

LEGISLATIVE ASSEMBLY OF ALBERTA

head: INTRODUCTION OF BILLS

Title: **Thursday, August 10, 1989 2:30 p.m.**
 Date: 89/08/10

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

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

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

Amen.

head: PRESENTING PETITIONS

MR. MITCHELL: Mr. Speaker, I rise to present a petition on behalf of parents in Edmonton who are concerned about equity and fairness with respect to the busing of school children to French immersion programs in the city of Edmonton.

MR. SPEAKER: The Member for Banff-Cochrane.

head: PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES

MR. EVANS: Thank you, Mr. Speaker. The Private Bills Committee has had under consideration certain Bills and reports as follows. The committee recommends to the Assembly that the following Bill be proceeded with: Bill Pr. 3, the Canada Olympic Park Property Tax Exemption Amendment Act, 1989.

The committee recommends to the Assembly that the following Bills be proceeded with with some amendments: Bill Pr. 1, the Canadian Union College Amendment Act, 1989; Bill Pr. 4, the Edmonton Community Foundation Amendment Act, 1989; Bill Pr. 5, the Misericordia Hospital Amendment Act, 1989; Bill Pr. 6, the Calgary Research and Development Authority Act, 1989; and Bill Pr. 11, the Tammy Lynn Proctor Adoption Act.

The committee also recommends to the Assembly that the following Bills not be proceeded with: Bill Pr. 10, the Margaret Kenford Adoption Act; Bill Pr. 12, the Jerry Dan Kovacs Legal Articles Act; and Bill Pr. 13, the Sherry Lynn Adam Adoption Act.

I would ask, Mr. Speaker, 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. Carried.

Bill 253
Arts Board and Arts Council ActBill 256
An Act to Amend the Interprovincial Lottery Act

MS BARRETT: Mr. Speaker, I beg leave today to introduce two Bills to the Assembly, the first being Bill 253, Arts Board and Arts Council Act.

It's particularly a pleasure to introduce this Bill in the middle of summer festivals in Edmonton as this Bill would permit an elected arts board, including peer juries, to adjudicate arts funding applications. The Bill enjoys wide support amongst Alberta artists.

The second Bill I would like to introduce is An Act to Amend the Interprovincial Lottery Act, Bill 256.

Mr. Speaker, this is a simple Bill. Its effect would be to require lottery revenues go into the General Revenue Fund of the Alberta government, to come before the Assembly of Alberta before spending decisions are made in consideration with the annual budget estimates. Indeed, it not only overturns last year's Bill 10 but improves the prior scenario on this matter.

[Leave granted; Bills 253 and 256 read a first time]

head: TABLING RETURNS AND REPORTS

MRS. BETKOWSKI: Mr. Speaker, I'm pleased to table with the Assembly the following annual reports: the Public Health Advisory and Appeal Board for the period August 1, 1987, to July 31, 1988, and the Provincial Mental Health Advisory Council for the period July 1, '87, to June 30, 1988. Copies will be distributed to all members. As well, I'm pleased to file with the Assembly the audited financial statements of the Alberta Children's Provincial General hospital for the year ended March 31, 1989, and also I'm pleased table response to Motion for a Resolution 184.

MR. TAYLOR: I'd like to file copies of a letter to the Alberta government by 550 residents of Legal and Morinville proclaiming their dissatisfaction with the long-distance charges to call each other, whereas they can call Edmonton free, a rather undesirable development, Mr. Speaker.

MR. SPEAKER: Member for Edmonton-Meadowlark.

head: INTRODUCTION OF SPECIAL GUESTS

MR. MITCHELL: Thank you, Mr. Speaker. I rise to introduce to you and through you to members of the Legislature five people who are here in support of the petition that I introduced to the Legislature earlier today. They are Dennis and Coleen Gagnon, along with their three children, Justin, Colin, and Deneen. I would ask that the members of the Legislature welcome them in our traditional fashion.

MS CALAHASEN: Mr. Speaker, I rise to introduce to you and through you to the members of the Assembly the president of the board of directors of the Ukrainian Orthodox Church in Canada, Mr. Morris Lazarowich, and his wife, Helen, who are in

western Canada visiting our great province from Hamilton, Ontario. I would like them to stand as they receive the warm welcome of the Assembly. They are seated in the members' gallery.

head: **ORAL QUESTION PERIOD**

Federal Sales Tax

MR. MARTIN: Mr. Speaker, to the Premier. The Premier's spending our money shielding mortgage rates, frankly, to cover up his failure to influence federal interest rate policy. When his federal cousins cut our transfer payments by some \$200 million over the next five years, he said that basically the federal budget was okay. The provincial government failed to do full assessments needed to protect our health and environment, so now the feds are involved. Now we are faced with the regressive federal tax that the government never fought when it had a chance during the federal election. Now it says it's going to fight it. Frankly, I don't think there's any fight left in this government. My question to the Premier. Rather than just words, will the Premier tell us exactly what his government is going to do from this day forward to fight this regressive tax?

MR. GETTY: Well I guess, Mr. Speaker, there are three points that should be made. First of all, the hon. member's allegations leading into his question are full of nonsense. Secondly, the Alberta government was the first government in Canada who identified the problems with the national sales tax and which has led other provinces and other groups in opposing the national sales tax. Thirdly, surely the hon. member would know that you would not telegraph in advance the strategies you are going to continue to use in fighting something.

MR. MARTIN: This is a public debate that people want to know about. All I hear is words. I'm asking the Premier to lay out a program. What is he specifically going to do to fight this program? Are we going to be talking about it after January 1, 1991, Mr. Speaker?

MR. GETTY: Mr. Speaker, the government, of course, has been able to very effectively focus national attention on this sales tax and has been able to create changes in terms of how the tax might impact on energy, how it might impact on houses, how the visibility of the tax is developed and has brought to the attention of other governments the matter of jurisdiction. This government is not only providing leadership; this government is making changes happen. We'll continue to do it in the most effective way we feel is right.

MR. MARTIN: Maybe the Premier is in a time vacuum, Mr. Speaker. Mr. Wilson just announced the program.

My question is a very specific proposal, because we believe this is serious for Alberta families and the province. Would the Premier take as a suggestion having an all-party committee from this Legislature that would serve to mobilize public opinion in Alberta and put pressure on Ottawa? Would he look at that suggestion?

MR. GETTY: Well, Mr. Speaker, there is an all-party committee right here in the Legislature. I should point out that the government has mobilized the people of Alberta on this issue very

strongly, and they are supporting us in a very large way.

MR. SPEAKER: Second main question, Leader of the Opposition.

Support for General Systems Research

MR. MARTIN: Yes, Mr. Speaker. To the minister of technology and telecommunications. Last Thursday, on August 3, in this Assembly we witnessed another typical example of this government hiding behind a veil of secrecy. I'm of course referring to the government's refusal to release two recent reports on the financial prospects of General Systems Research. It's a matter of record that the Alberta government has put in over \$30 million of government help to try to put this company on a sound basis. As a result of that, this government has a responsibility to be up front about this money and what's occurring with this company, but when the minister was asked for an estimate by my colleague the Member for Edmonton-Kingsway of how much this was going to cost over the next five years to make this company viable, the answer in *Hansard* was: "I think [this] is totally hypothetical." Well, Mr. Speaker, the minister knows full well that this is not hypothetical. Will he come clean and tell us now what the estimated cost for the taxpayers of Alberta will be over the next five years to make this company viable?

MR. STEWART: Mr. Speaker, the question as put to me by the hon. member did not set any sort of premise in respect to the basis of calculations of the profits or losses or how it would factor in to the type of financial assistance that has been given or the types of new market potentials that have been established by the company in areas of both laser cutter and aerospace. That is why, and I stand behind the answer to the question as given to the hon. member during the estimates.

MR. MARTIN: Mr. Speaker, that's gobbledygook, and the minister knows it.

Mr. Speaker, is it not true that the Touche Ross report says that \$26 million more will be needed to inject into GSR over the next five years in order to make it viable? Do you deny this?

MR. STEWART: Mr. Speaker, the Touche Ross report dealt with only certain aspects of the operations of GSR, in particular just the aerospace industry. The total picture was not taken into account by that particular report. We continue to closely monitor the situation with GSR, and on an ongoing basis receive reports and look into and make sure that every opportunity is taken to make sure that GSR has that opportunity to become a viable company. It is assessing its options very closely at the present time, and we're working closely with them.

MR. MARTIN: Mr. Speaker, if you'd release the report, we could find that out, but we know that they said \$26 million.

Mr. Speaker, is it also not true that this particular report, the Touche Ross report, said that the government will need to make a decision shortly on whether to extend financial support to GSR or have it placed in receivership? Is that not what they said?

MR. STEWART: Mr. Speaker, I think the reference to looking at things shortly is important because of the recent changes in the company through both contracts with Boeing and McDon-

nell Douglas on the aerospace side, with new potential there, as well as the recent sale of a prototype laser cutter to the Russell Corp. of Alabama. In light of those two circumstances, it would be important to reassess the market opportunities for this company.

Responsibility for Regulating FIC and AIC

MR. DECORE: Mr. Speaker, the stars are in the right alignment again: good for the questioner and good for the person answering the question. The former Minister of Consumer and Corporate Affairs says that the Premier canceled a task force that she planned to set up to deal with FIC and AIC in 1985. The Premier in a statutory declaration claimed that it was only in 1987 that he learned that some government action might be necessary with respect to FIC and AIC. My question to the Premier is this: why did the Premier not include in his statutory declaration to Code the fact that the former minister informed the Premier that some action would be necessary on FIC and AIC in 1985 by establishing a task force?

MR. GETTY: Mr. Speaker, I'm not sure how many times you want me to reply to the same question in this session. However, that's basically the same question that the hon. member asked previously. These matters have been dealt with fully by Mr. Code and, as well, fully by the government's response to the Code report.

MR. SIGURDSON: The stars are aligned; the moons are out of line.

MR. DECORE: The moons are out of order.

Mr. Speaker, given that the statement made by the former minister directly contradicts the Premier's statement in his statutory declaration as to when he knew action might be necessary on FIC and AIC, I'd like to ask the Premier: whose version is wrong?

MR. GETTY: Mr. Speaker, again the hon. member is repeating essentially the same question. This matter was dealt with in quite some detail in the government's response to the Code report, where I dealt with, first, the memorandum having to do with financial institutions and, secondly, with my sworn declaration. Mr. Code had both, and obviously Mr. Code found that there was no discrepancy at all in those comments.

MR. DECORE: Mr. Speaker, my final question to the Premier is this: will the Premier tell us if it is only coincidence that in the same year that he prevented the task force from being formed to investigate FIC and AIC, he also received a very large donation to his leadership campaign from the Cormie family?

MR. GETTY: It's really kind of sad, Mr. Speaker, to see that the hon. member, who becomes so devoid of issues to debate and discuss on a normal level in this Legislature, has now lowered himself to that kind of a question. I might point out that the actions that the government has taken with regard to Mr. Cormie and his companies hardly could be classified as something being done as a favour.

Development of Yellowhead Highway

MR. DROBOT: My question, Mr. Speaker, is to the Minister of Transportation and Utilities with respect to the signing of the Yellowhead Trans-Canada Highway. In light of the fact that the Yellowhead received this Trans-Canada designation in 1986, why did we wait until August 1989 to unveil the signs?

MR. ADAIR: Mr. Speaker, the unveiling of the signs that occurred early this week were at the request of the Yellowhead Highway Association and its many volunteers. What they were attempting to do, as I understand it -- and I assume that was the reason for the delay between 1986 and 1989 -- was to ensure that with the designation of Highway 16 as the Yellowhead route they did not lose the Yellowhead designation, that it would be also a part of the Trans-Canada north or Trans-Canada/Highway 16 signing program.

I'm pleased to say that we were pleased to have the Deputy Prime Minister with us to unveil that sign, because of his efforts to assist us in getting it originally designated, with the many, many months of work by the Yellowhead Highway Association and its members from British Columbia through to Manitoba.

MR. DROBOT: Supplementary, Mr. Speaker. Can the minister tell us how long it will take to put up the new signs along the new Trans-Canada route and what the approximate cost will be?

MR. ADAIR: Mr. Speaker, it will probably take us around two weeks in Alberta to put up the signs; that's the green sign with the white maple leaf and the number 16 -- approximately two weeks. It'll take us a little longer to work with what they call the trailblazer sign, which was the old Yellowhead Highway route with the number 16 on it. In answer to that question I did mention to some members of the media that it could take up to 18 months, and that includes from Winnipeg right through to Vancouver, because at the present time we're having some difficulty with British Columbia designating the Trans-Canada in British Columbia. But as far as Alberta is concerned, it will take approximately two weeks to put the signs up here. The approximate cost will be, I believe, between \$35,000 and \$50,000.

