oppose any intrusion into our jurisdiction by the federal government, and we will not have a federal regulator looking at our regulations and our legislation. That must be an affront to this Assembly to have that kind of suspicion out there, Mr. Chairman, and I for one, and I'm sure the government, will oppose that with all vigour.

Let's come back, Mr. Chairman, to what it is that's happened in this province over the past few years. There is no question that we've been through a test. There is no question that we've had to face adversity, and there's no question that we have, I think, risen to that challenge. As I recall, in June of 1986 when the Premier asked me to take this responsibility of financial institutions, we looked at the waterfront, we formed a course of action, we outlined a plan as to how we'd deal with these

problems, and in fact that's taken place. We've all been through an exhaustive process with the Code inquiry, and I think on Friday you saw the way in which this province responded, the way in which this government handled the issue. As I said on Friday, it was a process of reflection and choice. We did not rush into the waters; we did not rush in with some irrational position. We thought it through, carefully considered all the alternatives, and I think, as the Premier said today, came very close to making a fine, crafted statement which reflects not just the interests of the contract holders but reflects our responsibility to all Albertans.

Now, as the Premier said again today, the opposition doesn't like it when government is successful, when government cuts it right, when the people of Alberta respond and respect what it is the government has done. The opposition doesn't thrive on that kind of a regime, Mr. Chairman; it's not the right environment for them. It's got to be blue and gray. There has to be a threatening tornado, and sadness has to be everywhere. That's their regime. But as I said, that's not the way it is. In fact, I don't want to use my own quote, but it's a superb sunrise in this province. A superb sunrise is happening right now in this province. The financial institution problem is behind us. We have dealt with it, Mr. Chairman. The pain and grief of that process is over. We have put North West Trust into shape. It didn't cost the taxpayer of Alberta one nickel.

Maybe I should just put on the record again what it is we did in North West Trust, because the opposition doesn't like this one either. We made a deal with the Canada Deposit Insurance Corporation that we wanted to fix that company. They put up over \$160 million into the company, a very simple process. The federal government put the money up. We stripped all the bad assets out of North West Trust. All the bad loans, all the bad real estate, whatever was foreclosed are over here in another company. North West Trust has capitalized about \$750 million worth of assets: nice performing mortgages, lots of securities. Guess what else has happened, Mr. Chairman? It's profitable too. It's a funny thing, but it's profitable too. It's earning money. Last year it earned about \$6 million or \$7 million. We expect it to be higher next year. The company is providing a major service not just to Alberta but also to Alberta . . .

MR. CHUMIR: It made itself, Dick.

MR. JOHNSTON: Hey, Buffalo, how are you doing over there? Are you still awake?

It provides a major service to all of western Canada, Mr. Chairman, providing a very needed strengthening of our financial institutional system. It didn't cost the taxpayer of Alberta one nickel, Mr. Chairman. No cash. Okay? But we've got the company, and guess what? We had the real estate assets over here. Now, many people said, "Well, what if there's a tremendous loss in real estate prices?" Guess what again, Mr. Chairman? It's not happening. I'm sorry to say that real estate prices are on the rebound. Housing is strong; commercial property is good . . .

AN HON. MEMBER: Retail sales?

MR. JOHNSTON: Retail sales are strong. It's happening, Mr. Chairman, it's happening. We've got the real estate over here. We're liquidating it. We're going to end up with the real estate gone and put onto the market in a nice, managed way, and we're

going to have a trust company over here that at some point I hope we can privatize and give back to the private sector to run effectively. And we've kept the financial system operating, Mr. Chairman. We've kept the financial system strong in this province. At the same time, we have put at least the Heritage trust company in place as well. It was blended into this company, so another problem was fixed for us as well.

Secondly, Mr. Chairman, the credit union system: a very creative way in which we looked at the credit union system to stabilize it for approximately 500,000 Albertans, started by my colleague the Member for Three Hills, who had a vision about saving these institutions, who put it together. We were able to complete that, Mr. Chairman, during the period after 1986. Guess what again, Mr. Chairman? Guess what again? Credit unions are rebounding. Deposits are up. Profits are coming. Oh, oh, did I use that word "profits"? Oh. I used that profit word again, Mr. Chairman. Dam, I used that profit word again. Well, profits are coming back to the credit union system too, Mr. Chairman. It could well be that the credit union system is as strong as it's ever been. Yes, we've had to put some money into it. Yes, we've had to be creative as to the way in which we've financed it. We've done it: stripped the bad real estate out, provided them with funding for the losses in the company, Mr. Chairman, and it's working. It's working.

To complement that initiative we also introduced into this Assembly the credit union legislation. Now, let me also end my comments on financial institutions on that point. The credit union legislation, although it does weave together a 50-year history of credit unions in this province with the most update contemporary changes in financial regulation, is an important piece of legislation. Introduced last summer and laid over to last week, it's been widely consulted with our credit union friends. We've talked to other provinces about the principles therein, and we think it's a very contemporary piece of legislation. Now, it's not as easy as some financial institution legislation, but it's contemporary. It deals with all those changes that are necessary in this fast-changing financial marketplace, changes which spell out the role of directors, which talk about equity, which talk about the need to retain earnings in the corporation, which talk about prudent portfolio management, which talk about conflict of interest, about prohibitions, about advising what it is that the credit unions are doing.

