

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Wednesday, August 16, 1989 2:30 p.m.**  
Date: 89/08/16

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

[Mr. Speaker in the Chair]

**PRAYERS**

MR. SPEAKER: Let us pray.

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

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

Amen.

**head: INTRODUCTION OF VISITORS**

MR. HORSMAN: Mr. Speaker, I'm pleased to introduce to you and to members of the Assembly a person who perhaps needs little introduction in view of his service to the United Kingdom here in Alberta over the last several years. John Doble is seated in your gallery. He is the consul general of the United Kingdom and the dean of the consular corp in Alberta. I'd like to ask him to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker.

It's indeed a pleasure for me this afternoon to introduce to you and to members of the Assembly a former colleague, a friend, and a constituent who served this Legislature in the last sessions. He was a little tiger when he was here, did a great job for the Official Opposition. He's seated in your gallery. I'd like to ask Mr. John Younie to rise and receive the normal welcome of the Assembly.

**head: INTRODUCTION OF BILLS****Bill 25****Ambulance Services Act**

MRS. BETKOWSKI: Mr. Speaker, it's my pleasure today to introduce Bill 25, the Ambulance Services Act.

This Act provides for a provincially regulated and locally managed ground ambulance service in accordance with provincial minimum standards. It is in response to the work and recommendations of the report by the health policy advisory committee submitted to the Minister of Health in 1988 entitled *New Dimensions in Emergency Health Services: an Alberta Solution*. Highlights of this Bill include a component of basic life support as the minimum standard for ambulance service in the province, unless the minister authorizes a lesser level because of a particular local circumstance, the establishment of ambulance districts and ambulance district boards, ambulance services continuing to be locally managed, the appointment of a ministerial appeal and advisory board, and the required licensing

and regulation of all operators providing ground ambulance service.

Mr. Speaker, it is the government's intent to let the legislation be on the Order Paper. I look forward to the comments and suggestions which will flow from all interested Albertans in this regard. Following this input it's my intention to reintroduce a Bill in the spring session of the Legislature next year. [some applause]

MR. SPEAKER: Order please.

[Leave granted; Bill 25 read a first time]

MR. SPEAKER: Edmonton-Strathcona.

**Bill 257****Access Orders Enforcement Act**

MR. WRIGHT: Thank you, Mr. Speaker. I beg leave to introduce Bill 257, the Access Orders Enforcement Act.

Mr. Speaker, this Bill provides for legal aid as a right to those seeking access orders enforcement and also provides for mediation, conciliation, and reporting to the court.

[Leave granted; Bill 257 read a first time]

MR. SPEAKER: Calgary-Buffalo.

**Bill 258****Open Taxation Act**

MR. CHUMIR: Thank you, Mr. Speaker. I request leave to introduce a Bill entitled the Open Taxation Act.

The purpose of this legislation is to ensure that if a goods and services tax is implemented federally, the amount of such tax shall be disclosed in all sales and service transactions within the province.

[Leave granted; Bill 258 read a first time]

**head: TABLING RETURNS AND REPORTS**

MR. FJORBOTTEN: Mr. Speaker, I beg leave to table the 1987-88 annual report of Alberta Forestry, Lands and Wildlife for the year ended March 31, 1988. I'd like to point out that the cover of this document has been produced on recycled paper.

I'm also pleased to table the report of the proceedings of the 18th annual meeting of the Alberta Land Surveyors' Association as required by statute.

MR. KOWALSKI: Mr. Speaker, as the Acting Associate Minister of Family and Social Services, I'm pleased to table a written reply to questions raised of the Associate Minister of Family and Social Services on page 1124 of *Hansard* by the Member for Edmonton-Beverly.

MR. KLEIN: Mr. Speaker, I'd like to file with the Assembly Motion for a Return 169. Perhaps the member who requested this information could assist the pages. It's rather heavy, at least half a tree. It's not on recycled paper, but it's all recyclable.

Thank you.

MR. GOGO: Mr. Speaker, I'm pleased to table the annual report for the year ended March 31, 1988, on behalf of the Alberta Students Finance Board.

#### head: INTRODUCTION OF SPECIAL GUESTS

MS McCOY: Mr. Speaker, it gives me great pleasure today to introduce to you and through you to the members of this Assembly a visitor that we have with us in Edmonton from Ontario, Margaret Grant. With her today is her daughter, Margaret Williams, who is my very able assistant and two of her grandchildren, William Williams and Heather Williams. I would ask them all to stand up and receive the warm welcome of this House.