MR. DROBOT: Considering the scenic beauty of the Yellowhead route and the flow of tourist traffic into surrounding areas, could the minister inform us when twinning will be completed?

MR. ADAIR: Mr. Speaker, I'm really pleased to answer that particular question, because we are on target. The west section, which is from Edmonton to the area just west of Hinton, is to be completed by 1990, east from Edmonton to the Saskatchewan border by 1991. The only delay that could occur is weather, that's w-e-a-t-h-e-r.

MR. SPEAKER: Thank you very much.

Edmonton-Strathcona, followed by Edmonton-Whitemud, then Lesser Slave Lake.

Disclosure of Search Warrants

MR. WRIGHT: Mr. Speaker, my question is to the Attorney

General. He has steadfastly refused to tell us what, if any, steps in the way of laying criminal charges his department has been taking against the principal players in the Principal fiasco. One of the ways open to the citizens to do their own checking is via searching at the courthouse or courthouses on executed search warrants. This is a basic right that has fairly recently been pronounced on by the Supreme Court of Canada, as I'm sure the Attorney General knows. The fact is the department has virtually removed this ability from the citizens, because if a citizen goes to the courthouse, there is no index there, no staff to look through the daily folders, and the citizen can't do it himself. My question, therefore, is: why has the department effectively removed this basic right from the citizens of this province?

MR. ROSTAD: Mr. Speaker, first, I'd like to ensure that the Member for Edmonton-Strathcona is aware that the full force of the law will be brought against any of the players in the Principal matter, and in the fullness of time the actions will be commenced.

In regard to the search warrants, search warrants are in many ways an invasion of a person's privacy prior to a person being properly accused through the courts of doing any wrong. On that basis quite often the judge who hears the police officer on the request for a search warrant has the document sealed. When it's sealed, no one in the court administrative service knows what's in that envelope that's sealed. Only the policeman and the judge know. Once there is a seizure or an action commenced, with the cause of action information laid, the documents can be unsealed, but again an application has to be made to the court to have that unsealed, because again the administration does not have the right to do that.

In the event that a search warrant is issued without being sealed, which is totally in the discretion of the judiciary, that document is held in file, but it's held in file in safekeeping and privacy until such time again that there is evidence that is seized and a cause of action starts. That's done for two reasons. One, in the search warrant there's a number of pieces of information that could relate to a supposed crime, that could relate to informants; there's a number of things, as well as the name of the person who is being searched. That is held in privacy, and I think that is the ultimate aim of keeping search warrants not secret but in safekeeping.

MR. WRIGHT: Mr. Speaker, a fine answer to a question I didn't ask. The question is about the index.

On June 14 this year the Attorney General told this House:

We are using and developing the best modern technology to meet the needs of Albertans in every aspect of the administration of justice.

Since he has failed so signally in this aspect of justice, Mr. Speaker, my question is: why does the minister say one thing and do another? Is it part of his job description as a cabinet minister in this government?

MR. ROSTAD: Mr. Speaker, I'm so happy that the hon. member read my comments from *Hansard*, because they were very, very true. We do use technology to the best use for all citizens of Alberta. [interjections] The member and his colleagues, who obviously don't want to hear the answer . . .

AN HON. MEMBER: Sure we do, Ken. Go ahead.

MR. ROSTAD: Thank you.

. . . didn't listen to the last part of the first answer, which said that there is a reason for search warrants to be kept in safekeeping until such time that an action is commenced. Once the action is commenced, the accused at that stage has a copy of the search warrant. If that person has any problem, wants defense counsel, has some problem with the way the search warrant was initiated, they can go to their counsel. An action number is then given to the file, and the document again is public unless the court has got it sealed. Then the other side: if it's not sealed, it's given an action number immediately, and again there's access. Now, the reason for anybody finding that particular document, aside from the person who is being accused or the person who wishes to defend them, is beyond me.

MR. WRIGHT: Well, in that case the Attorney General is arguing with the Supreme Court of Canada, Mr. Speaker.

So my question is: seeing we can't find it in the index, perhaps the Attorney General will simply tell us what search warrants in connection with the Cormies or others in the Principal fiasco have been executed?

MR. ROSTAD: Mr. Speaker, as I just finished saying, I fail to see the need for anybody to have unless they're involved in the case. If they wish to go over and search the files by a particular name of an accused or a particular action number, the document is available. If they don't wish to go through that process, I fail to see why the administrative bureaucracy should be streamlined to provide snoops. [interjections]

MR. SPEAKER: Member for Edmonton-Whitemud. Order please.

Edmonton-Whitemud.

Community Facility Enhancement Program

MR. WICKMAN: Thank you, Mr. Speaker. In light of this government's poor track record in regard to openness and accountability, it is no surprise that Albertans have become cynical about the purpose and administration of the community facility enhancement program. Numerous attempts by Liberal MLAs and citizens of Alberta to obtain information about either specific applications or general program background have met with outright refusal, which leads me to a logical conclusion; that is, that the community facility enhancement program is nothing more than a Tory cash cow to bolster support for Tory MLAs. Mr. Speaker, my question to the minister of public works. Will the minister explain to this House and to the people of Alberta why this government has made it impossible for citizens of this province or their elected representatives to access comprehensive information on the community facility enhancement program?

MR. KOWALSKI: Mr. Speaker, I'm astounded by the type of question being presented by the Member for Edmonton-Whitemud. Of all the programs that this government is associated with, probably the one that has the greatest amount of publicity attached to it is the community facility enhancement program. There is an outstanding pamphlet that was published a year ago when the Premier of the province of Alberta announced that the government is committed to supporting the family in all of its forms, because Alberta's committed to the family. Every

application that comes my way, when it is approved, is issued with a press release. At every project in the province of Alberta that is approved, there's a great big sign, probably four feet by eight feet, that says "community facility enhancement program" on it, a tribute to the volunteers in the province of Alberta. At each presentation of a cheque for approval, Mr. Speaker, there is presentation plaque.

There are countless numbers of press releases which have gone out. In fact, to August 8, 1989, we've now approved some 686 projects at nearly \$25 million. I have a countless number of newspaper articles presented to me from around the province of Alberta, with people saying: "Thank you. What a wonderful program." In the case of Edmonton-Whitemud, Mr. Speaker, there have been eight projects approved at a total value of \$101,000. It is truly unfortunate that the Member for Edmonton-Whitemud does not know what is happening in his constituency.

MR. WICKMAN: Mr. Speaker, to the minister. Could the minister possibly explain why on all those press releases he's referring to, it refers specifically to himself and the Premier if it's in the constituency for a nongovernment member, whereas if it's in the constituency for a government member, then the local Tory MLA is invited to attend the presentation and be part of that celebration? Why the double standard, Mr. Minister?

MR. KOWALSKI: Mr. Speaker, the form of government that we function under is the British parliamentary form of government. In this Assembly there are MLAs. All members in this Assembly are Members of the Legislative Assembly, but only a certain number of the members of this Assembly are members of the government. This is a government program. This is a program that opposition members of the Liberal Party and the New Democratic Party ridiculed and said was a terrible program. They were opposed to helping the family. There's no way that they're going to piggyback on the back of a government program. [interjections]

AN HON. MEMBER: Slimy. [interjections]

MR. SPEAKER: Order. Order. Before the Chair recognizes the Member for Edmonton-Whitemud on the final supplementary, the Chair also wants to point out that one of the members called out the word "slimy," and that's not really parliamentary. Let's not have that stuff. Thank you.

MR. WICKMAN: Mr. Speaker, to the minister. Is the minister admitting that this program is being used as nothing but a government slush fund?

MR. KOWALSKI: Mr. Speaker, this program is committed to supporting the family in all of its forms because Albertans understand that the family is the strongest resource our province has. If what the hon. Member for Edmonton-Whitemud has said -- if he really believes it is true, then perhaps in the next few days when I file a motion for a return which lists all of the projects that have been approved, he will be rather embarrassed to know that in constituencies such as Westlock-Sturgeon, 13 projects have been approved at a total costing \$680,000.

MR. WICKMAN: What about Edmonton-Whitemud?

MR. KOWALSKI: Mr. Speaker, this is incredible. Just three minutes ago I indicated to the Member for Edmonton-Whitemud that eight projects were approved at a total of \$101,000. Not less than three minutes ago I said that. I suggest to the hon. Member for Edmonton-Whitemud it is time that if he chose to raise the question, he should at least have the decency of listening to the answers so that he would not waste the time of the House.

MR. TAYLOR: Thank you, Ken.

MR. SPEAKER: Westlock-Sturgeon, we have no member in the House by the name of Ken.

MR. TAYLOR: But he loves me.

MR. SPEAKER: Lucky him.

Lesser Slave Lake, followed by Edmonton-Centre, then Edmonton-Meadowlark, and then Lloydminster.

Flooding in Northwestern Alberta

MS CALAHASEN: Thank you, Mr. Speaker. In the past few weeks when the rains came down, many of my constituents had grave concerns about possible flooding. Some communities came close to flooding; in fact, some were flooded. Would the Minister of the Environment outline what is being done to mitigate future flooding in these areas?

MR. KLEIN: Well, Mr. Speaker, as we all know there were heavy rains in north-central Alberta in the last few weeks or so. We have two programs. One is the water management and erosion control program and the other is the surface water development program. Both these programs are designed to manage water and control floods. Some \$6 million will be spent this year, ostensibly in north-central Alberta. Twenty-six projects are in the works right now, and hopefully as the program continues, we will be able to alleviate some of the problems that have occurred relative to flooding in north-central Alberta.

MS CALAHASEN: To the minister again. If, in fact, these programs are in place, how do these communities access these programs so that they may take preventative action in the future?

MR. KLEIN: Mr. Speaker, I guess the best way to access the program -- and this applies to the opposition, too; they're welcome to access the program the same way -- is through their local MLA.

MS CALAHASEN: To the Minister of Public Works, Supply and Services. What is the safety for the public living in these areas?

MR. KOWALSKI: Mr. Speaker, Alberta Environment through its river forecast centre puts out periodic warnings when there's a situation that may develop that would cause acute flooding in a particular area, and such, of course, was the case a week or so ago when acute rains fell in the Swan Hills area in the province. The water drifted both north and south of the Swan Hills, and of course those precautions were put in place.

In addition to that, Mr. Speaker, there is with every municipi-

pal government in the province of Alberta a disaster-related manual that they have. Periodically these local officials are trained at the training centre that we have here in Edmonton with Alberta Public Safety Services to ensure that local municipal leaders, firemen, local policemen, and other lay people in the community who want to get involved in this area of response receive training with respect to it. So when there is a possibility of a disaster occurring in the nature of flooding or acute rainfall, these local people will get together, extrapolate the information they have. They'll have all the phone numbers and the contact numbers. Alberta Environment, Alberta Public Safety Services, and other safety services and other agencies of the government will convey as up-to-date information as possible to the local people, and of course then there's a fan-out system in the local area.

MR. SPEAKER: Member for Edmonton-Centre.

Prescription Drug Costs

REV. ROBERTS: Thank you, Mr. Speaker. As well as the trafficking in illegal drugs, we also have a major problem in this province with respect to the sale of prescription and over-the-counter drugs. Albertans pay more for drugs than residents in any other province, and generic equivalents of brand name drugs which can save us potentially \$14 million annually are used in Alberta less than 5 percent of the time, which is, in fact, the lowest rate in Canada. Given that the Department of Health is currently negotiating an agreement with the Pharmaceutical Association and with Blue Cross, has the Minister of Health instructed her representative to propose systems such as a set formula or best available price system which will ensure the maximum use of generic equivalents, thus saving Albertans millions of dollars?

MRS. BETKOWSKI: Certainly I have, Mr. Speaker.

REV. ROBERTS: Since the government, Mr. Speaker, covers the cost of prescription drugs for social allowance recipients, seniors, and others through the Blue Cross plan, how can the minister justify incurring these higher costs, despite what her representative might be doing down the line? How can she justify these current higher costs when even hospitals in the province see the wisdom in administering lower cost generic equivalent drugs to patients in their hospital beds?

MRS. BETKOWSKI: Well, Mr. Speaker, number one, there is no clear evidence that Alberta drug prices are the highest in the country. Certainly the use of generic drugs is something we are exploring, but the hon. member should not be under the delusion that generic equivalents are always the same as the prescribed drug. Certainly where they can be used as an equivalent, we must encourage that to take place.

REV. ROBERTS: Well, we're getting somewhere, Mr. Speaker. This minister learns quickly. Insofar as the major pharmaceutical companies are extremely adept in their marketing methods, including giving physicians free prescription pads with the words "no substitution" marked on them, what is the Minister of Health doing in this regard to curb these abuses which profit unfairly off of the health care needs of Albertans?