One of the things that was missed, Mr. Chairman, when we announced our program on Friday when we dealt with the Principal affair, was in fact that very few people picked up the other side of the broader package which was outlined at that point. Working in association with my colleague the Minister of Consumer and Corporate Affairs and other ministers who have been involved, including the Attorney General, we put forward, I think, a very comprehensive third leg of our strategy. And that third leg is in fact these major changes that are taking place in financial institutions. Credit union legislation I've already talked about. I've provided all members of the Assembly with the outline of our savings and trust legislation, which will be coming very soon . . .

MR. CHAIRMAN: I regret to interrupt the hon. Provincial Treasurer, but his time has expired.

MR. JOHNSTON: Mr. Chairman, I'll just need a few seconds to complete. I'm sure no one would object to that: two minutes just to complete my words. Two minutes, Mr. Chairman, is all

it is.

MR. CHAIRMAN: Is there agreement?

MR. HAWKESWORTH: The Provincial Treasurer can use it in his summing up.

MR. CHAIRMAN: The hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Although I must say I was immensely entertained by the hon. Provincial Treasurer's speech, Mr. Chairman -- I always enjoy the wit and exaggeration the hon. Provincial Treasurer uses in his remarks in this Legislature -- I got the image of Richard of Sunnybrook Farm, listening to that very glowing and happy view of the financial condition and state of the province of Alberta. I sort of hate to just cut through all that happy feeling over there and bring the hon. Provincial Treasurer back down to earth, but I think it's important that perhaps instead of dwelling on rhetoric and happy thoughts not grounded in reality, we actually look at the documents and the figures in front of us.

I think what has to be emphasized here this afternoon, Mr. Chairman, is that this government has lost its ability to effectively manage the financial affairs of this province. They have only been concerned with one small group of Albertans at the expense of the majority of Albertans, and that has been a record that has been repeated continually by this government in the years that it's been in office. Now, I want to look at that record. I want to not deal with just happy rhetoric. I want to look at the figures and the printed documents that the Provincial Treasurer himself has approved and tabled and forwarded to the members of the Assembly.

First of all, let's take a look at the deficit of this province. It wasn't too long ago -- even I can remember, without going back very far, the time when this province was debt free, and what a wonderful thing that was. But now I see, Mr. Chairman, that in just a few short years, we now have in front of us an item that we can't even vote on because it's been driven by decisions made by this government in years past: close to a billion dollars in debt payments. It doesn't even appear for a vote, because it's simply contained in the government estimates as something that we're compelled to pay because of decisions taken by this government, this Provincial Treasurer, and its fiscal policy in the past.

I also note that if we want to look again at the hard documentation -- cold, hard facts that are in front of us as legislators, Mr. Chairman -- it's quite obvious. If the Provincial Treasurer would simply read his own documents, the most recent public accounts for the year 1987-88 -- if he were to look at the consolidated figures for unmatured debt for the province of Alberta at the end of March 1988, it stood on that date at \$9.731 billion dollars. He can look it up in his own books as a consolidated, unmatured debt for the province of Alberta. In asking the Auditor General in Public Accounts whether that fairly represented the true financial picture of this province in terms of its debt, he said that was the figure you had to go to. If the Provincial Treasurer wants a reference, in case he believes I'm standing here making all of this up, I would point him to page 1.14 of the public accounts for the year ended March 31, 1988.

If we want any further evidence of what this Provincial Treasurer's financial policies are doing to the province of Al-

berta, he's introduced a Bill now, the Bill that this session is a repetition of one that he's introduced every year for the last two or three -- I can't remember exactly which. But he's asking now for authorization under the Financial Administration Act to increase the debt ceiling of the province of Alberta. The figure, if memory serves me correctly, is something like \$9.5 billion. This is the debt that he wants this government and this province to become immersed in.

Well, Mr. Chairman, not only is he asking for all of this debt to wash over the ship of state, but this kind of direction is completely and totally contrary to the happy rhetoric that the provincial Premier propagated in the last provincial election by taking out full-page ads in the newspapers around the province, and under the heading "Here are the facts," said that taxes would not go up.

AN HON. MEMBER: He's right.

MR. HAWKESWORTH: Well, that remains to be seen.

In fact, he said that this fiscal strategy of the province of Alberta was completely on track and that there was no need to worry; that in fact there was lots of room in the financial plan of the province to allow for all kinds of increased expenditure on road pavement and all that kind of stuff. These were the facts. But it didn't take very long after this Provincial Treasurer introduced this budget for us to realize that this train is no longer on that track they were on, that it was derailed some time ago; that in fact with a deficit of close to \$2.2 billion in this present budget year plus the close to \$10 billion debt the province has, this government has no fiscal plan and in fact we're headed for a very serious crisis.

Now, I know it's going to be this new strategy that this government is going to adopt, I suspect in the next year. It will be the one they adopted the year after the last provincial election. There'll be cuts to programs and increased taxes on ordinary people and ordinary families in this province. I tell you, Mr. Chairman, if they want to introduce that kind of political agenda after the Premier made printed promises in newspapers all over the province, they know as well as I do that there is going to be tremendous political backlash from the people of this province. They are not going to accept that kind of strategy to deal with the crisis that this government's fiscal policy has created for Alberta.