MR. SPEAKER: Lesser Slave Lake, followed by Edmonton-Mill Woods.

MS CALAHASEN: Thank you, Mr. Speaker. It is my privilege today to introduce to you and to the rest of the Assembly 11 students from my constituency who are involved in a summer math/science camp at the University of Alberta. They are seated in the members' gallery. Accompanying them are elders Mary Kappo and Victoria Calliou; chaperones Philemene Kappo, Denise Calliou, and Vince Breaker; co-ordinators Mike Dan, Audrey Breaker, Lori Montour, and Laura Okemaw; and also the one who seems to be important in terms of transportation, the bus driver Ken Cardinal. I'd like to ask them to rise and receive the warm welcome of the Assembly.

MR. GIBEAULT: Mr. Speaker, I'm pleased to introduce to you and the other members of the Assembly this afternoon two visitors from Barbados. They are Mr. Erskine Simmons, who's a member of Parliament of the Barbados national Assembly, and his associate Mr. Robert Headley. In light of the fact that the Commonwealth Parliamentary Association conference coming up in the fall is going to be hosted by Barbados, we are particularly pleased that they are able to visit us at the Alberta Legislature here today. I'd ask them to please stand in the public gallery and receive our very warm welcome.

#### head: ORAL QUESTION PERIOD

##### Vencap Equities Alberta Ltd.

MR. MARTIN: Mr. Speaker, to the Minister of Economic Development and Trade. When the taxpayers gave Vencap Equities a 30-year \$200 million loan, they were told that the company would support ventures that broaden and diversified our economic base, but clearly the past and present management of Vencap have abandoned that mandate. Some 54 percent of Vencap support has gone to companies who do not meet that mandate: for example, \$14 million to a holding company headed by prominent Conservatives, good friends of this government; \$14 million to companies already working in the oil patch; and \$10.6 million to companies including an investment dealer, a hotel chain, and a moving company. Hardly diversification. My question to the minister is this: when will the minister stop hiding behind this ridiculous notion that he has no influence with Vencap, in view of the fact that they have \$200 million of public money, and tell them to get back to their original mandate?

MR. ELZINGA: Mr. Speaker, I'm happy to report to the hon. member that previous discussions were held by the previous minister of economic development and the Provincial Treasurer so that we could have Vencap involve themselves to a greater degree by offering venture capital to those businesses within the province of Alberta. We are presently working very closely with Vencap -- recognizing, though, and I wish to stress this, that they are at arm's length from the government -- whereby they want to examine the business proposals on a sound basis. We also wish them, though, to a greater degree -- and that has been communicated to them; I am in contact with them on a regular basis -- to develop an overall master plan so there will be greater involvement of their finances in venture capital.

MR. MARTIN: Well, it certainly hasn't happened yet, Mr. Speaker, but they're certainly capable of wasting taxpayers' money. I notice on page 5 of Vencap's most recent report that \$1.2 million was given to previous management as sort of a golden handshake. Now, average Albertans would like this sort of kiss-off. My question is to the minister. Has the minister brought to the attention of the chairman of Vencap how dismayed he is about this wanton waste of taxpayers' money, making sure it will not happen again?

MR. ELZINGA: Mr. Speaker, as the hon. member can appreciate, this was a decision by the board of directors of Vencap. Vencap is an organization that is at arm's length from the government. We are working with them so that we can have some opportunity for greater input to ensure that there are greater investment opportunities for them. I have had, as I indicated earlier, on an ongoing basis discussions with both the chairman and the president so that we can have greater flexibility in the areas of their investment.

MR. MARTIN: Well, Mr. Speaker, I'm talking specifically now about \$1.2 million for a golden handshake to previous management. That would have created a lot of jobs. My question is to the minister. Does he find this behaviour acceptable, and if he doesn't, has he communicated again to the chairman about it?

MR. ELZINGA: Mr. Speaker, I indicated to the hon. member that this was a decision of the board of directors and that Vencap is at arm's length from the government.

AN HON. MEMBER: But do you like it?

MR. SPEAKER: Second main question. It is inappropriate to ask the opinion.

MR. MARTIN: Mr. Speaker, I'd like to designate my second question to the Member for Edmonton-Jasper Place.

MR. SPEAKER: Edmonton-Jasper Place.