MRS. BETKOWSKI: Mr. Speaker, I do not write prescriptions for drugs, and I am not a physician who makes the decision on whether a drug should be used or not used. Nonetheless, with respect to the great deal of dollars that this province dedicates to drug services, particularly for seniors, the whole issue is being reviewed very carefully with a view to getting the best value out of the dollars we do spend for drugs in this province, and I will be happy to report to the House when some of those negotiations are completed.

MR. SPEAKER: Edmonton-Meadowlark, followed by Lloydminster, then Calgary-Forest Lawn.

Environmental Impact Assessment Process

MR. MITCHELL: Thank you, Mr. Speaker. While the environmental impact assessment process for the Athabasca pulp mill is seriously flawed, at least it does include an environmental review panel, public hearings, some public intervenor funding and federal participation, such as these elements are. Oddly enough, the minister has not required these elements for the Alberta Energy project at Slave Lake, for the Procter & Gamble expansion, for the Weldwood project, for the Daishowa project. To the Minister of the Environment. Will he require environmental review panels with public hearings, intervenor funding, and federal participation for each of these projects, and if not, why not?

MR. KLEIN: Well, Mr. Speaker, I would suggest the hon. member either hop in his car or get an airplane or do something.

AN HON. MEMBER: Do both.

MR. KLEIN: . . . or do both, if he can, and examine these sites. He will see that in the case of the Daishowa project it's half-built. In the case of the Weldwood project, it's probably three-quarters built. The environmental impact assessment that was required then has now been complete. As economic diversification through forestry projects continues in this province, so does the process of environmental impact assessment continue to be improved, and that's exactly what is happening with the Alberta-Pacific project. We're going to examine and assess that particular review process, and if it works well, I'll say again for at least the sixth or seventh time, that will serve as a model for other environmental impact assessment processes for future projects.

MR. MITCHELL: It's clearly not too late to avoid an environmental disaster, given that these things haven't been completed. Since the minister is obviously, as he says, using the Al-Pac process as his test model, how can he allow the other projects to proceed before he has determined how well this process has served Albertans and whether, in fact, it should be applied to these other projects before some form of disaster is allowed to happen?

MR. KLEIN: Mr. Speaker, first of all, the standards are in place, and all of the pulp mill projects, those that are under construction and those that are proposed, will have to meet the standards, which are world standards, leading-edge standards, relative to environmental technology. That's a fact. With respect to the projects that are under construction, having received

their permits to construct, it would be very, very difficult now for them to go back and do an environmental impact assessment, having already been through the process under the rules of the day. You know, I think that we've got to play fair, and we can't very well expect those people who played by the rules of the day, who played fairly by the rules of the day, to go back half-way through the completion of their projects and start to play by brand new rules.

MR. MITCHELL: Mr. Speaker, he just did that for Daishowa to ensure that they'd meet the new standards half-way through their construction. Let's be consistent. Will the minister explain, for example, what is so different about the Alberta Energy Company project that he is hesitating -- because it's not under construction -- to require a process at least consistent with the one he has patched together for the Athabasca pulp mill project?

MR. KLEIN: Firstly, Mr. Speaker, it hasn't been patched together or hatched together. It has evolved in a very, very orderly fashion and will prove out to be a very, very useful exercise, one that, perhaps, the hon. member should pay attention to.

With respect to the Alberta Energy Company's chemithermomechanical project at Slave Lake, this was a project that was not earmarked by my predecessor. There was only one project that was earmarked for the public review process because it pertained more specifically to bleached kraft mills. There was an undertaking by my predecessor to examine and to use the Alberta-Pacific project at Athabasca as the model for the public hearing process, and on the basis of that undertaking, we instituted the public hearings for the Alberta-Pacific project and the Alberta Energy Company . . .

MR. MITCHELL: So do you check with him every day, Ralph?

MR. SPEAKER: Thank you. Order. Edmonton-Meadowlark, you know you get three questions not five, as you've now been shouting across the way.

MR. TAYLOR: He only got half an answer to all five.

MR. SPEAKER: Thank you, Westlock-Sturgeon.

Lloydminster, Calgary-Forest Lawn, Westlock-Sturgeon perhaps, and Athabasca-Lac La Biche.

Federal Sales Tax Impact on Energy Projects

MR. CHERRY: Thank you, Mr. Speaker. My question is to the Minister of Energy. The federal Minister of Finance has released the details of the federal goods and services tax. The Alberta government has worked with the oil and gas industry to proceed on the OSLO and the Lloydminster biprovincial Upgrader projects, two projects which involve high capital input costs and considerable contracting with Alberta companies for goods and services. Can the minister provide the House with his assessment of the new tax on the Lloydminster Upgrader and the OSLO projects?

MR. ORMAN: Mr. Speaker, I'd be pleased to do that. As I indicated outside the House yesterday, our department is doing an evaluation of the impact of the goods and services tax, and we will be coming up with some results as we further understand the impact of this particular tax and, I guess, as Ottawa

further understands the impact of the tax.

I should say, Mr. Speaker, that the message I want to leave with regard to those two projects is that I do not at this point believe that the GST will deal a fatal blow to the projects. In fact, I do not believe that, but I should also point out that price is the ultimate determinant of whether or not these projects are viable. We must not, however, ignore the inflationary nature of the GST in 1991, and when we talk about the inflationary nature of that particular tax, we must consider the fact that as my hon. colleague the Provincial Treasurer points out, this has a very real, negative impact on interest rates; that is, it could engender higher interest rates. As the Member for Lloydminster points out, that is very significant on a capital-intensive project like OSLO, \$4.1 billion, and also on wage settlements. Traditionally, as taxes like this are brought in, it does have an inflationary impact on the consumer price index, and wage settlements tend to try and recapture some of this extraordinary type taxation. When you have tens of thousands of people involved in the construction of projects like OSLO and Lloydminster, you have to take that into consideration when you're looking at your economics.

MR. CHERRY: Supplementary, Mr. Speaker. The decision to proceed on these projects was based on the projects' being fundamentally economic. When one takes into account capital costs, construction costs, and market forecasts, how does this tax affect the decision to proceed with these projects?

MR. ORMAN: Mr. Speaker, as I did indicate, the ultimate determinant of the viability of the Lloydminster Upgrader and of the decision by the OSLO participants to proceed will be price. With regard to OSLO that price determination date is in 1991. I would like to indicate that both projects are proceeding, and they're proceeding well. All parties are committed to the furtherance of these projects: the federal government, the provincial government, and the participants. We must, however, keep in mind some of the issues that I've just addressed because if the price is not as high as we'd like to see it in 1991 with regard to OSLO, then these issues do impact that decision, because they will have an effect. As we see it now and as our projections indicate now, we are confident that these projects will proceed, but we must not lose sight on the macroeconomic impact of this very, very poorly conceived tax.

MR. SPEAKER: Calgary-Forest Lawn.

Royalty Tax Credit Program

MR. PASHAK: Thank you, Mr. Speaker. The Alberta royalty tax credit program has cost Albertans up to \$400 million a year with little tangible evidence that there has been benefit commensurate with dollars spent. Early in this session the minister promised that he would review the program. The minister could target the program more effectively to small producers and save Alberta taxpayers money if he would raise the percentage of rebate from 75 percent to 95 percent and reduce the royalty ceiling cap from its current \$3 million to \$500,000. Is it the minister's intention to introduce such a reform?

MR. ORMAN: Mr. Speaker, I have met on a continual basis with representatives of the industry with respect to the Alberta royalty tax credit program. Some of the recommendations that

the Member for Calgary-Forest Lawn makes are ones that are not unlike ones we get from various companies in the industry. I appreciate his interest in this particular program. I should say though, Mr. Speaker, that his preamble indicated that this royalty tax credit program is not sensitive to activity. If he believes that, he is not talking to the industry.

MR. PASHAK: A further suggestion for the minister, Mr. Speaker, would be to limit the number of times a corporation could take advantage of this program. Is it the minister's intention to introduce that into any reforms he might introduce with respect to ARTC?

MR. ORMAN: Mr. Speaker, that is a matter of jurisdiction for the Provincial Treasurer. He and I are in discussions on that particular matter, and we will be dealing with it in short order. It may or may not be a part of an overall package for ARTC. ARTC, as we've indicated before in this House and to the industry, will move to a price-sensitive regime in January 1990. We will be very deliberate, and we will consider all of the input we get from industry before we do announce a program. Some of the suggestions the hon. member has made, as I indicated, are not unlike many of the suggestions that are coming from the industry today.

MR. PASHAK: Given that there's a lot of unnecessary public money spent on this program, will the minister give any consideration to advancing his date for bringing his changes forward?

MR. ORMAN: Mr. Speaker, I indicated earlier in response to the member that this money is not spent unwisely. This money is very important to the health of, particularly, the smaller producers. I can tell you that there are a number of smaller producers in this province that rely quite heavily on the Alberta royalty tax credit program. As a matter of fact, I know of small producers and explorers where the ARTC revenue that flows back to them, the credit in that program, accounts for up to 90 percent of their cash flow. So for this hon. member to suggest that he is standing up for the small producer and at the same time saying that these dollars are not important to the small producer, he's not talking to the industry, Mr. Speaker.

MR. SPEAKER: Time for question period has expired.

The Chair would point out that the final supplementary of the Member for Edmonton-Glengarry was out of order. Under *Beauchesne* 410(17), "Ministers may not be questioned with respect to party responsibilities."

ORDERS OF THE DAY

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Thank you.
Minister of Public Works, Supply and Services.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. KOWALSKI: Thank you very much, Mr. Speaker, and thank you to the members of the Assembly for that approval.

This afternoon, Mr. Speaker, in the members' gallery is a large delegation of young 4-H people from the province of Manitoba who are participating in an Open House Canada 4-H exchange program. These individuals are from Rorketon, Manitoba, and they are led by chaperon Reba Keele. I wish to apologize for any mispronunciations of names; I just received this information. Also included in the delegate grouping is Monique Vandekerckhove, Marc Kujanpaa, Neil Moffatt, Charlene Sedor, Ernest Beasse, Gerri James, Keith Wilkinson, Nicole Debeuckelaere, Kimberly Verhaeghe, Anissa Sigurdson. There are some local people from the community from Barrhead who are hosting and participating, and Mr. Henry Schlauch is one of the leaders. I'd ask our delegates to rise and receive the warm welcome of the Assembly.

head: WRITTEN QUESTIONS

MR. STEWART: Mr. Speaker, I move that the following written questions stand and retain their places on the Order Paper: 216, 218, and 220.

[Motion carried]

208. Mr. Taylor asked the government the following question:
How many borrowers have been foreclosed on by the Alberta Agricultural Development Corporation in each of the last five years, and what is the total value of cash and/or assets transferred to AADC, beyond the land on which the mortgage was held, in each of those years?

MR. ISLEY: Mr. Speaker, it is not the policy of the Alberta Agricultural Development Corporation to provide the type of internal statistical data requested in this question, and hence I am rejecting it.

209. Mr. Taylor asked the government the following question:
How many borrowers have agreed to quitclaims with the Alberta Agricultural Development Corporation in each of the last five years, and what is the total value of cash and/or assets transferred to AADC, beyond the land on which the mortgage was held, in each of those years?

MR. ISLEY: Mr. Speaker, I am rejecting Question 209 for the same reasons as just stated with respect to Question 208.
[interjections]

MR. SPEAKER: Hon. Member for Westlock-Sturgeon, order please. Thank you.

215. Ms M. Laing asked the government the following question:
How much did it cost in total to research, write, and publish the government document *Alberta Plan for Action for Women: A Proud History, A Bright Future*, July 1989.

MS McCOY: Mr. Speaker, I've had discussions with the hon. Member for Edmonton-Avonmore on this question and ex-

plained to her that I could not cost out the researching and writing of the Alberta Plan for Action for Women because it was a cross-government endeavour. People who have developed this program are in fact those who are in our public service and all work together, and so it's impossible to isolate those costs. However, if the member would wish to resubmit the question, I'd be pleased to answer it in a form that I could.

219. Rev. Roberts asked the government the following question:

For each of the last five years what is the total amount of government moneys devoted to research into the causes of and treatments for schizophrenia, and what are the programs through which this research has been funded?

MRS. BETKOWSKI: Mr. Speaker, I accept question 219.

226. Rev. Roberts asked the government the following question:

When will section 4(1) of Alberta regulation 237/85 be repealed to allow for the embalming in Alberta of deceased persons who had tested positive for the human immunodeficiency virus or who died from complications related to acquired the immune deficiency syndrome, in view of the new code of practice for funeral service workers which addresses the risk of embalming the bodies of persons who have died while infected with communicable diseases?

MRS. BETKOWSKI: I accept question 226 as well.

head: MOTIONS FOR RETURNS

MR. STEWART: Mr. Speaker, I move that all motions for returns appearing on the Order Paper, except for motions for returns 181, 182, 191, 205, and 217 stand and retain their places on the Order Paper.