Mr. Chairman, the Provincial Treasurer made reference to their strategy for taxes. You know, what this government has done, not only by cutting programs that help ordinary families -- they've also increased the taxes so that the burden now falls on ordinary families. They pay the vast bulk of the taxes in this province, allowing profitable corporations to get off scot-free. Again, if he thinks that's just simply the rhetoric of the Alberta New Democratic Party, he might like to take a look at the Auditor General's report, again for the year of 1987-88. He can turn to page 96 and he can see the picture right there, Mr. Chairman.

For the year 1987-88, for the income of the province of Alberta, close to a billion dollars, 67 percent, came out of the personal income taxes paid by people in this province; only 17 percent, a little over \$200 million, came from the corporate sector. These are not figures that I'm making up. These are not some allegations that I'm making simply because of a particular political ideology. The figures speak for themselves in black and white: there's an unfair burden on ordinary Albertans because

of the mismanagement of this government and its only concern being for a very small group of very wealthy and powerful individuals in this province.

The solution is very obvious, Mr. Chairman. It is simply to restore the balance, a balance that existed even as late as the early 1980s, whereby that burden of taxation was shared relatively equally between corporations and individuals. We will have other opportunities, I hope, in this session before it's over, to debate taxation policy. I just want to say that this government's taxation and fiscal policy is an abject failure, and it's leading us to a problem of crisis proportions which this budget only papers over but within the next year or so I suspect is going to confront us in a very real way. The Provincial Treasurer I would strongly urge not to follow previous Tory policies in dealing with that.

Now, Mr. Chairman, this failure in the Provincial Treasurer's office and in the fiscal policy regime of the province is far more extensive than simply a failure in their taxation policy. There's a significant and major problem in the attitude that they have taken towards Alberta-based financial institutions. Their benign neglect has led to some very, very serious problems. We're only aware of the most recent ones, but this tragedy of a failure of financial institutions in Alberta goes back several years, and I'd remind members of the Legislature that in 1981 Dial Mortgage went into . . .

MR. CHAIRMAN: Hon. member, I hesitate to interrupt you; it's nothing that you're doing incorrectly.

As I pointed out before to members of the committee, it would be most helpful to the Chair if they could at least be sitting down in the Chamber while carrying on conversations, and I would ask that the conversations be kept to an appropriate level so that the member can be heard.

The hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I know it's a lot easier to accept good news than reality, but nonetheless I'll press on, with your help. Thank you.

Nineteen eighty-one, Dial Mortgage goes into receivership; 1982, Ram Mortgage goes into receivership; 1983, Tower Mortgage folds; 1984, Paramount Life Insurance is closed in Calgary; 1984 and onward, the credit unions -- 42, I understand -- were effectively bailed out by the Alberta government and eventually brought under the Credit Union Stabilization Corporation; 1985, Northland Bank, the ninth largest in Canada, collapses, and in the same year the 10th largest bank in Canada, the Edmonton-based Canadian Commercial Bank, also goes down the tubes. Then in February 1987 and in the months following, North West Trust and Heritage Savings & Trust are taken over and restructured because they are on the verge of insolvency. Then, Mr. Chairman, the one that has attracted considerable attention in recent years. On June 30, 1987, the Provincial Treasurer lifts the licences of FIC and AIC, and that's followed shortly thereafter by the collapse of the \$1.2 billion Principal Group empire.

It's a sorry and sad history, Mr. Chairman, but it shouldn't be of any surprise to the people in this Assembly this afternoon that if you adopt the policies that this government adopts, this is to be expected. This is not to be of surprise, given the kind of benign neglect and the lack of serious review and regulation of these companies in the past.

Now, Mr. Chairman, the Provincial Treasurer went to some

pains to talk about North West Trust. Well, I'd just like to say that that's one version, and as far as it goes, it's correct. But I think there are some elements to it that need to be emphasized. You know, this is a situation where two gentlemen sold their company, Chateau Developments, to the real estate subsidiary of North West Trust in 1983. And between 1983 when those two gentlemen, then on a reverse sort of takeover, took over the entire North West Trust empire -- from that time on they were into the Treasury Branches for a considerable amount of money. One estimate I've had is that at least half a billion dollars was lent to North West Trust by the Alberta Treasury Branches, Mr. Chairman, again a situation where the provincial government shows to me -- I don't know -- either a lack of real judgment or whether there's some kind of arrangement that people can make to get onto the gravy train in a big way. But one only has to pick up the mortgage register for N.A. Properties, and here we have the Northland Bank was a part of it; then the Treasury Branches stepped in -- \$25 million, \$4 million, \$100 million; Northland Bank again shows up; the Canadian Commercial Bank shows up, both of them ones I just mentioned as having gone down the tubes.

It just leaves one with an uneasy feeling that there's an incestuous relationship in this little business community here in Edmonton whereby the provincial government makes commitments to invest lots of money into these companies, and this one in particular, and then when it's on the verge of bankruptcy, the ones that are really faced with a serious problem are not so much the shareholders or the depositors but the people of Alberta through the Treasury Branches.

So what happened? The provincial government went to the Canadian Deposit Insurance Corporation, and instead of folding the company and paying out the depositors, they took \$277 million. They put \$212 million of that into Softco, which was immediately written down by \$153 million. Now Softco, by the way, was the corporation set up by the Alberta government to manage these soft real estate assets. It's real name is 354713 Alberta Ltd. A very interesting arrangement was made, Mr. Chairman, whereby most of the shares, the vast majority of those shares, are owned by the government of Alberta but coincidentally enough, one-tenth of 1 percent, according to the corporate registry when you look up this amount, was set aside in the name of one Mr. John Karvellas. Now, by doing that, Mr. Chairman, arranging those affairs of that company in that way, the government effectively kept a veil of secrecy behind which the Auditor General would not have the right to penetrate.