#### Environmental Impact Assessment Procedures

MR. McINNIS: Thank you, Mr. Speaker. The minister of forests has been nothing if not consistent in his refusal to allow Albertans to participate in a proper environmental impact assessment on timber harvesting policies and reforestation policies. Instead, the government spent nearly \$300,000 during

the election campaign on coffee parties, open houses, and related functions, partly to mollify an electorate that was concerned about the giveaway of the northern forest resource. When it emerged during the campaign that these meetings had no bearing on the decision, the government took the next step of setting up a blue-ribbon panel of experts to review the public input and prepare a report for the minister. Unfortunately, the government dashed the hopes of those who took part in that process by going ahead and signing a new forest management agreement with Daishowa while the expert panel was still holding hearings. I'd like to know what steps the minister has taken to restore the integrity of the public input process now that his panel has been compromised and the participants in the process have been slighted by the signing of the agreement.

MR. FJORDBOTTEN: Mr. Speaker, that's just so much nonsense, because it never jeopardized the panel at all. In fact, one of the members of the panel made it very clear that the Daishowa signing of the FMA had absolutely nothing to do with the open houses and the work of the expert panel.

MR. McINNIS: Well, the hired guns may not be concerned, but the people who went to the hearings are.

Perhaps to the Minister of the Environment, who is in the middle of another public input process with respect to the Alberta-Pacific project and also on licence applications on Daishowa and Procter & Gamble. What assurance will the Minister of the Environment give that he won't pull a Fjordbotten and cut a deal partway through this process?

MR. KLEIN: Well, Mr. Speaker, I don't know what pulling a Fjordbotten is all about. I never pulled one before.

Mr. Speaker, insofar as the environmental impact assessment for Alberta-Pacific is concerned, it's proceeding normally. We have set up a review panel. They are doing their work. They will probably start full-fledged public hearings with federal government participation and intervenor funding in four to five weeks.

With respect to the Procter & Gamble mill, we've offered the representatives of the residents in Grande Prairie an opportunity to monitor the licensing process and to have input into the licensing process before the licence is renewed in October. I think that is more than sufficient public input into the process.

MR. McINNIS: In view of the fact that the minister refused to table the correspondence he had with Al-Pac regarding his representation that they don't clear the site before the process is complete, I'd like to know what communication he's had with the company regarding the company's decision to place firm orders for the entire wet end of their mill: the digester, the recovery boiler, the power boiler, the drier, the cutter, the bailer line, the line kiln. What does Alberta-Pacific know that the rest of us don't know which allows them to make firm commitments to buy this . . .

MR. SPEAKER: Thank you, hon. member, for this second paragraph.

Minister of the Environment.

MR. KLEIN: Mr. Speaker, I think those questions should be more appropriately put to the company. The government is not buying that equipment. It should more appropriately be put to

the company. As I've said before in the House, and I won't say it again because, as I said before, every time I mention a letter, you know, they all get glassy-eyed and start to froth at the mouth, and they say, "oh, gosh, here's another motion for a return." So I will say that there has been communication with the company that has indicated to them that it would not be advisable to proceed until the environmental impact assessment has been completed.

### Residential Rental Vacancies

MR. DECORE: Mr. Speaker, especially in Calgary, so few apartments have been constructed in recent years that low and still decreasing vacancy rates are allowing landlords to impose huge rental increases on tenants who almost literally have no place else to go. In fact, we are already hearing loud calls for rent control from tenants in one Calgary apartment building that had a 40 percent increase imposed on them. I think there are more calls coming in short order. Mr. Speaker, the trend in Edmonton has been similar, though somewhat behind Calgary's situation. Since few apartment units are under construction or even planned in both of these cities now and in the future, the problem will only continue to get worse, and the people who will be hurt the worst by these rising rents will be low-income Albertans who are already stretched too thin. My question is to the minister responsible for housing. Since the minister must already be aware of this looming problem and since the province has several positive ways that it can have an effect in this area, has the minister determined what action he will take to protect Albertans who are renters?

MR. R. SPEAKER: Mr. Speaker, I want to say, first of all, that the answer to the question is certainly not rent controls. As a minister I will not stand for rent controls. If the hon. leader of the Liberal Party is suggesting that in this House, then he is not in the right province to suggest that kind of legislation.

Now, Mr. Speaker, in terms of what is happening in Calgary specifically, Calgary is the urban centre where the problem exists. If we look at other urban centres in Alberta, the average vacancy rate is around 3 percent, which is what we can declare in the field or in the business as being normal. Calgary certainly is abnormal in that we have a low vacancy rate of around 1.7 percent. That certainly is a problem.