[Motion carried]

181. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing all agreements or contracts whereby the province of Alberta agreed to indemnify the Canada Deposit Insurance Corporation as part of the restructuring of North West Trust Company and its amalgamation with Heritage Savings & Trust Company.

MR. HAWKESWORTH: This requests the provincial government to provide to the Assembly copies of agreements that they entered into with the Canada Deposit Insurance Corporation as part of the restructuring of North West Trust and its amalgamation with Heritage Savings & Trust.

MR. JOHNSTON: Mr. Speaker, we will reject this motion, in that the information contained in these agreements or any agreements between the province and CDIC is, of course, of a confidential commercial nature and, therefore, given the nature of discussions between two governments, will not be produced.

MS BARRETT: What a disgraceful response, Mr. Speaker. I notice how the minister swaggers to his feet, indulging this incredible conceit regarding the authority of his position. I chal-

lenge this minister to rethink his response, given that the taxpayers of Alberta own almost all of those amalgamated companies, all but .1 percent, and have the absolute right to all of the information pertaining to the agreements that the Provincial Treasurer engaged in order to saddle the taxpayers with those two companies and the results therefrom, whether their assets are worth anything or not. Furthermore, with respect to the information regarding the CDIC, surely to heavens the minister has not gotten so arrogant that he thinks his halo won't come round his neck and tighten.

MR. JOHNSTON: You hurt me.

MS BARRETT: Just outrageous. Shame.

MR. SPEAKER: Order. Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I echo the sentiments of the Member for Edmonton-Highlands.

AN HON. MEMBER: With respect to the halo?

MR. McEACHERN: That too. Mr. Speaker, this motion arises out of the fact that the Alberta government decided to cover up an incredible mess that was North West Trust. A couple of their friends borrowed incredible amounts of money from the Treasury Branches, putting them in jeopardy in the years '83 to '85. This government was able to talk the CDIC into giving them \$277 million for some reason. The only thing I can speculate is that since no bankruptcy was declared, they went to them in secret and talked them into giving them money because the federal government was in trouble with the taxpayers of Alberta at that time. People here were very annoyed that the federal government hadn't put any money into the Syncrude expansion or hadn't even agreed to a loan guarantee. So in order to curry the favour of the Alberta government and the Alberta people, the federal government evidently leaned on CDIC to give this government \$277 million to cover up that mess. Now, \$212 million of that was put into -- well, it was all put into the Treasury Branch. Then \$212 million of it was swung over to Softco, 354713 Alberta Ltd.; \$50 million of it was put into the new North West Trust, which now includes also the old Heritage Savings & Trust; and \$15 million of it was evidently given back to CDIC as some kind of an indemnity. The Treasurer has never explained what that \$15 million was for, what it covers, what it does, what the word "indemnity" -- how it is used and what it refers to.

Now, CDIC normally covers insurance up to \$60,000 per depositor in trust companies if the particular purchase or deposit meets certain conditions. In this case, of course, all deposits were covered. The Treasurer actually guaranteed all the deposits of North West Trust and all the deposits of Heritage Savings & Trust, and you can contrast that to what he's doing with the Principal case. So he bailed out all the depositors in those two companies and has not done so in some other cases. However, the thing is that he's now asked CDIC for some further coverage, I assume, and yet he's never clarified -- I mean, this is public money these guys are playing with, \$15 million. Whether it comes from CDIC, it's still public money. CDIC went bankrupt with the collapse of the Canadian Commercial Bank and the Northland, and the federal government had to put incredible amounts of taxpayers' money into that institution.

And so that's the money you're using; it's taxpayers' money. He always says that the North West Trust cover-up never cost any Alberta taxpayers money. Albertans pay taxes to the federal government too, you know. We've paid a lot of money for this, and we deserve to know exactly what's going on with it.

So the Treasurer makes a deal with CDIC. He covered initially all those deposits and guaranteed them in the new North West Trust and then later started to back away, but had some doubt about just how he should say that and who he should tell it to and when, because he was afraid of causing a run on the institution, because he didn't want to keep on being the insurer for all those deposits. So this \$15 million that he's given back to CDIC -- they have disclaimed any responsibility for any losses that might be incurred from the business of the company up to that point of the takeover. But what has happened since then is not clear, and this Treasurer is spending \$15 million of taxpayers' money and not telling us what it covers and what the deal is with a financial institution which is under his direct administration.

Now, this Treasurer has the gall during the election to insist that they bail him out of one of the promises made by his Premier, that silly mortgage plan that they came up with in the middle of the election that the Premier didn't seem to understand. The Treasurer insisted that this company use what in effect are taxpayers' dollars, because that company is operating as a public company under the thumb of the Treasurer, as a way to bail out a political party from a promise made in the middle of an election. Yet he doesn't have the courtesy -- he stands up here and swaggers and says: "We don't need to give this information. This is a private deal." This is not a private deal. This is government money on either side of any way you look at it. It's taxpayers' money, and we should know what's happening with it. He should be straightforward and tell us exactly what's going on with that bailout to take over.

MR. SPEAKER: Calgary-Mountain View, summation.

MR. HAWKESWORTH: Well, Mr. Speaker, imagine my surprise. The idea of a Conservative government keeping information from the public: what a new idea; what a new strategy. More secrecy and more cover-up and all that kind of stuff is coming to be not just a rare occurrence in this Assembly, Mr. Speaker, but it's becoming a tradition, and it's becoming the way that they conduct the public business.

Mr. Speaker, in the public accounts there is a small note which refers to an amount -- and the Provincial Treasurer can look it up if he wants, and all members of the Assembly -- refers to an agreement with the Canada Deposit Insurance Corporation to indemnify that corporation for loss occurring by reason of its obligation to make payment in respect of any deposit insured by a policy of deposit insurance issued to North West Trust Company, in consideration of which the corporation paid an amount of over \$277 million to North West Trust Company, evidenced by a non interest bearing promissory note endorsed to Treasury Branches without recourse to the corporation. This is a liability of the people of Alberta. We're simply asking to be treated in this Assembly the same way that the board of directors of a private company or a publicly traded company would be treated in terms of information about their own corporate affairs. This is taxpayers' money.

AN HON. MEMBER: You wouldn't know about that, Bob.

MR. HAWKESWORTH: Well, I certainly know a lot more about it than the Provincial Treasurer knows about it; that's for sure. Now, Mr. Speaker. . . [interjections]

MR. SPEAKER: Order. Order in the whole House.

MR. HAWKESWORTH: That's right. Thank you, Mr. Speaker.

You know, the disclosure requirements for the public sector are abysmal in this province. The fact is that people who are in control of the public purse have free rein. They can set up companies. They can set up companies, Mr. Speaker, like 354713 Alberta Ltd. They can set it up in a way that less than 100 percent of those shares are owned by the province of Alberta, where one share can be held by a private individual, and in so doing, we can prevent the Auditor General from being responsible for monitoring and looking after the affairs of that company. We have in the case of North West Trust a similar situation where the majority of shares are in the control of the Provincial Treasurer over there, and because he doesn't have 100 percent of those shares, the provincial Auditor General is no longer the auditor of those Crown corporations. So what this government has effectively done is brought down a veil of secrecy over the operations of those companies because of some small anomaly in the way the Auditor General's legislation has been set up.

So given those circumstances, Mr. Speaker, when we see that there's a potential liability sitting on the public accounts of the province of Alberta, recognizing that this government has prevented the Auditor General from being a true watchdog over the affairs of those companies, we're simply asking that this government table the information owed to the people of Alberta, owed to the people of Canada, by signing this agreement between the province and the Canada Deposit Insurance Corporation. What is the confidential commercial information that would be a part of that? I'm not aware of any other publicly owned Crown corporation in the financial sector of this province or this country whose affairs would be jeopardized by the release of this information. I can't understand why an arrangement between two governments somehow threatens because of its private commercial nature. It's not a private commercial nature at all, Mr. Speaker. It's a joint venture between two Crown corporations, between what's now the Crown corporation of North West Trust and the Canada Deposit Insurance Corporation.

Here are two governments colluding to bail out two financial institutions. They set up these children type of corporations; daughter corporations are set up. We prevent the Auditor General from looking at them or being the Auditor General of their affairs. And now in asking for the financial arrangements to be made public, all of a sudden the Provincial Treasurer says, "Oh, they're of a private, confidential commercial nature." That's a bunch of hokum, Mr. Speaker. It's just another attempt by the provincial government to prevent any review, any accountability of their actions in the bailout of the North West Trust Company and its amalgamation with Heritage Savings & Trust. It has nothing to do with confidential commercial information. They just don't want the public to know how badly managed those companies were, how badly the affairs of these companies were run. They don't want the public to know how liable the public is in the event of any possible future failure of the new North West Trust Company.

Furthermore, Mr. Speaker, there is an incestuous relationship

between 354713 Alberta Ltd. and North West Trust. What are the requirements that this government show a profit, for example, in North West Trust over a period of, say, three, four, five years? Is this what the indemnification means: that in the event this company, North West Trust, can show a profit over five years, then the Alberta government is off the hook? Is that part of it? And then given that the Provincial Treasurer has effective control over North West Trust, effective control over 354713 Alberta Ltd., effective control over SC Properties, effective control over the Treasury Branches, the Provincial Treasurer in his own way behind the scenes can be arranging for financial transactions, interparty transactions between these companies to boost the financial track record of North West Trust at the expense of those other companies. Is that what's going on behind the scene? Is that the reason that the Auditor General doesn't have any effective watchdog control or review function of these companies? Is that why they've hidden the affairs of these companies behind a veil of secrecy, Mr. Speaker?

I mean, we've just been through a very expensive inquiry into the affairs of the Principal empire where the evidence tends to show that those same kinds of transactions were going on in that empire, whereby the interests of certain companies were being sacrificed in order to boost the financial standing of other companies within that empire. Does this mean, Mr. Speaker, that the Provincial Treasurer might potentially be in a conflict of interest, in that he has to show that North West Trust must make profits in order to get out from under this indemnification agreement? These are all questions, Mr. Speaker, that tabling this agreement would answer.

Now, you know, just for an example, Mr. Speaker, in February of last year North West Trust announced that it had made a profit of \$8 million. Very nice, until we look a little deeper and we find that the profit they made came from the \$12 million contingency fund set up during the takeover. If you look at the affairs of North West Trust this year -- this was the annual report for 1988 -- we find that one of the big contributions to this profit this year had to do with an extraordinary sale which turned out, as I would guess, to be further real estate sold by North West Trust to 354713 Alberta Ltd., another Crown-controlled corporation.

So what we have here, Mr. Speaker, is just an incestuous, tight little network of interrelated companies, all of them controlled out of the Provincial Treasurer's office, none of them reviewable by the Provincial Auditor as the auditor general of those entities. And now when we come and ask for the Provincial Treasurer to table key information that led to that bailout of North West Trust, the indemnification of the Canada Deposit Insurance Corporation, none of it is made public. Well, Mr. Speaker, if there was one word that describes all of this government's approach to this bailout, it has to be secrecy, secrecy, secrecy. That continues to be the tenor and the approach taken by this Provincial Treasurer.

Now, Mr. Speaker, what's even more alarming about all of this is that to go back and to look at, for example, the exposure that the Alberta Treasury Branches had in North West Trust, one only needed to, for example, pull the mortgage register for N.A. Properties Ltd., which was a subsidiary of North West Trust and is now a subsidiary of Softco, 354713 Alberta Ltd., to see that the Alberta Treasury Branches extended to Chateau Developments and N.A. Properties millions and millions and millions of taxpayers' dollars. Now, whatever possessed the government of Alberta to back a loser like this and be as exposed as they are in

their lending practices? This dates back to 1985, '86, when they should have known better, Mr. Speaker -- hundreds of millions of dollars. When this company was going down the tubes, we were there. The Alberta government, the Conservative government, was there, and the Provincial Treasurer, putting more and more Treasury Branch money into those companies. So when it came time to do a deal, it was not so much the depositors who had money in North West Trust that were exposed; it was the Alberta government through the Treasury Branches. And it was that which motivated them more than anything, I would suspect, to cut a deal with the Canada Deposit Insurance Corporation to ensure that these companies were restructured instead of wound down.

Now, if they had been wound down, Mr. Speaker, it would have been the government of Alberta, through the loans they extended to subsidiaries like N.A. Properties -- they were the ones, the Alberta government, that would have been exposed to tremendous losses. So what they've done is set up this new company, restructured it, and kept all of their affairs from being exposed to public view in order to -- to do what, Mr. Speaker? Bail out some friends and keep the public from knowing how badly they themselves, through the Treasury Branches, have mismanaged, to keep the public from knowing how badly they've mismanaged the affairs in setting up 354713 Alberta Ltd., and how badly they've managed in setting up North West Trust.