As well, in the restructuring of North West Trust, a similar arrangement was made whereby I think -- if the figure sticks correctly in my mind -- somewhere around 99.6 percent of the shares of that entity are also controlled by the government of Alberta, but because not 100 percent of those shares are owned by the province of Alberta, again the Auditor General has no access and no mandate to review their affairs.

Now, part of this restructuring by the provincial government introduced a number of interesting personalities, one of them a Mr. Campbell, who is or was the chief financial officer for the provincial Conservative Party. He had, as I understand, a previous involvement through the SBEC program, and there was then set up a Churchill Corporation which was able to get a Vencap loan which was eventually merged with the Stuart Olson Construction empire, whose principal was also the chairman of the Premier's leadership campaign. It's a very, very convoluted but close-knit little family that we have associated here. We also

have the involvement of the past treasurer of the Alberta Conservative Party as well. I just find it very curious that within this sort of framework that's been set up, not only are these people active, but it's set up in a way that the Alberta government Auditor General does not have the right to review their financial dealings.

So what we end up with, Mr. Chairman, is something that has to be "a unique Alberta solution," I imagine the Provincial Treasurer would say. Here we have 354713 Alberta Ltd., under it N.A. Properties as a subsidiary. As subsidiaries of N.A. Properties, we have 11 subsidiary companies. Another two or three under those are further subsidiaries. We have another five, in addition to N.A. Properties, being a subsidiary of Softco. We have another five subsidiary companies to that, all effectively controlled through the Provincial Treasurer's office. We have North West Trust that's effectively controlled by the Provincial Treasurer's office and all the subsidiaries in that little empire. Now, Mr. Chairman, there's also SC Properties and all their assets effectively under the control of the Provincial Treasurer's office. We have the Treasury Branches that are \$143 million in debt, but they've foreclosed on numerous properties around the province. Now the Provincial Treasurer is assuming a number of FIC and AIC assets and rolling those into the Softco empire as well.

Well, here we have a situation that the Alberta government controls massive amounts of assets in this province through the foreclosures and restructuring of these particular companies. On top of that, who knows how much the Alberta Agricultural Development Corporation owns in property around the province through its foreclosures? Alberta Mortgage and Housing Corporation is over \$600 million in debt and owns all kinds of property through its foreclosures. Mr. Chairman, is this a free enterprise solution or what? This government owns more property in this province than probably any other government in the free world owns in their jurisdiction. I've never in my life seen this kind of solution, and for them to brag about a free enterprise solution is so much poppycock, given the amount of property under the direct or indirect control of the Provincial Treasurer's office.

Furthermore, Mr. Chairman, I want to know this: who is the watchdog overseeing all these financial transactions? It's all been under the effective control of the Provincial Treasurer's office, but who's the watchdog? We've just gone through a difficulty with FIC/AIC and the Cormie empire. Mr. Code went into a great deal of detail during his report about the matter and the problem of interparty transactions, the fact that they were not arm's-length transactions, the fact that certain assets were dumped and moved around in order to fix the balance sheet in other companies. I want to know who's the watchdog over this provincial government empire to ensure the same problem doesn't occur in the public sector as appears to have been identified in the Code report in the private sector through the Principal empire.

Mr. Chairman, given that history, it adds greater concern to me that the Treasury Branch is now out on a limb, if you'll excuse the pun, for loans to Mr. Pocklington and the Gainers empire. Again I mention the loans that were made to North West Trust, the contemplation now of lots of money being loaned to the Ghermezians' Triple Five Corporation for a third mortgage on West Edmonton Mall. It gives me a great deal of concern that this cozy relationship between a small and tight network of businesspeople in this province seems to have all kinds of

preferential treatment when it comes to the operations of this government. It concerns me to no end. I'm also concerned about the management and lack thereof of the Principal issue and the FIC/AIC situation by this government and its complicity in the regulation of those companies over the years.

I just want to make note of a couple of facts, draw them to the Provincial Treasurer's attention. You know, by the time these companies were virtually insolvent in 1984 -- if we just took December 31, 1983, as a state at which these companies were at that time -- when action really was inevitable, from that time until the time the licences were pulled on June 30, 1987, new term certificates totaling \$328 million were purchased by investors in those two companies. Sixty million dollars' worth of investments were rolled over during the period January 1, '84, to June 1987. If the Provincial Treasurer and the Premier want to know what harm they've done to people in this province as a result of their inaction, there is just one example of how delay after delay hurt people who invested in those companies. In addition to that, Mr. Chairman, \$293 million of promissory notes were paid into Principal Group Ltd. after that company was virtually insolvent in 1984 as well.

[Mr. Jonson in the Chair]

These are the kinds of figures that were deposited with these companies because this government failed to take action. After all, Mr. Chairman, if people wanted to invest in stock exchange during the same time period, they could have gotten prospectuses; they could have investigated the financial health of those companies and made an informed investment and taken their risks for doing so. But during those years the true information of those companies was given over to the financial regulators in the provincial government. They were the ones who reviewed those documents, who reviewed those financial statements, and made the decision to continue to allow them to be licensed and to operate in this province. It was them who had that information. For someone coming off the street into those companies and deciding whether to put their money with those companies, the fact that the people who had that information, the provincial government, were not lifting the licences was considerable comfort and assurance to those people that everything was okay. So in making their financial decision, they relied extensively and heavily on this government.