Why is it there, Mr. Speaker? It is for a very good reason. The economy of Calgary, like a number of other urban centres in this province, is on a significant growth pattern, facing some adverse conditions in the oil industry; Amoco, for example, thinking of laying off a number of persons, other companies the very same way. But we have that kind of a situation in the marketplace with adverse conditions.

Mr. Speaker, in answer to the question of the hon. member . . . [interjections] I mean, every question that is asked has a preamble; every answer should have a preamble, too. Why not?

Mr. Speaker, the private marketplace has an opportunity to provide apartment rental accommodation. We, through the Alberta Mortgage and Housing Corporation, will do all we can to support that development. Canada Mortgage and Housing Corporation as well will apply their programs to assist in that situation. But I must stress that the emphasis in housing in this province should be towards private ownership not public ownership by public dollars, and that will be the emphasis.

MR. SPEAKER: Thank you.

MR. DECORE: Mr. Speaker, the hon. minister probably doesn't remember, because he was part of another party, that it was the Conservative government that imposed rental controls.

My second question to the minister is this. Since it appears that the problem is indeed getting worse and worse and given that there are these cries for rental control -- and we're not in favour of rental control -- would the minister agree to form a task force made up of municipal people and developers and so on in order to get this matter under control as quickly as possible?

MR. R. SPEAKER: Mr. Speaker, it's just another Liberal approach to solving a problem: forming a committee. It doesn't solve the problem.

We have a responsibility as the government to assist in any way we can. We will do that, but the private marketplace will adjust to this problem, Mr. Speaker. If the hon. member will look at the statistics, Calgary historically has adjusted quickly to accommodation needs both where there's private ownership and in rental accommodation. Edmonton, on the other hand, in the past few years has delayed its reaction to the problem. Now, the only thing I can conclude from that is that there were too many task forces in Edmonton.

MR. DECORE: Mr. Speaker, my last question is to the Minister of Family and Social Services. Given that the Alberta government has not seen fit to adjust its social service shelter allowance since 1985 and other governments in Canada have -- even cold-hearted, cold-blooded Tory governments -- what assurances will the minister give this House that he's got the matter under control and that Albertans in low-income groups won't suffer?

MR. OLDRING: Mr. Speaker, I have on a number of occasions in this House assured members on both sides that we will make sure those Albertans who require our support for those essential services, for those basic services, including housing, will receive the necessary support.

I should say that I would like to share some more good news that the Minister of Municipal Affairs started to share earlier. I would want to point out that in the city of Calgary we're seeing a really interesting trend, Mr. Speaker. We are seeing our caseloads dropping drastically as a result of the economic initiatives this government has taken. We're seeing in this last month 1,300 less caseloads than we saw this time last year, 1,300 less.

MR. SPEAKER: Thank you, hon. minister.

The Member for Calgary-Fish Creek, followed by Edmonton-Kingsway, then Edmonton-Gold Bar.

### Survey Certificate Requirements

MR. PAYNE: Mr. Speaker, the Alberta Mortgage and Housing Corporation has implemented a policy that's adding several hundred dollars to the costs incurred by Albertans in purchasing homes from the corporation. Under this offensive policy purchasers are being denied access to the property's survey certificate, and consequently they have to order a new survey, even if a copy of the existing certificate is totally acceptable to a private-sector lending institution. Mr. Speaker, can the minister

responsible for the housing corporation justify such a policy?

AN HON. MEMBER: Name a committee.

MR. R. SPEAKER: Yeah, it's time for another committee.

To explain the matter, Mr. Speaker, in academic terms, because I can't do it in legal terms, the survey certificate is the property of the mortgagor, or the person who is borrowing the money to buy a certain piece of property. When Alberta Mortgage and Housing Corporation foreclosed on the units in question that are now being sold in the private market, that survey certificate came with the foreclosure on an as-is basis, and we in turn became the owners of it, in a sense, at that point. But it was not a survey certificate that was made through an arrangement between Alberta Mortgage and Housing Corporation and the respective surveyor. We feel that the survey certificate, because it has legal liabilities, should not be passed on to the person who is purchasing foreclosed property because of the liabilities we may face as Alberta Mortgage and Housing Corporation. That's the reason for it. If there are ways of getting around that, as a minister I'd certainly like to enhance the program. At the moment I've asked the people in the department to look at it from a legal perspective. If we can, we will.

MR. PAYNE: Well, Mr. Speaker, my constituents who have been caught in this legalistic trap are seeking simple fairness and justness, not simple legalistic defences. Will the minister be prepared to ask the corporation to review its present policies, particularly in light of the fact that those purchasers who are arranging their financing through the corporation appear to be exempt from this very offensive policy?