It's a sad day. I suppose we shouldn't be so surprised that the Provincial Treasurer would continue to keep these deals secret to keep the public from knowing how badly they've mismanaged this company along with all the other financial institutions that they've been responsible for in this province over the years. It's a black blot on their record, Mr. Speaker, and I think it's shameful that the Provincial Treasurer treats this Assembly with less respect and provides it with less information than any director of any private company could expect to get from their chief executive officer. This is a terrible double standard, where the public is provided with less information than they could expect to receive if they served on the board or if they were a shareholder in a private corporation. It just leads me to believe, Mr. Speaker, that this Provincial Treasurer has far less to brag about and far less to be proud about in his tenure in that office, given this terrible track record and given the fact that they're too afraid that the public will learn and know how badly they've mismanaged. They're afraid to provide this information to the public. It has nothing to do with confidential commercial information but has everything to do with the bad and poor management by this Alberta government.

MR. SPEAKER: The Member for Calgary-Mountain View has moved Motion for a Return 181. Those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion fails.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Barrett	Laing, M.	Sigurdson
Chumir	McEachern	Taylor
Ewasiuk	Mitchell	Woloshyn
Gibeault	Pashak	Wright
Hawkesworth	Roberts	

Against the motion:

Adair	Elliott	Mirosh
Ady	Elzinga	Moore
Anderson	Evans	Paszkowski
Betkowski	Fischer	Payne
Black	Fowler	Rostad
Bogle	Gesell	Schumacher
Bradley	Hyland	Severtson
Brassard	Isley	Shrake
Calahasen	Johnston	Sparrow
Cardinal	Jonson	Stewart
Cherry	Klein	Thurber
Clegg	Kowalski	Trynchy
Day	Laing, B.	Weiss
Dinning	Lund	West
Drobot	McClellan	

Totals:	Ayes -	14	Noes -	44
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[Motion lost]

182. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing the documents that form and support the claim by the government of Alberta against the federal government under the stabilization provisions of the Federal-Provincial Fiscal Arrangements Act in respect of the 1986-87 revenue downturn.

MR. HAWKESWORTH: Mr. Speaker, I'm not sure to what extent I need to debate this motion to convince the government to provide us the information. In essence, there has been much made by the Provincial Treasurer about the claim that the government of Alberta has made against the federal government under the stabilization provisions of the Federal-Provincial Fiscal Arrangements Act. Alberta has not received yet all the money claimed by the government of Alberta, and so I would like to find out from the Provincial Treasurer and the government of Alberta on what basis the claim was made and on what basis and rationale certain dollar figures have been arrived at.

MR. JOHNSTON: Well, Mr. Speaker, we'll reject this motion as well. Since they've got all these great speeches across the way, it'll give them a chance to run them out this afternoon and make the same kinds of nonsensical statements one more time to obviously confuse the debate. But if they want to do it, they can do it.

But with respect to this motion, it's clear that since these negotiations are ongoing and since they're very sensitive in terms of the way in which the negotiations will unfold, it would be obviously prejudicial to the province's position should we have to disclose this information and then get into some long, prolonged debate about what it is we claimed, how the discussions are going to go, what it is we said as between ministers. And as

all members know, part of this, of course, is reflected in private correspondence between the two ministers, which sets out their position.

Now, the members across the way will get up in the same kind of tiresome old harangue, talk about the secrecy, talk about not providing the information, Mr. Speaker. But they know that they will never have a chance to be in government. [interjections]

MR. SPEAKER: Order. Thank you.

MR. JOHNSTON: They know they'll never have to accept the responsibility of dealing with these kinds of questions. So it's easy for them, people who never have to take action, to talk about the fact that those governments that do take action have to explain their actions to the Assembly. Of course we'll do that, Mr. Speaker, but all in good time; all in good time.

So I imagine that the next series of speeches will be, "Let us know, so we can help you." Well, if that isn't a big joke, I sure as heck have heard the best story of the day, Mr. Speaker. Can you imagine the socialists in any kind of a negotiation? It's last thing that would ever happen to these socialists across the way. They've never had to make a deal in their lives. There's a big story around about many people having to make a decision in the House. The biggest decision the socialists ever have to make is buying a pair of shoes, Mr. Speaker. They just are not in the context at all with what's happening in the real world. But they can go on and harangue. They can confuse the issues. They can talk in circles, knowing they'll never have to make the tough decisions, never have to face the tough propositions.

So it's simple for us to say here that while these negotiations, these very sensitive negotiations with a lot of money at stake for the people of Alberta, for the deficit of our province -- obviously, we can't give them that information. Obviously, we will not give them that information, Mr. Speaker, because it would prejudice our position, and the misrepresentation we've seen already today would simply add fuel to the fire of the federal government in our negotiations. Misrepresentation, misunderstanding, and confusion on behalf of the socialist party: that's what they stand for. We expect it. We know we have to sit here and endure that nonsense, that dribble across the way from the socialist hordes.

AN HON. MEMBER: He protests too much.

MR. JOHNSTON: But I guess we have to do it, Mr. Speaker. I guess we have to do it here on this beautiful August 10 day when there's important legislation to get done, an important debate about the Auditor General Act coming up. The misrepresentations in the Auditor General Act are profuse, Mr. Speaker, profuse misrepresentations. To suggest that the Auditor General doesn't have the right to look at Crown corporations or Crown controlled corporations is absolute garbage, Mr. Speaker, absolute garbage.

Now, the socialists can't even read their own legislation under which we operate, but they want to protract the debate on nonsense issues. They want to speak to the gallery. Oh, oh, nobody's there, Mr. Speaker. Nobody's there. Aw, darn. No press people up there listening to the nonsensical questions and nonsensical speeches. The predictable speeches from Calgary-Mountain View and Edmonton-Kingsway are always the same, going back to May of '86: the same sort of dribble, the same

sorts of nonsense. I've got another two words I could say what it is, too, but I'll refrain myself from that.

So in a very simple concluding word: we will not provide this information, Mr. Speaker.

MR. SPEAKER: The Member for Edmonton-Kingsway, followed by Edmonton-Highlands.

MR. McEACHERN: Yes. The Treasurer is always highly amusing, but he's fallen into the same traps that a lot of the other Conservatives have lately. When we put forward some statements based on a number of facts, they tend to get up and say, "Oh, those are all wrong." But they never get down to the details about why and where they're wrong. The Treasurer made some comment about the fact that the Auditor General couldn't see the statements of North West Trust and Softco, and of course he can and he did. But he wasn't allowed to release them, was he? Finally the Treasurer released some documents -- you know, 18 months late sort of thing, as usual.

This particular motion is much different than the other one, and the Treasurer does us an injustice when he says we will make the same kinds of speeches. We're talking here about a totally different issue and we gear what we say to the particular motion that is before the Assembly. This endeavour on the part of the Treasurer to get money out of the federal government for the shortfall in the oil revenues of the province in 1986-87 makes a certain amount of sense, and I appreciate that he went after the federal government and said that under the equalization arrangements of this country we have some money coming here. There's no reason in the world that he shouldn't make the case public. That's just nonsense that he says that he has to keep it a big secret: sensitive negotiations and all that kind of crap. That's nonsense.

MR. SPEAKER: Excuse me. Order please. Retract the word.

MR. McEACHERN: I just said it's so much crap. What's wrong with that? Is that an unparliamentary term? [interjections]

MR. SPEAKER: Order please, in the House.

MR. McEACHERN: All right. I withdraw the term "crap." Okay? Maybe we'll just say "garbage."

In any case, what I do want to speak about, though, is the numbers involved here. The Treasurer on December 6 released one of the public accounts documents. The other one didn't come for three or four months later, a supplementary document. But on December 6, 1988, this Treasurer tried to tell the people of Alberta that he had made a little mistake in the deficit of the province for the year, a some \$536 million mistake, he said. Now, the truth of the matter is, Mr. Speaker, that by the time this budget was brought in, the one we are dealing with in this session, the Treasurer had to own up that he'd made over a billion dollar mistake, not a \$536 million mistake. It's absolutely scandalous that he should try to pass off on the people of Alberta that our deficit at that stage would be \$1.371 billion instead of \$835 million, knowing that he had no commitment from the federal government to get the \$270 million he expected to get in that year for this particular reason of asking for this money that this motion is about.

In fact, if you had added the \$270 million in -- now, he did

later claim that he got \$75 million of that, but at the time he had no knowledge that he would get it and no indication that he would get it. So he should have been saying, even by his own figures, a \$1.64 billion deficit. By the time the spring budget was brought in for this year, his own documents on page 23 of his budget speech show that the deficit, by his own numbers, was \$1.9 billion for the combined deficit. Oh, he tried to hide it by saying, well, he didn't count the heritage trust fund ones in this year, you know, he used to other years, but now he's decided not to this year. And he tried to get away by saying it was \$1.7 billion instead of \$1.9 billion.

So the Treasurer wonders why we get upset on this side of the House when he goes from one half-truth to another half-truth time after time in terms of telling the people of Alberta where he's really at with his budget. Even the \$1.9 billion is not the consolidated debt figure for the province. And if he wants to talk about the Auditor General's report, which we will do later, he could talk about what he doesn't include and what items are not covered in the consolidated debt statement of the province of Alberta. We will certainly do that.

So, Mr. Speaker, the Treasurer is on better ground on this question than on the last one. I will admit that. But there is still no reason in the world why he shouldn't make the case public for the people of Alberta to know whether the federal government is coming through on a legitimate claim or not. I mean, if he hasn't got a legitimate claim, then he shouldn't be making it. If he has got a legitimate claim, then it should be fine for the whole world to see it, and then the people of Alberta can judge their Conservative brothers down in Ottawa as to whether they're being fair to this province or not. So there's no reason in the world that the Treasurer shouldn't release those figures. He's just being secretive, as usual. His little rebuttal, if you could call it that, on our last speeches of course was totally unrelated to facts and just a few smart comments about what he thinks we think. If he would listen to what we say, we say clearly enough exactly what we think, and base it on the facts. He doesn't refute the facts; he just gets up and makes this general statement like so many of the ministers have come to do in question period these days.

MR. SHRAKE: Great speech, great speech. [interjections]

MR. SPEAKER: Order. Order. Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I'd like to first of all refer to a couple of comments the Treasurer made when he was denying this motion for a return. He mentioned, for instance, that it is the motive of the opposition to abuse the time of the Assembly. Mr. Speaker, I would counter that by saying if anybody is guilty of abuse around here, it is the Provincial Treasurer, who in his continuous arrogance refuses to share public information with the public through the public forum to which he was elected but to which he will be a stranger, I assume, the day after the next election.

Mr. Speaker, he also said, you know, there's important business of the Assembly to be conducted and why don't we move on to that. In the first place, Tuesdays and Thursdays are designated as private members' days, and if he doesn't like the Standing Orders, then I ask him to consult with his House leader and attempt to change them. I'm sure they could ram them through if they really insisted, as they have done in the past, Mr. Speaker. I would also say that if he's so keen on proceeding to

the Auditor General Act, which by the way cannot come up until 4:30 according to our Standing Orders, then I challenge him to indicate why it is that he refused to vote for the Auditor General amendment Act that we the Official Opposition New Democrats sponsored just a few weeks ago in this Assembly, which would, amongst other things, allow the Auditor General to audit the books of Softco, which is 99.9 percent owned by the Alberta taxpayers.

MR. SPEAKER: Relevance.

MS BARRETT: Yes, Mr. Speaker. What I said is that I would like to comment on his opening comments in his rejection of our motion, and I believe that if he had the right to do that, so do I.

And I have one other point that I would like to make to him as he drinks his coffee elsewhere in the building, and that is that . . .

MR. SPEAKER: Thank you, member. That's an inappropriate comment. [interjections] Order.

MS BARRETT: I'm sorry.

MR. SPEAKER: The whole comment is inappropriate, aside from the backchat. Now let's continue with 182.

MS BARRETT: Yes. My point was going to be that he says that he's an accountant by trade, Mr. Speaker, and I have my doubts about this. I now understand why it is he's no longer in the private sector, because nobody in the private sector would have the gall to come to the Assembly in the forum of an annual Budget Address and list four stabilization grants payable from the federal government to the provincial government -- \$195 million -- when that figure doesn't even show in the federal government books. That figure isn't there in the federal government's budget, Mr. Speaker. One has to say, "Are you making it up as you go along, Mr. Treasurer?" Sure looks that way to us. I think this guy has escaped to this Assembly because he couldn't make it in the private sector, and his accounting methods prove it year after year.

Since he's become Treasurer, our deficit has escalated \$4 billion. The man ought to hang his head in shame wherever he is, Mr. Speaker. He ought to give the information that belongs in the public forum through this Assembly to the people of Alberta whose money is being misguided by this misguided minister whose arrogance is completely out of control at this point.

MR. SPEAKER: Edmonton-Strathcona.