As has proven to be the case, this government knew that problems existed there, knew that the Act was not being complied with, knew that they were virtually insolvent, and yet they allowed them to continue to operate. In fact, the former Provincial Treasurer as much as said so in a covering memo and supporting documentation that was presented to the provincial Premier late in 1985. He went through a number of problems about capital impairment, problems with the real estate valuations, the fact that losses were being experienced in these companies. He itemized and identified what the liabilities were toward the deposit holders and said in that memo to the provincial Premier and to all the members of the priorities committee:

Should the final determination of the outstanding legal and valuation issues prove to be unfavourable to the two companies, the situation may call for the suspension or cancellation of the registration of the companies unless the principals have the financial resources and the willingness to cover the deficiency. It is possible that the regulators might have to invoke the provisions of The Act with respect to receivership and/or liquidation of the two companies in the circumstances.

Now, given this kind of information on the desk of the leaders of our government, it mystifies me, Mr. Chairman, that nothing was done to take any of this advice particularly seriously at the time. All that happened was that further study was initiated, and when that didn't prove to be favourable to the companies, then somebody else was brought in to have another look. When that didn't prove to be favourable to the companies, then after a long, long period of time, while people were walking into offices all over Alberta and all over Canada putting money on these companies, only then, when there was absolutely no alternative left, did the Provincial Treasurer finally lift the licences on these two companies in June of 1987.

Mr. Chairman, I don't think it's worth congratulating somebody or going out of one's way to compliment them when they didn't do anything they weren't forced into doing. The Provincial Treasurer has seemed to indicate that it was only because of responsible action on his part on June 30, 1987, that these licences were finally lifted. He had no choice, Mr. Chairman. I can't see how anybody should be praised for having acted when he had no choice. He was forced into it.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. I'm quite pleased to participate in this debate. I'd like to commence by noting that all members no doubt have heard about the Blarney stone. Well, we have here a Provincial Treasurer who's got a baloney stone, no doubt from overexposure to Peter Pocklington. I must say that notwithstanding the minister's a fine fellow with taste for rock concerts, I find myself sometimes involuntarily but irresistibly disagreeing with three-quarters of what the Treasurer says. The other quarter I don't understand at all.

The Treasurer was quoting from some clippings with respect to flip-flops relating to the federal sales tax. Well, the only report of a flip-flop I've seen is with respect to the Treasurer's public speech, in which he noted that he thought a sales tax would be quite all right so long as the federal government got more revenue out of it. But, of course, that was before he got karate-chopped into shape by his [inaudible]. However, what's another flip-flop or two amongst cabinet frères.

In any event, Mr. Chairman, I intend to talk about the estimates and the operations of the minister's department much more so than the budget, which appears to have been debated to a great extent this afternoon. In particular, what I'd like to do is find out what goes on behind the closed mind -- I mean the closed doors -- of the Provincial Treasurer's office. I would certainly ask that the minister give us his undertaking that he will respond to our questions in writing if he does not have time to deal with them today. That is a courtesy of the House which has been extended by other ministers, and I would hope the minister would extend that courtesy to the members in this debate as well. I note that far from nodding his head up and down, the minister is taking turns in staring at the ceiling or his shoes.

Now, Mr. Chairman, I'd like to deal firstly with vote 1 and a technical question with respect to why the expenditures are up 18 percent in respect of his own department. I note, by way of possibility, there is a reference to the purchase of fixed assets being up by some \$216,800, and in another part of the estimates there is a reference to additional purchase of fixed assets. I'm wondering whether the minister would do us the courtesy of advising as to what purchases of fixed assets are taking place. Are

they computer oriented, and do they relate in any way to the impending sales tax and the government's efforts to prepare for that sales tax?

I'd also like to ask the minister if he might comment in respect of vote 2, Revenues and Rebates, which I interpret to involve that part of his department which is responsible for making claims of the federal government with respect to the stabilization payments. I'm referring specifically to the \$539 million claim which has been made by the government, some small portion of which has been received, and I would appreciate if the minister could perhaps update us on the status of that claim. I'm particularly concerned about the length of time it's taking the minister to get some action from his federal cousins in light of the fact that interest is turning out to be a very significant item here in respect of \$200 million or \$300 million or more that may be in dispute. The interest on that is upwards of \$20 million or \$30 million a year. I'm very concerned about that cost to the people of this province.

I'm also wondering what's running through the minister's mind with respect to options that are available in the event that the federal government continues to be recalcitrant on this issue. The federal legislation is somewhat cryptic in the sense that it refers to the federal government being able -- "may" is the terminology: may make a stabilization payment to the provincial government. My old legal career led me to understand that "may" often means "shall" in legal terms. I'm not asking the minister for a legal opinion personally, but I would be interested in his observations as to whether it's within the realm of possibility that the minister's department might be contemplating legal action in the event he can't get any action from the federal government on this issue.