MR. R. SPEAKER: Mr. Speaker, what I have attempted to do is put a disclaimer with the survey certificate so that we would not have legal liability. That doesn't seem to be possible, and other alternatives will be looked at for the hon. member.

MR. PAYNE: Mr. Speaker, as a bare minimum would the minister be prepared to direct the corporation to provide purchasers the name and contact information of the surveyor who prepared the original survey certificate it has on file so that a certified copy could be obtained from the surveyor at a cost much lower than the cost of a new survey?

MR. R. SPEAKER: Mr. Speaker, yes, we would certainly do that. We have been doing that, but if we haven't been doing it as well as we should have, we'll improve that facility for the public of Alberta.

MR. SPEAKER: Edmonton-Kingsway.

### Applied Polymer Products Inc.

MR. McEACHERN: Thank you, Mr. Speaker. Yesterday the Member for Edmonton-Jasper Place and I visited Applied Polymer research. It has a \$30 million high-tech plastics recycling operation and a huge supply of plastic bottles on hand in southeast Edmonton. In spite of four years of discussion with Vencap and an offer of 80 percent ownership to that corporation for financing, we now find that Polymer is in receivership. To the Minister of Economic Development and Trade. Could the minister indicate what steps he is taking to see that this company

continues to operate here with its high technology and the jobs that it produces?

MR. ELZINGA: Mr. Speaker, what we are presently doing is examining some of the financial papers that the company has given to us so we can examine whether there is any way we could involve ourselves in supporting that company. I should indicate to the hon. member -- and this was relayed to me by Vencap -- that this is one of the companies they would like to involve themselves in with funding, but they have had difficulty. We're encountering the same difficulty in getting to the bottom of the financial affairs. We have requested additional financial information from them. It was forthcoming, and our people within the department presently are analyzing that.

MR. SPEAKER: Supplementary.

MR. McEACHERN: Thank you, Mr. Speaker.

Have the minister or any of his colleagues, particularly the Minister of Technology, Research and Telecommunications and the Minister of the Environment, ever visited this plant to find out just what is going on out there?

SOME HON. MEMBERS: No.

MR. McEACHERN: Well, I think they should, because it's very clear that there's some very important things happening out there in the area of high technology and environmental recycling.

My question to the Minister of Economic Development and Trade then is: why is it that Vencap seems to have \$1.2 million as a golden handshake for former executives, yet it's taken them four years to get around to deciding how to help this company when we've got high tech, an environmentally friendly industry?

MR. ELZINGA: Mr. Speaker, I agree with the hon. member that it is important that we do involve ourselves in recycling what we consider some of our waste products. We are happy to involve ourselves in the event that there is some financial viability. We have to satisfy ourselves that there is that financial viability because we are trustees for the people of the province of Alberta. I'm sure the hon. member wouldn't wish me to involve myself in a financial transaction that did not have that financial viability, because on a fairly consistent basis they do raise those issues with me if they aren't as such. So we are going to examine it, and I hope to have a response back to the principals of the company within a matter of days.

MR. SPEAKER: Thank you.

Edmonton-Gold Bar, followed by Cypress-Redcliff, then Edmonton-Highlands.

#### **Appointments to Advocacy Positions**

MRS. HEWES: Thank you, Mr. Speaker. Citizens and professionals, workers, volunteers in our communities are impatiently waiting for a number of government promises made on health, social services, and human rights. Months later, maybe years later, as this session draws to a close, we'd like some answers.

My first question is to the Minister of Health, regarding the mental health advocate. This long-awaited Mental Health Act

we understand will be proclaimed on October 1, and apparently no one has yet been appointed as the mental health advocate. Can the minister assure the House that the position will be filled when the new Act is proclaimed?

MRS. BETKOWSKI: Yes, Mr. Speaker. In fact, it will be filled before the new Act is proclaimed.

MR. SPEAKER: Supplementary.

MRS. HEWES: Thank you, Mr. Speaker. That's good news.

Mr. Speaker, my next question is to the minister of social services on a similar matter, regarding the children's advocate. Given the problems that we have with the Children's Guardian and the evident need for the advocate position, will the minister now confirm when that position, long awaited, is going to be filled and that Act proclaimed?

MR. SPEAKER: It's Family and Social Services.

MR. OLDRING: Thank you, Mr. Speaker. It must be the hon. member's day, because I'm happy to confirm that in the early part of September that position will be filled.

MRS. HEWES: Good news. We're glad to hear it.