MR. WRIGHT: Thank you, Mr. Speaker. I don't see that anyone has yet told us why it is that public business should not be done in a public way, particularly when it involves the liability of the public to expenditure of a very large sum of money, or in this case, the alleged receipt of a large sum of money from taxpayers at the federal level. So one must ask, "Why is the government, it seems, incapable of being open in this and other matters?" And "Your guess is as good as mine," is the answer. But my guess is that they're terrified that something else will turn up to give them a black eye, and that is a really pathetic way to do business. I suppose, in a way, we should be happy, as the opposition, that they continue to do it that way, because it's going to redound to their disadvantage, anyway, and to the ad-

vantage of those who seek to replace them.

MR. SPEAKER: Calgary-Mountain View, summation.

MR. HAWKESWORTH: Thank you, Mr. Speaker. Well, the Provincial Treasurer is touchy today, and I guess I would only observe he's got a lot to be touchy about.

You know, it strikes me, though, that I don't know whose money it is the Provincial Treasurer thinks he's involved with here. He seems to think that there's something to disdain about the fact that the opposition wants information about an important statement he has made to the public and that has an important bearing on the financial affairs of this province. He made the point in his opening remarks that I was guilty of some form of misrepresentation. He said he's heard lots of it this afternoon. Well, he's entitled to his opinion on that score, Mr. Speaker. I can assure you and him that nothing I've said was misrepresenting based on the information I had in front of me, and if he would only provide more information to clear up any misunderstanding, then that would be helpful. But he's not doing that, Mr. Speaker.

What he is doing is this, and he did it back in December of last year when he went before the people of Alberta with a budget update. You have to remember, Mr. Speaker, that this was only weeks before the provincial government was going to pull the pin, or pull the plug, and call for an election. So it was very important that they put out a certain message to the people of Alberta, the message being that everything was under control, the financial affairs of the province were in good hands; in fact, everything was going better than anticipated; things were not only tickety-boo but they were even better than that, Mr. Speaker. That, of course, was the last we had in the way of any kind of budget update before the election, and it allowed the Premier to go on television and take out full-page ads in the newspapers declaring: here are the facts. It went on to say how things were so good in Alberta because of our revenue that not only would taxes not go up, they would only go down, and there was capacity in the provincial budget plan to take on lots of additional spending.

All of this, Mr. Speaker, was based on the Provincial Treasurer's budget update in December of 1988. Now, in that budget update was a little reference to a stabilization payment from the federal government. It was not a small matter, but it was a small reference of somewhere in the order of \$540 million, if memory serves me correctly, which was owing to the people of Alberta and would be coming to the people of Alberta over two years. In fact, this money was so certain to be coming to the province of Alberta, it was as good as if it were in the bank. That's what this Provincial Treasurer said: \$540 million over two years. So he counted, in his budget update, somewhere around \$270 million coming to the people of Alberta from the federal government in last fiscal year.

Now, Mr. Speaker, I'm not trying to misrepresent anything. I'm dealing with what's in front of me, including the words the Provincial Treasurer has written himself. I find that in the Budget Address in 1989, when I look at the figure forecast for the last fiscal year, under a category called "Payments from Government of Canada, Stabilization," do I find \$270 million, Mr. Speaker? No. I find \$75 million. Now, I want to know who was misrepresenting what to whom back in December of 1988 when the Provincial Treasurer brought in his budget update. Did he know at that time that we were not going to be get-

ting \$270 million in last fiscal year from the government of Canada? Did he know that when he went before the people of Alberta to give them this budget update?

Mr. Speaker, not only did we not get \$270 last year, now the Provincial Treasurer is saying we got \$75 million of it last year and we'll get the other \$195 million of it in this fiscal year, which still begs the first question: when are we ever going to get the second half of that \$539 million promised to us by the Provincial Treasurer? He said we'd get it over two years. We've only got \$75 million of it so far, and there is no evidence yet that there will be \$195 million coming to the province this year.

Mr. Speaker, I would think that if a claim had been made some time ago by the province of Alberta and there was a commitment by the federal government, a commitment good enough for the Provincial Treasurer that he would put it in black and white and count it as being money in the bank -- if there was a commitment that firm -- you would expect to see a figure of \$195 million somewhere in the budget estimates for the federal government for this fiscal year. But for the life of me, Mr. Speaker, combing through those estimate accounts, the figure is not to be found.

Now, I don't whether the federal government just goes down to the basement and gears up the printing press and off comes another \$195 million that they ship in a brown envelope out to the Provincial Treasurer in Edmonton, and that's the way they do their business down there. But I would think that they would have at least put it in their books as being something owed to the province of Alberta if it was due to us.

Again, Mr. Speaker, the question is begged by the Provincial Treasurer's response: who's misrepresenting what to whom in his Budget Address in 1989 by including a figure of \$195 million for this fiscal year? The whole question then becomes: if he hasn't been right so far -- we hope he is; it's important for the people of this province that we get that kind of money. But if the track record is so abysmal to this point, one has to begin to wonder whether the entire thing is a fiction. You know, is \$75 million all that we're ever going to see from the federal government under the stabilization arrangements? Is that it? Or is the Provincial Treasurer going to be able to keep his promise?

So the question then becomes, Mr. Speaker: is the claim that the Alberta government made against the federal government even a defensible claim? What basis do we have to realistically expect this money is going to be coming? He's been wrong so far. It's not in the federal estimates. What hope do we have that they're going to accept any more of our claim than \$75 million? In which case, if they don't, obviously the Alberta government has once again failed miserably in being able to stand up for Albertans and to stand up for our interests with their cousins down there in Ottawa. That's what this issue is all about. It's not only the credibility of the Provincial Treasurer when he goes before the public with certain financial information, disguising this update as something real instead of the fiction that it was; it's not only his credibility on the line for the things that he publishes under his name, but it also begs the credibility of this government to be able to go to Ottawa and get for us what we're entitled to.

You know, this government has a very poor track record when it comes to dealing with the federal Conservatives. They were supposed to be able to stand up for Alberta better than those Liberals that we got rid of just a few years ago. But what's the track record? They go down to fight interest rates;

interest rates are still high. They're going to go fight the sales tax, but yesterday Mr. Wilson said he's going to press ahead.

AN HON. MEMBER: Via Rail.

MR. HAWKESWORTH: That's right. They were going to restore Via Rail after the Liberals cut it. They got down there, and next thing we know, the federal government is cutting Via Rail. These people over here are going to go fight for it. We haven't seen anything there.

And now we have this Provincial Treasurer and the government of Alberta down in Ottawa claiming that Alberta is owed \$540 million from the federal government and would they please just turn it over; wouldn't they be nice and just give it to us. To support that claim, they have various documents and analyses that they're giving to the federal government for that money; so seems to be the case from what we hear from the Provincial Treasurer. The question is whether that's a fiction as well. That's the real question, Mr. Speaker, about who might be misrepresenting what to whom. Given the track record of this government, I don't think they can be trusted to stand up for Albertans and to represent our interests in Ottawa.

MR. SPEAKER: Thank you, hon. member. In accordance with Standing Order 8(3), 4:30 has arrived.

head: **PUBLIC BILLS AND ORDERS
OTHER THAN
GOVERNMENT BILLS AND ORDERS
(Second Reading)**

**Bill 209
An Act to Amend
the Auditor General Act (No. 2)**

MR. SPEAKER: Calgary-Buffalo. [some applause]

MR. CHUMIR: Thanks to all three of you.

Mr. Speaker, I'm pleased to propose Bill 209, An Act to Amend the Auditor General Act (No. 2), the second of this nature to be presented in this House.

This Bill, Mr. Speaker, has three components. The first is to expand the jurisdiction of the Auditor General to allow for the audit of all companies controlled by the government, and this of course is specifically directed to the issue which has been so extensively discussed in this House, and indeed during the past hour, relating to 354713 Alberta Ltd. and North West Trust Company limited. The second component is to expand the mandate of the Auditor General in order to allow that official to do a value-for-money audit of the public accounts. The third component is to make the Auditor General a more independent official by lengthening that official's term of office and providing that there shall not be a reappointment.

[Mr. Deputy Speaker in the Chair]

Now, with that brief outline of the basic purposes, I'd like to move on to comment somewhat more extensively with respect to the first aspect, that of expanding the jurisdiction of the Auditor General to allow for the value-for-money audit. As I mentioned, this is directed to allowing for the audit in appropriate cases of government-controlled companies such as Softco

and North West Trust. The purpose in this aspect of the Bill is, of course, identical to that of Bill 204, which was presented earlier in this session by another member of the House. The mechanics I have proposed are somewhat different in legal terms, but they accomplish the same goal.

The concern immediately is with respect to Softco, of which the provincial government holds the rather strange number of 99.9 percent of the shares. Where is the other .1 percent? Well, it's held by a local lawyer who apparently holds the shares beneficially through some arrangement with him, and of course the lawyer is with a firm that is known for its close ties to the Progressive Conservative Party. Surprise, surprise. Indeed, it's the firm which does most of the work for the provincial Treasury Branch. Lo and behold, however, we have here this member of this firm appearing as an independent beneficial loaner of this .1 percent of the shares in this company. No particular reason is given for his presence, and of course it's just coincidental that by his being there, the Auditor General has no jurisdiction to audit the shares of the accounts of this particular company.

Now, the reason the Auditor General is not able to audit these shares, of course, is that the provisions of the Auditor General Act and the Financial Administration Act when combined preclude an audit where the holdings of the provincial government are less than 100 percent. This is the same problem and situation which exists with North West Trust Company. In that instance 99.5 percent of the shares are held by the province of Alberta, Mr. Speaker, with .5 percent being held by outside shareholders. In this case, these are in fact outside shareholders with no relationship to the government. They are the residue of shareholders left who have been unable to be located after the company was completely taken over by the government. When a takeover of this nature takes place, there are provisions in our company law to allow these stray shares to be cleaned off the books so the controlling shareholder can get the normal 100 percent control that would be desired, but of course in this particular instance that would be counterproductive. The 100 percent control we would all want if we were taking charge of another company carries along with it the unattractive inconvenience of opening up the accounts to the prying eyes of the Auditor General.

Now, I must note for thoroughness, because we're in an area of some complexity, Mr. Speaker, that there is a provision in the Auditor General Act which does provide for the Auditor General to be able to review the statements of these companies after an outside auditor has done his or her job. But there is a defect in that provision from the point of view of public accountability, and that is that the Auditor General in those instances cannot after reviewing the statements release and make them public, regardless of whatever comments or concerns he has with respect to those particular statements. Therefore we get the situation, as we have seen in this instance in the case of Softco, in which we have an overwhelming public interest in having complete and early -- and I emphasize "early" -- disclosure with respect to the financial circumstances of that company. The people of this province have a tremendous financial stake in the way in which that company is operated and its financial results. However, we find that only just recently, within the last month, has the Provincial Treasurer tabled for the review of this House and for people of this province financial statements going back to March 1988, some 15 months after the time in which they were current and certainly long after the normal time period for the disclosure of statements which have been audited in any

public corporation. Needless to say, anybody owning a private corporation would fire their auditor if the audit were to take 15 months before it was in a position to be released. So this just isn't good enough. It's not acceptable. It cries out for change. We need to have some change which allows for the Auditor General to do his job and to make sure these matters are made public.

Now, my Bill, Mr. Speaker, Bill 209, does provide for circumstances in which from time to time the appointment of an outside auditor might in fact be more appropriate to the circumstances of a corporation which is controlled by the government. For example, one might project a situation in which there was a Crown corporation with a significant -- perhaps 25 percent perhaps 40 percent -- component of minority outside shareholders, and in this instance I mean real shareholders, unlike those in Softco or North West Trust. So in that regard I have proposed a change which is contained in section 12(2) of the legislation, which would provide that notwithstanding the primary jurisdiction the Auditor General would have to conduct audits, in certain circumstances the Auditor General would be able to

decline to be the Auditor of a provincial corporation if he is satisfied that it is appropriate for another auditor to be appointed.

Now, this is the way the matter is handled at the federal level, and I think it is a sensible way of doing it.

The element of public disclosure that I was alluding to a moment ago is then dealt with in that circumstance and in other circumstances through the provision of a new section, 16.1, which provides that the report of the Auditor General in all instances where an audit is taking place shall be made public "30 days after the completion of the audit" in order to avoid any chicanery or pressure on the part of the government to choreograph the timing of the release. Heaven forbid that this government should ever be accused of attempting to do anything like that. There's also a provision in subsection (2) that "If the audit of a . . . corporation is carried out other than by the Auditor General" as a result of his making his election not to carry out the audit then

the Auditor General shall make public the financial statements of the corporation . . . and any comments he has . . . no later than 30 days after he completes his review,

which he is still entitled to make. So we get the public disclosure in those particular instances.