Mr. Chairman, I'd also like to ask the minister about the role his department plays in the operations of the Treasury Branch. This is a matter which I've raised in question period. It's an important matter in light of some very sizable loans being made on a basis that might be questioned from a strict banking point of view and in which one might, perhaps suspiciously but I think still reasonably, infer a policy element. I'm referring in particular to the government's 100 percent financing of the acquisition of Palm Dairies by the Pocklington group, as well as the \$50 million financing of West Edmonton Mall on a third-mortgage basis by the Treasury Branch, which has to raise some very significant questions. There's more than meets the eye on that one if we're dealing with prudent banking arrangements.

Now, I note that very strangely the Alberta Treasury Branch doesn't have a board of directors. It has a superintendent. We've asked the minister from time to time, and he's continually evaded -- or avoided, perhaps I should say -- answering what the role of his department is with respect to the policies and specific loan activities of the Treasury Branch. I note that the Financial Administration Act contains a specific provision which provides that the Provincial Treasurer can have a portion of his department responsible for the provincial Treasury Branch. I note in the department's annual report, which I have here, there's a full-page chart of the Alberta Treasury Branches with the superintendent at the top -- it's part of the report of Alberta Treasury -- but no reference to any Treasury role. We look at the Financial Administration Act and we see the Treasury Board having power to set policies with respect to various financial matters relating to the government. We see in the Financial Administration Act the Provincial Treasurer being responsible for the provincial Treasury Branches. On the other

hand, we have the minister leading us to believe that in this multibillion dollar empire, making important loans for which the people of this province are responsible, this single person, the superintendent, without a board of directors because there is no board of directors required under the legislation, is making these decisions without the guidance of a board of directors, without the guidance of the minister, without the guidance of his department, without the guidance of the Treasury Board. That may be accurate. If it's accurate, it's certainly very questionable as to whether it's sound policy.

So I would like to know from the minister what the role of his department is and the role of the Treasury Board in regulating and setting policies with respect to the provincial Treasury Branch. I'd like to know whether or not there are people in his department who do have communication with the superintendent with respect to day-to-day operations or even longer term operations of the Treasury Branch, and in particular whether or not people in his department are discussing specific loans. Now, I hear the Treasurer saying from time to time that he doesn't know anything about it, but I'm wondering whether or not there are people in his department that have some responsibility. If they don't, why don't they, and who does have responsibility? Surely we can't just have abdicated total responsibility to one gentleman called a superintendent to deal with these things. It doesn't make any sense.

I'd also like to ask the minister a bit about the policies of his department with respect to investing general revenue and other funds. I note that he has a branch of his department that's in charge of finance and investment management. But I'm wondering particularly with respect to the investment of February 15, 1989, by his department under the name provincial Treasury in Cargill Ltd. Now, Cargill Ltd. is a wholly-owned Canadian subsidiary of Cargill enterprises, which is an American-owned operation. It's the largest private company in the world, which has gross revenues of I believe over \$30 billion, and here we have the provincial Treasury making an investment of some \$5 million in this private company, on top of which we have Alberta Government Telephones making an investment of \$2.5 million. I wrote to the minister over two months ago and have had no reply. I'm sure the letter's in the mail as we speak.

MR. JOHNSTON: It's not.

MR. CHUMIR: Oh, the minister indicates that it's not, and I don't expect a reply to that. I don't expect an answer unless the minister is forced through embarrassment or his own good offices to come up with that. But why is it that the provincial Treasury is investing in Cargill Ltd. What kind of investment is it? Is it shares? Is it a loan? What's the purpose of that? There's no market for that kind of investment. Where is the liquidity? What's the sense of that, and why is it? Which branch of the provincial Treasury is making that investment? Is it excess assets that we have from time to time in the General Revenue Fund? Is it another pot that's being operated, and why is the investment being made contemporaneously with AGT, and what pot of AGT? Is that the employees' pension fund which is managed by the provincial Treasury?

Now, I also note that this year the provincial government has reversed its decision in 1987 to impose the 5-cent a litre gasoline tax on farmers. I'm just wondering why it is that after two very difficult years for farmers when they thought it appropriate to levy that tax, all of a sudden in a year in which we're going to

have what the Treasurer admits to be a \$1.5 billion deficit -- and it looks to be closer to \$2 billion -- at this particular point in time we are changing our policies to give the farmers that rebate. Not that I complain about the change in policy. We complained back in 1987 as to why that tax was being levied. But I am interested in good, sound policy, and of course all the decisions which emanate through the minister are based on good, sound policy, and perhaps we could seek a bit of a lesson in political economy as to why that particular policy has been implemented at this point in time -- of course, an impending election having nothing to do with it.

Also, the minister commented on the Alberta stock savings plan, and he mentioned that approximately \$300 million in equity has been raised. I would appreciate if the minister might advise as to the total cost to Treasury of that program. I've raised publicly and in the House and elsewhere and even privately with the minister some serious concerns and reservations about this program. I think in many instances we've virtually thrown and given away valuable public money, millions and millions of dollars, to ventures which provide no benefit to the people of Alberta. It's money we can't afford to waste. He knows I've talked to him about the Port O' Call hotel financing, financing by an Ontario company of hotel acquisition here in the province, the whole scheme of which was to get the Ontario company two years of low-interest financing.