I'd like to conclude my comments on that first aspect of the Bill by noting that I've also proposed a consequential amendment to the Financial Administration Act which would allow the Auditor General to audit the Credit Union Stabilization Corporation. It's presently excluded. Again, this is not acceptable. We have a tremendous financial stake in that entity, and we deserve the full review and comments of the Auditor General.

Moving on to the second aspect of my Bill, I would note that I have added a subclause to a section of the legislation. It's new subclause (iv) to section 19(2), which provides for the contents of the Auditor General's annual report to include a statement or statements as to whether the disbursements of public money "have been made without due regard for economy or efficiency." Now, the Auditor General has noted many times, and I think it's public knowledge, that he is restricted in his review to determining whether the expenditure of public funds has been lawfully done and is in accordance with properly and generally accepted accounting principles. Unlike the federal Auditor

General, our Auditor General has no right whatsoever to comment on what is known as value-for-money issues. There is no right now for the people of this province to get the benefit of the Auditor General's views as to whether a program or an expenditure is effective and serving the public interest. It is true, Mr. Speaker, that comments of that nature are often matters of opinion, and from time to time they may entrench upon what may be considered to be questions of policy. Of course, governments don't like that. When the Auditor General finds something wrong, it's likely to lead to criticism of the government, and governments don't like to be criticized.

At the same time, the Auditor General is not omniscient; he's not perfect. But the parliamentary system and the democratic process depend on us having checks and balances. That's why we have a Constitution. That's why we have a Charter of Rights. That's why we have an opposition. That's why we have an Ombudsman. Let's face it, today it's difficult for members of the opposition to fulfill their role adequately. In many ways it's the fault of the process. In even more instances it's the fault of the government, and it's the fault of the enlarged and enhanced nature of government activity. Today, unlike 20, 30, or 40 years ago, the government is involved in a myriad of activities, often of a commercial nature. The expenditures are of such a voluminous nature that it's impossible for an opposition to adequately review them. Most importantly, the opposition is hindered, as we have seen today in the scandalous refusal of the government to provide documents, by the fact that we have the most secretive government in the country. It's a government which believes that its role in a democratic society is to hide information from duly elected members of the public.

MR. WRIGHT: They need Gorbachev.

MR. CHUMIR: They need Gorbachev. The Member for Edmonton-Strathcona perceptively notes that we'd be better off under Mr. Gorbachev, and we'd better learn a few lessons from him.

We see problems arising from that particular situation, Mr. Speaker. But we also note that whenever we analyze or assess a process which is established within this House for members to review financial matters, it is totally unsatisfactory, totally needing reform. The public accounts process is a ridiculous charade. It's controlled by the government. We found that in terms of scheduling, rather than put the Provincial Treasurer high up on the list as one of the early witnesses to appear before that Public Accounts Committee -- because after all, they're the Treasurer's accounts that are being assessed -- rather than put him up at a very early level, he was stuck down around the 12th or 15th level, and we're only going to get to about three before the end of this session. Of course, we don't sit outside of session. It is one of the biggest, most scandalous wastes of time of the members of this Legislature. The budget estimates process is a little better. It falls within the same category of adjectives or perhaps expletives.

So what are we left with? Well, we're left with at this time -- and even if we had improvements in these processes -- an Auditor General who's in an ideal spot to assess the accounts of this province and to provide to the members of this Assembly and the people of this province the benefits of his experience. He or she reviews the information in detail. He has access to information that we as legislators are unable to get until, of course, the government changes. I believe, Mr. Speaker, that

the public interest would be served by having this additional informed comment on our expenditures available to the people of this province. We need this additional check and balance. Of course, this would require some additional staff and there would be some additional cost, but I think we, the people of this province, would be getting value for that money.

The third issue is the extension of the term of office of the Auditor General from eight to 10 years, as well as providing for nonreappointment, with a view to enhancing the independence of the Auditor General. This, of course, is in no way intended to be a criticism of the current or any past Auditor General. However, we have to consider the structural realities of the government process. We have to consider human nature, and we also have to consider public perception. There is a legal maxim that states that justice must not only be done but must be seen to be done. I believe it's important that the Auditor General be seen to be as independent and fearless as possible. I think the possibility of reappointment may be perceived by some members of the public from time to time to influence public officeholders. Certainly the possibility of re-election or nonre-election influences members of this House, I daresay. In the case of the Auditor General, I think that perception, when there is a right of reappointment, may be there and may be perceived as a cause in certain instances of the Auditor General perhaps pulling punches. I see no signs of that in the case of the current Auditor General, and of course the current Auditor General's very limited in his mandate. But it's not healthy if this is perceived. Of course, it's far less healthy if it actually happens, and human nature being what is, it can happen.

Now, many appointments at other levels of government -- the federal government in particular -- are made on the basis that the appointment shall be for a good, healthy length of time. There's an element of public service in that. It's a once-and-for-all appointment: you do your job, you give the cut and thrust as it's needed to suit the occasion, and after you've finished your term, you leave and somebody new comes in. I think in the case of appointments of officials of this nature, that is a very healthy thing, and it's to that end that I have recommended the appointment be increased from an eight-year period to 10 years and that there be no power of reappointment.

So I would commend this Bill, these changes, to the members of this House. I think they are salutary and would enhance the administration of public business in this province. I hope I will get the support of hon. members.

MR. DEPUTY SPEAKER: The Member for Banff-Cochrane.

MR. EVANS: Thank you very much, Mr. Speaker. I rise this afternoon in opposition to this Bill. It is a very complex piece of legislation, and the proposals in it are quite varied. I think I can identify two major components of this Bill, and I'd like to deal with the two of those specifically.

The first one is with respect to section 16(1), which would have the effect, as indicated by the Member for Calgary-Buffalo, of altering the mandate of the Auditor General. By "altering," I mean expanding that mandate by allowing the Auditor General to report disbursements which in his opinion were made without due regard to economy or efficiency. Now, as the hon. Member for Calgary-Buffalo has indicated, that's commonly referred to as value-for-money auditing. But with all due respect to the hon. member, Mr. Speaker, it's governments that are elected to make policy decisions, policy decisions that gov-

ernments believe are in the best interests of the people they represent. On election day, which at the very least is every four years, the electorate has an opportunity to review those policy decisions and determine whether or not the government has been dealing properly with the issues that come before it on a day-by-day basis, and that makes governments accountable. Now, citizens can't keep abreast of all the matters that come before government. It would be impossible for them to do so. That's why we have the Auditor General. The Auditor General serves as a watchdog on behalf of the citizens of the province.

In reviewing section 19(2)(d) of the Act, it's clear that the mandate of the Auditor General is extremely broad. The Auditor General is entitled to review a number of systems, including systems designed to ensure economy and efficiency regardless of whether or not these matters were in existence, and then to determine, if in existence, whether these matters were adequate or inadequate and whether they had been complied with. With all due respect to the Member for Calgary-Buffalo, Mr. Speaker, I feel that is a very broad mandate, and I don't think it has to be expanded. The mandate to report on effectiveness of programs in my opinion would not appropriately be delegated to the Auditor General. That would require the Auditor General to make broad judgments on policy directives chosen by the government of the day, and clearly the final responsibility for those policy evaluations belongs with the elected officials.

Now, I realize, Mr. Speaker, that the Member for Calgary-Buffalo, and indeed all the Liberal candidates in the last provincial election, promised that they would expand the powers of the Auditor General to include efficiency audits of all government programs. Supposedly this was to save a great deal of money, because supposedly they would discover there were many abuses of the system or situations that were not up to par. Now, in my opinion, if this Bill reflects that philosophy, it will in point of fact only increase the workload of the Auditor General and, again, it undermines the authority of the elected government officials. Clearly, that evaluation of government policy is the responsibility of all representatives in the Legislative Assembly, and we are ultimately responsible to the electorate of the province of Alberta.

I think it's appropriate to also indicate to this Legislative Assembly that the value-for-money auditing concept hasn't gained broad acceptance even in the private sector. There are a number of members of the accounting profession who don't feel it does anything to add to the audit process. In fact there is a substantial argument that it merely blurs the distinction between the audit function and the management function with respect to accountability. I would refer the hon. members to comments which were made before the Public Accounts Committee very recently on July 19 by the Auditor General, specifically addressing the issue of the type of mandate the Auditor General has and his perception of the abilities he has to deal with public matters. I quote, Mr. Speaker:

I believe my mandate is wide enough that I can look at any system in any organization in this government and make my comments.

Clearly again, Mr. Speaker, a review process is now in place. This government has created that review process through cabinet committees and all the way down through program delivery. The units in the field also have a review process. Each level takes on a duty, and it's an ongoing duty, to monitor programs and services and to assess the effectiveness of those

services and seek economy and efficiency in the delivery of those services. To assume otherwise would not be realistic. All government departments again are ultimately reviewed by the electorate, and it's incumbent upon all government departments to be as efficient as possible to ensure that the next time the citizens of Alberta go to the polls, they will be secure in the knowledge that their government is being operated in a fair and efficient manner.

I'd like to go on and talk about the other change that I identify as a major change, and that's the change to the definition of a provincial corporation. That's the section 2 amendment to the Financial Administration Act. As the hon. Member for Calgary-Buffalo has indicated, at present 100 percent of the issued and outstanding voting shares of a corporation held by the provincial government allow a review. Now it's proposed that the audit would take place on any corporation which has more than 50 percent held by the provincial government. Now, that would redefine the Crown-controlled corporations, Mr. Speaker, and it would make more organizations subject to the Financial Administration Act. Therefore, they'd be audited by the Auditor General, and their financial statements would be included in the public accounts.

The proposed amendment also goes on to talk about the Credit Union Stabilization Corporation being taken out of the exclusions in section 2(2). Unfortunately, I don't think the Member for Calgary-Buffalo explained his rationale for that and I'd welcome his comments on it. I see no reason to put forward that kind of provision.

Getting back to the issue of corporate audits, obviously the Member for Calgary-Buffalo is aware that normally a corporate auditor reports to the shareholders, and the Auditor General has a statutory responsibility to report to this Assembly. So it's appropriate for the Auditor General to be appointed in a situation where the government of the province of Alberta owns all the shares, but with all due respect I don't think that same kind of logic applies when it's less than 100 percent. The hon. member spoke about Softco and made reference to the fact that there was a lawyer who held a very minor shareholding. Being a barrister and solicitor and member of the Bar, I'm sure the hon. member would recognize and acknowledge that the first duty of a lawyer is as an officer of the court. I don't think he was implying that the solicitor who was appointed in that corporation would be acting in any other way. In other words, regardless of past and present affiliations that lawyer is a member of that corporation as a shareholder and has a duty and an obligation. Perhaps the hon. member may want to make comment on that.

Crown-controlled organizations, Mr. Speaker, have minority shareholders, and therefore, in my respectful opinion, an auditor from the private sector whose primary obligation is to the shareholders is a more appropriate situation. I would refer the hon. member to section 16, which does speak about the very extensive powers the Auditor General has to review any information from a Crown-controlled corporation that he may feel is not giving a proper report. I must ask the question: why should we require the Auditor General to make an independent audit and again add to the workload of the Auditor General if these powers of review exist in section 16?

There's also problems -- and I'm sure the hon. Member for Calgary-Buffalo will recognize these -- in Crown-controlled corporations that were not incorporated in Alberta; for example, Pacific Western Airlines. I think it at least would be inappropriate and perhaps not legally possible to impose Alberta

legislation and an Auditor General audit on a company that's not incorporated in Alberta and perhaps doesn't have a head office in Alberta. If the hon. Member for Calgary-Buffalo would care to comment on that, I'd be pleased to hear his comments.

In summation, Mr. Speaker, the government of Alberta has always acknowledged the desirability for conducting periodic reviews and evaluations -- not only the desirability but it has the process in place that requires such reviews. There's no need for an ongoing review of programs, and there's no need to include a review process in the Auditor General's mandate.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Speaker. I'd just like to say that I agree with the general direction of this Bill, which is to improve public-sector accountability through advancing the concept of value-for-money audits through the expansion of the jurisdiction of the Auditor General. With respect to the latter point, I think it clearly does that. It sets out an increase in the number of corporations that the Auditor General would be able to audit. But I'm not sure that the Bill completely does what the member wants it to do. I'm not sure whether the member, in fact, has consulted with the Auditor General with respect to all the amendments he has proposed. For example -- and I just want to go through some of the sections of the Bill -- the Auditor General is in a position, he's authorized right now to hire agents to conduct other audits if he chooses to do that. So I think the provision the member has recommended in the Bill is not necessary.

Similarly, with respect to section 19(2) I think the Auditor General is in a position to conduct audits with respect to economy and efficiency, and I might just quote some of those sections. Section 19(2) of the current Act begins:

A report of the Auditor General under subsection (1) shall include the results of his examinations of the organizations of which he is the auditor, giving details of any reservation of opinion made in an audit report, and shall call attention to every case in which he has observed that . . .

And let's just skip to clause (d):

accounting systems and management control systems, including those systems designed to ensure economy and efficiency . . .

When you combine that with 19(2)(e), it says in addition that when appropriate and reasonable procedures could have been used to measure and report on the effectiveness of programs.

So I think the Auditor has enough scope within the current Act to look at weaknesses and deficiencies. That's further reinforced in subsection (5) where it says:

The Auditor General need not report on deficiencies.

By putting the language in those terms, he obviously has the power to comment on those deficiencies if he so chooses. So clearly I think the Auditor has power to conduct value-for-money audits in effect if he so chooses, although he uses a different language.

With respect to other changes requiring the Auditor General to report within 30 days after the completion of an audit, I think that would put undue pressure on the Auditor. It would be difficult to meet that condition because his primary task, his more prudent task, is to ensure that his job is done satisfactorily and completely, and it's not always possible for the Auditor to do that in a 30-day period of time. I think it would be much better

to include in some other Act a requirement that the Treasurer should reveal all the details of financial statements within 30 days of the Auditor rendering his report on these issues, after his auditor has completed his audit.

With respect to the Credit Union Stabilization Corporation, my understanding is that under changes that are under the Act that's before this Legislature, the Auditor will be the auditor of the Credit Union Stabilization Corporation.

The hon. Member for Calgary-Buffalo also indicated that in his view the Public Accounts Committee served no important business as far as the Legislature itself is concerned. I agree to a certain extent with him, but on the other hand I think we do as a Public Accounts Committee effectively reinforce the Auditor General's report. It's in that report that the Auditor General makes value-for-money kinds of statements. It's a limited role; I think we could go much beyond that. [interjections] I'm getting a little heckling here from my Liberal colleagues or the members of the committee, but as the chairman of the Public Accounts Committee, I find myself in a position of having to defend the committee. I think the committee within certain limits does an effective job . . .

MR. CHUMIR: Go on over there.

MR. DEPUTY SPEAKER: Order please.

MR. PASHAK: . . . of reinforcing what the Auditor General does. [interjections] Now, that's a very limited . . .

AN HON. MEMBER: He's a reasonable guy.

MR. CHUMIR: What's in that water?

MR. PASHAK: Mr. Speaker, would you find some way of inhibiting my detractors here to my left?

MR. DEPUTY SPEAKER: Order please.

MR. PASHAK: In any event, Mr. Speaker, I agree with the hon. member that the scope of the Public Accounts Committee is much more restrictive than it ought to be. On occasion as the chairman of that committee I've tried to get reforms through the committee that would make the operation of the committee more effective, because I think we're all interested in ensuring that public dollars are spent in the most effective way possible. There is a problem in the committee, and I think the member for Calgary-Buffalo has addressed it to a certain extent. What happens is that cabinet ministers come before the committee, and the questions sometimes devolve into the range of policy rather than looking at the accounts themselves. Instead of bringing cabinet ministers before the committee, I think the operation of the committee would be made much more effective if we brought heads of departments before the committee, if the Public Accounts Committee could meet outside of session, if the Public Accounts Committee had a smaller number of members, if the members of those committees had some research backup and research support, and if members were allowed to carry a line of questioning through to completion. All of those reforms have been indicated to members. But as the hon. Member for Calgary-Buffalo knows, a majority of the members of the committee are government members and they determine how the business of that committee is to be conducted.

I would suggest that if the member is interested in seeing more value-for-money audits conducted, he might support a motion that's before this Assembly that would allow Public Accounts Committees themselves to call for value-for-money audits or at least make that request of the Auditor General.

With respect to Banff-Cochrane's comment on value-for-money audits, he indicated that the government's job is to make policy. But it doesn't hurt to bring a creative audit procedure to looking at the way in which government departments operate. I attended the last meeting of the Canadian Comprehensive Auditing Foundation, and a very clear example was presented from British Columbia showing where comprehensive audits not only saved the province of British Columbia money in their purchasing department but also gave a different direction to that department in terms of it meeting its policy goals, that were previously established by the government, in a very creative way that allowed it to go out and encourage British Columbia businesses to meet the procurement requirements of the British Columbia government. Not only was money saved, but a lot of job opportunities were created in the province of British Columbia through this kind of value-for-money auditing procedure. I don't see it as something that governments should automatically stand back from and resist. I see it as a way of putting skilled auditing teams together with management teams to look at a government department to make sure the goals that management is working to implement are in line with policy that's been established in the Legislature and that they're implemented in the most effective way. Governments all over this country have found that significant savings can be obtained as far as the public purse is concerned if they operate that way.

With those comments, Mr. Speaker, I just say again that I agree with the general thrust of this Bill, but I think it requires a further redrafting.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Fish Creek.

MR. PAYNE: Thank you, Mr. Speaker.

Well, Mr. Speaker, I rise this afternoon and join in with the Member for Banff-Cochrane in opposing Bill 209. I think my hon. colleague drew attention quite effectively and persuasively, I might submit, to several shortcomings in the Bill before us today, Bill 209. I frankly would concur with his sentiments, and I would like to take this opportunity, if I could, to add to them.

The Member for Calgary-Buffero, it seems to me, seems to have seized upon the opposition hysteria that surrounds the private-sector audit process for Crown-controlled organizations in proposing his Bill. Unfortunately, this hysteria has led to a proposed piece of legislation that hasn't, in my opinion, been very well thought out.

Now, I hesitate to use a word like 'fuzzification', but I have to use it today. The 'fuzzification' of the Member for Calgary-Buffero's thought processes is evident on the very first page of his Bill. I'd like to take you through it, Mr. Speaker. His restructuring of the definition of Crown-controlled organizations seems to me to be a bit confused and unclear. It appears that the proposed definition of a Crown-controlled organization will no longer necessarily depend upon the Crown's ownership of shares in a corporation. The Bill seems to define a Crown-controlled organization as one which is incorporated under an Act of the Legislature and has one or more but less than a majority of its directors appointed by the Crown. It's an interesting

concept: a Crown-controlled organization that is not controlled by the Crown. Now, I don't mean to diminish in any way the acknowledged intellectual prowess of the Member for Calgary-Buffero, but it seems to me that his profundity, his intellect, has done him a great disservice if he after hours and days of tortuous deliberation can arrive at a concept that a Crown-controlled organization is not controlled by the Crown.

At the present time, Mr. Speaker, the Auditor General Act requires a Crown-controlled organization to be at least 50 percent owned by the province. However, by removing the requirement of control of at least 50 percent of the issued voting shares by the government, this Bill succeeds only in thrusting section 1(b) of the Auditor General Act into a state of confusion, I suggest.

The proposed change to the definition of a Crown-controlled organization is accompanied by a corresponding change to the definition of a provincial corporation. Bill 209 would assign the status of provincial corporation to any company at least 50 percent of whose issued voting stock is controlled by the provincial government. Now, Mr. Speaker, as pointed out by my hon. colleague, this would subject any corporation that had previously been defined as a Crown-controlled organization to the Financial Administration Act. Thus they would now be audited by the Auditor General, and their financial statements would be included in the Public Accounts, obviously.

Now, I don't wish to repeat the many fine arguments advanced by my colleague in previously opposing the Bill. I would, however, like to add one or two new ones to the afternoon's debate. Mr. Speaker, I'm really not sure what the Member for Calgary-Buffero's concern is with the Auditor General Act as it presently stands. Perhaps he wishes merely to add to the considerable workload already occupying the Auditor General's office. If so, then Bill 209 will certainly accomplish that. On the other hand, it may well be that he, like his friends in both opposition parties, is annoyed at the fact that the private sector plays an important role in the audit process of Crown-controlled organizations in Alberta.

Now, concern for the involvement of the private sector in the process is completely unfounded. A private-sector auditor like the Auditor General must conduct his audit of a Crown-controlled organization in accordance with generally accepted auditing standards and report that the statements are in accordance with appropriate accounting principles. Consequently, there is no need for concern over the quality of work performed by an auditor from the private sector. Nor is there any reason for the government to undertake this work itself through the Auditor General when the service can be adequately provided by the private sector. If unusual circumstances were to arise in which it would be appropriate for the Auditor General to be appointed as the auditor of a Crown-controlled organization, section 12 of the Auditor General Act would allow for his appointment.

Mr. Speaker, a few weeks ago the hon. Member for Edmonton-Kingsway proposed Bill 204, a similar piece of legislation to the one that we debate today. At that time the hon. Member for Ponoka-Rimbey argued that Bill 204 did not accomplish anything for which there wasn't already a means to accomplish it. Now, the argument still stands today concerning Bill 209, and for that reason, amongst others, I'm not prepared to support it.

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

Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I rise to support this motion and to encourage my colleagues -- and I use the term loosely -- across the way to support this Bill as well.

I would like to before I actually argue for the Bill just note my surprise at the comments from the Member for Calgary-Forest Lawn concerning the operation of the Public Accounts Committee. I always felt that that Public Accounts Committee did not operate satisfactorily because government -- Progressive Conservative -- members of the committee did everything in their power to diminish its effectiveness. We now discover today that in fact its lack of effectiveness is completely consistent with the chairman's acceptance of the manner in which it operates. [interjections] I think that's a remarkable revelation and may say something about the need to have a Liberal member actually chair that Public Accounts Committee to see that it would operate properly.

AN HON. MEMBER: No, no.

AN HON. MEMBER: Heaven forbid.

[Mr. Speaker in the Chair]

MR. MARTIN: Just like they operate the House here, eh?

MR. SPEAKER: Order, order.

AN HON. MEMBER: Run it like Principal, Mr. Vice-President?

MR. MITCHELL: If I would be allowed to do that, I would like to address the central issue of this Bill, and it relates to one thing and one thing alone.

MR. SPEAKER: Order please. Order.
Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. It relates to one point and one point alone, and that is that the Auditor General of this province has insufficient power to audit this government adequately, and he has insufficient power to the extent that he cannot do value-for-money or efficiency audits. That is to say that while he can say whether or not a given department, say the Department of Education, spent the \$10 million allocated to them under a specific vote in the way that that vote directed, he cannot say that that \$10 million could have been spent more efficiently in a different way to get more for that amount of money or that we could have achieved what was achieved with that \$10 million for \$8 million instead.

I would like to illustrate my point by comparing this circumstance with the circumstance in place at the federal level with respect to the federal Auditor General. The federal Auditor General has very clear and explicit value-for-money audit powers. I would like to remind members of what occurs each year when the federal Auditor General reports. What occurs is a tremendous amount of public interest in his report, unlike the circumstance that meets the report of our Auditor General. The reason for that is that the Auditor General of Canada can go beyond saying there was X amount of money and it was spent under the vote and can say instead that whatever that vote was to

accomplish, whatever that money was to accomplish, could have been done more efficiently had it been done in a different way.

The most recent example of this that received a great deal of exposure and public interest was the case of Canada Place. The Auditor General indicated that had the relationship for the construction of that building been different, had that contract been structured in a more efficient manner, then that building's construction could have been done for as much as \$20 million less than it was, given the approach that the federal government utilized. That will not occur, will never occur, has not occurred in the case of our Auditor General in Alberta because he simply does not have those powers. If he had those powers, for example, we would have seen in his last report and the report before that an analysis of the Swan Hills waste management plant and the way that that contract for operating and for construction has been structured. It is very clear -- very clear, Mr. Speaker -- that that contract could have been done in a much more cost efficient way that would have saved Albertans as much as \$4.5 million. That would have been front-page news had it had the credibility of an Auditor General empowered with value-for-money audit powers.

There is only one reason, Mr. Speaker, why this government will not give those kinds of powers to our Auditor General, powers that are exactly what the federal Auditor General has. That reason is that this government does not want to confront accountability, does not want to face management accountability in a way that on the one hand might be embarrassing to it in the short term, but which I believe, and my caucus colleagues believe, in the long term, as government reacted to that kind of report through the accountability process, the enhanced accountability process that those kinds of powers would offer the Auditor General and offer this government, that over time this government would become much more efficient because it would have been measured more publicly, and in fact we would begin to save money that we otherwise have not and will not save in the future.

Mr. Speaker, the NDP talked about the fact that there is already in the existing Act the power for the Auditor General to assess management systems, which will enhance management efficiency. That is not enough. There is an important distinction between a management system and a management judgment. Yes, the Auditor General today can go out and see if there's an efficient management computer system that provides certain kinds of reporting information, but he cannot go out and say, "Was that an efficient management judgment or was it not?"

Mr. Speaker, thank you very much.

MR. SPEAKER: The member has moved leave to adjourn debate. Those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Motion carries.

MR. STEWART: Mr. Speaker, I move that when the members assemble this evening at 8 p.m., they do so in Committee of the Whole.

[Motion carried]

[The House recessed at 5:28 p.m.]