[Mr. Schumacher in the Chair]

We have another very large plan which is really a mutual fund allowing Albertans to invest in some major eastern Canadian national companies primarily, and we the people of this province are paying 30 percent of the cost. There are other plans in which half the investment dollars are put into treasury bills and only one-half are designated or directed toward investments which would be of any significance to the province. That has to end. It's as plain as the beak on my face, and that is very plain. We're not dealing with billions of dollars, but this is as silly in its own way as the scientific research tax credit abuses were, and it's the laughingstock of the financial industry in the province. You can't talk to people in the brokerage industry where they tell you how silly it is, but at the same time they say if it's there, we're going to take advantage of it. It's great for lawyers and promoters and the brokerage companies that market them, but it's got to end. I know there are changes coming in the program in September, as its three-year time period approaches on September 18, but for crying out loud, let's get tough in this area.

Now, there's been discussion this afternoon, Mr. Chairman, with respect to credit unions, and I must say I'm still trying to figure out what happened with respect to the credit unions. In that regard I'm very anxious to get hold of some of the agreements. I note in particular that there is a credit union deficit financing agreement between the government and credit union entities of October 31, '86. There's a credit union stabilization agreement between the government and the corporation of October 22, '85, and another liquidity support for the Alberta credit union system agreement between the corporation and central, dated April 2, 1985. I'm wondering whether the minister might be prepared to look me in the eyes at this moment and nod his head up and down, perhaps move his lips in a visible yes and say, "Yes, I will do what we should have done a long time ago," and provide to myself and other members of this House those

agreements which are so fundamental. He's waving his head back and forth, and I take that as a no, Mr. Minister. He's nodding his head no; he definitively refuses to provide those agreements.

I might also request the agreements relating to the North West Trust restructuring proposal. I think those have been declined or strongly refused in the past, and I take it the minister is continuing to refuse to provide those agreements. Silence is consent, I take it.

Now, I note that also we have on page 359 of the estimates a section relating to Valuation Adjustments, which relate to Provisions for Doubtful Accounts and Loans. There's a section under there relating to Implemented Guarantees and Indemnities, and presumably these seem to only relate to the area for which the Provincial Treasurer has direct responsibility. For example, I see nothing with respect to losses on implementation of loans relating to student guarantees. It would be too much to expect that there are no losses, and I'd appreciate perhaps if the Provincial Treasurer could respond as to just which of the guarantees come under his aegis here. Are those only ones that have to be approved under specific indemnity and guarantee regulations? Are, for example, student loans and a few of the other guarantees considered to be internal departmental matters relating to such small sums that they don't fall under his jurisdiction?

Dealing with a specific item, though, I note that the Rocky Mountain Life Insurance Company is referred to as being involved in an \$8 million provision for doubtful accounts and loans this year. In the previous year it was \$8 million and the previous year before that it was \$8,788 million. I'm noting from the public accounts for the year ended March 31, 1987, on page 2.12, that the amount booked with respect to the Rocky Mountain Life Insurance Company is \$18,267 million. I'm just wondering if we could get some indication of what the current value of the claim for Rocky Mountain Life Insurance is, what assets are there, and what's happening. Where are we going? This is an old chestnut. We go back to the purple cars, reminding one almost of the colour of the Member for Calgary-McCall's jacket. Perhaps I'm colour blind. But I'd be very interested in knowing what the current status is with respect to that.

Now finally, Mr. Chairman, the Code report. I wonder whether the minister has informed himself or will inform us with respect to the costs we're going to be incurring to pay Mr. Connie's legal advisers, the legal advisers for him and his family. There's an estimate of \$85 million to be paid out to the depositors, and I'm wondering how the minister plans to handle that in terms of his budgetary situation. Now, I note that the government has argued that 75 cents is a proper payment and the investors should be left to their own devices with respect to the balance. Quite frankly, I disagree with that, and I think at the very least that if the government is going to provide the 15 cents or the 18 cents on here, there is a sufficiently strong case against the government that they should say, "We're not going to play hardball economics like we're dealing with a tough commercial deal," but we should say that we'll allow the courts to decide with respect to the balance, or they're going to get a minimum of 15 cents or 18 cents and we'll abide by the court's ruling.

On top of that it seems to me that one of the concerns of investors in that regard is the statement that litigation could take up to five years. I'm wondering whether or not the government would consent to a quick reference, using the evidence and the

conclusions that have already gone into the Code report. Those have legal status for purposes of the Business Corporations Act, but the government set up a rather warped system in terms of finding the complete facts and giving the investors and depositors their complete remedy. In light of that, it would certainly speak well to some degree if the government were to relent and at the very least -- and I say "at the very least" because I think the government has been niggardly in the way it's handled this -- not play hardball with the investors in respect of that legal action.

Now, the government has argued that 75 cents is proper because in 1984 anybody investing at that point in time would have found a company worth only 75 cents on the dollar. Well, overlooking the fact of government dereliction going back to 1973, you can drive a coach and four through the government's argument in that regard. For example, what about 1985, 1986, yea, right up to June 1987? Why should a statement with respect to what existed in 1984 hook an investor who put his money in in '85, '86, and '87? At the very least the argument would require the government to say, "Well, whoever had their money in in '84 or prior to '84, we think you are responsible for every loss incurred prior to that point in time." But it certainly can't apply in what was supposed to be a very complete answer by the Premier. Well, it's totally inadequate. It certainly can't apply in terms of a later period of time, particularly from mid-1986 when we're dealing with the Provincial Treasurer, because after that point in time he clearly knew there were some difficulties.

The government in Mr. Getty's statement talks about the government not being totally responsible for the collapse. Let's accept that, but let's also realize quite clearly that that's really not the issue. Now, that may have been the issue that Mr. Code had to address because the government ensured that he had a very limited mandate under the Business Corporations Act. They forced Mr. Code to stick to his mandate, and because he was instructed by the court, he had to look only at whether or not the company had collapsed. He couldn't deal with the broader issues of was the government negligent or what was the full range of responsibilities.

So that's what Mr. Code talked about. Sure, the government grapples onto that type of thing and talks about real estate values, but surely the issue in a case where we're dealing about protecting investors is what was the cause of the investors putting their money into these companies and losing their money. Now, we see that the cause of why these people put their money into these companies was the illusion that they were healthy, the illusion fostered by licensing of these companies by the government, a licensing which was made possible not merely with standing by and watching the companies mislead with respect to their financial statements, but actually participating and helping those companies mislead by stopping outside investigations, by stopping appraisals, knowing that through that 1985 . . .

MR. CHAIRMAN: I hesitate to interrupt the hon. member, but his time has expired.

Would the hon. Provincial Treasurer like to sum up?

MR. JOHNSTON: Mr. Chairman, I appreciate the opportunity to just close off the next three or four minutes on some of the comments which at least very briefly have been referred to by speakers here this afternoon.

I wanted, first of all, to make it clear that I think along with

all other ministers that those questions which have been reasonably asked and have been agreed to by the ministers will be provided at some point. We have done that historically since 1986, and we'll find a way to ensure that the responses to those questions are provided to the members. Now, that doesn't mean, Mr. Chairman, that we would give any other responses than are appropriate or which may be driven by the discussions in the estimates. For example, those questions which members are hesitant to put under Motions for Returns would not be answered. Obviously there are certain tests which apply there that would apply to the tests here as well, and the Member for Calgary-Buffalo has already referred to that. So we'll do our very best to answer those detailed specifics that members have raised, and I will do the same thing with respect to Treasury insofar as it's possible.

I also wanted to mention that with respect to the role of the Provincial Auditor, the Auditor General, there has been some misinformation left with respect to what Calgary-Mountain View has said as to the role of the Auditor General and Crown-controlled corporations. He left the impression that the Auditor had nothing to do with Crown-controlled corporations. Nothing could be further from the truth, Mr. Chairman, in that section 16(1) of that Act says that if some other auditor does review the work of a Crown corporation -- and it would be done because there were other shareholders opposed to members of the Crown, or in fact the corporation could be outside the province, for example -- that it would be in fact appropriate to have another external auditor apply the same kind of test for the same kind of postulates and the same kind of accounting principles to those corporations. But it says very clearly in 16(1)(a) that as soon as that is done, the external auditor must deliver to the Auditor General all the working papers, et cetera, et cetera, et cetera, ensuring that full information goes to him. At the same time there is provision under section 16(2) that if that is not adequate, then more information can be provided. So let's be clear on that. I see that debate is coming up later. I know that will be clarified by the members who participate.

Let me turn to the stabilization question. The Member for Calgary-Buffalo raises an important point that the federal legislation in fact says the federal government may make a stabilization payment to the province. What I've indicated in the House already is that the federal government, by providing to us a \$75 million cash cheque, which we have in our hands, has already agreed that they would pay the agreed amount; that is, the stabilization would come out and, once agreed, would be paid. So the "may" has gone to "shall," and we will get a cheque from the federal government for the balance of the amount. That's why this year I've provided . . .

MR. CHAIRMAN: Order please. I hesitate to interrupt the hon. Provincial Treasurer, but pursuant to Standing Order 58(1) and Standing Order 59(2), the Chair is required to put a single question to the committee. The question for the committee is: does the committee agree that each one of the resolutions not yet voted upon relating to the main estimates of the government and the Legislative Assembly for 1989-90, including the supplementary estimates of expenditures and disbursements covered by special warrants for the fiscal year ended March 31, 1989, be approved? All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: All those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried. Call in the members.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Adair	Fischer	Moore
Ady	Fjordbotten	Musgrove
Anderson	Fowler	Nelson
Black	Gesell	Oldring
Bogle	Getty	Paszkowski
Bradley	Gogo	Payne
Brassard	Hyland	Rostad
Cardinal	Johnston	Shrake
Cherry	Jonson	Speaker, R.
Clegg	Klein	Stewart
Day	Kowalski	Thurber
Elliott	Laing, B.	Trynchy
Elzinga	Lund	Weiss
Evans	Mirosh	Zarusky

Against the motion:

Barrett	Gibeault	Mjolsness
Bruseker	Hewes	Roberts
Chumir	McEachern	Woloshyn
Fox	McInnis	Wright

Gagnon

Totals:	Ayes - 42	Noes - 13
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[Motion carried]

MR. STEWART: Mr. Chairman, I move that the committee now rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. SCHUMACHER: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows: each one of the resolutions not yet voted upon relating to the main estimates of the government and the Legislative Assembly for 1989-90, including the supplementary estimates of expenditure and disbursements covered by special warrants for the fiscal year ended March 31, 1989. Mr. Speaker, I wish to file a list of those resolutions voted upon by the Committee of Supply pursuant to Standing Order 58.

MR. SPEAKER: All those in favour of the report, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

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

MR. SPEAKER: Motion carries.