Let's see if we can get a home run this time, Mr. Speaker. This question's to the Minister of Labour. Will the minister now indicate if the government will table and pass during this session the long-promised amendment to the Individual Rights Protection Act to protect the mentally disabled?

MS McCOY: Well, Mr. Speaker, it's quite true that the Liberals never have anything 100 percent right, but I will say that that Act is on notice on Votes and Proceedings.

MR. SPEAKER: Cypress-Redcliff, followed by Edmonton-Highlands.

#### **Greenhouse Assistance Program**

MR. HYLAND: Thank you, Mr. Speaker. My question is to the Minister of Agriculture, and it's related to the recently announced greenhouse program. Being the constituency with the largest amount of acres under glass in the greenhouse industry, in the centre of the vegetable-growing hothouse industry in the province, I would like to ask the minister if he would consider the applications by those people in the industry who read the first throne speech and made their decision because of the long time needed for ordering equipment and ordered equipment and are now looking at approaching the department, whenever the forms are out, for assistance.

MR. ISLEY: Mr. Speaker, I'm pleased to respond to the question with respect to the greenhouse assistance program. This program was announced in early August, a four-year program of \$2.4 million in recognition of the role the greenhouse industry plays in the diversification of agriculture. The program guidelines state that projects must commence after April 1, 1989. But in response to the hon. member, I would say that if there have been people in the industry that reacted earlier than that to the throne speech announcement, I would ask him to submit any concerns directly to me, and we'll see if we can treat

them as a special case.

MR. TAYLOR: Don't throw any stones, Alan.

MR. HYLAND: I better not touch that, Nick.

Mr. Speaker, again to the minister. Can the minister assure the Assembly that there is enough flexibility in this program that indeed those involved can be inventive and think of new methods of improving the situation in their businesses to qualify under this program?

MR. ISLEY: Mr. Speaker, the whole thrust of this program is to encourage producers to adopt new technology, upgrade production systems, and go into new areas of crop diversification. So the more innovative and creative the producer is out there, the better received the application will be.

MR. HYLAND: Mr. Speaker, final supplementary. I wonder if the minister can share with the Assembly when all the information will be out and people can start applying for this program?

MR. ISLEY: I believe, Mr. Speaker, that the full set of guidelines is out now, at least in DA's offices and the irrigation offices in the south, and people can start applying at any time.

MR. SPEAKER: Edmonton-Highlands, Calgary-North West, Calgary-Millican.

#### **Cruise Missile Testing**

MS BARRETT: Thank you, Mr. Speaker. Yesterday I asked the minister a series of questions related to the rigged testing of the flight data transmitters that are used in the guidance system for the cruise missiles. One of the facts that a U.S. congressional inquiry uncovered, in fact, last year was that the sub-contractor -- a very large company, I might add -- was found to be using reversed parts, burnt circuit boards, and the wrong liquid in the gyroscope. The gyroscope, by the way, is the mechanism that is supposed to work in very cold weather to keep that thing on balance. In fact, it fails in very cold weather, yet the reason they want to test this thing in Alberta is because of our cold weather climate.

I asked the minister if he'd bothered ever to find out about this in the past when the information was first available to him, and he didn't bother answering the question, so I'd like to repeat it in a different form. Will the minister confirm that neither the Canadian National Defence department, the U.S. Air Force, nor the U.S. Defense department ever contacted him or his federal counterparts to advise them that there was fishy business in this testing and that it was unsafe?

MR. HORSMAN: Mr. Speaker, the hon. Member for Edmonton-Highlands has really posed the same question as yesterday, and I will give her the same answer. We rely upon the Department of National Defence to make the appropriate inquiries with the U.S. Air Force under our relationship with NORAD as to the type of equipment being tested. It is not the responsibility of this ministry to be inquiring into the matters just raised by the hon. member. I have a great deal of faith in the Canadian Armed Forces and the Department of National Defence. As I indicated yesterday, they have carried out extensive military testing, both surface and airspace, in Alberta over

the years, and I really have to rely upon our federal counterparts to make the necessary inquiries as posed by the hon. Member for Edmonton-Highlands.

MS BARRETT: Mr. Speaker, the typical answer of this government: cross their fingers and hope. Is the minister saying that he has never asked for nor got contracted in an agreement with the federal government that information about this system when transmitted from the United States be delivered to him prior to the testing of this faulty equipment?

MR. HORSMAN: Well, Mr. Speaker, first of all, there's no indication that faulty equipment has been tested in Alberta. The hon. member is reaching far afield in this matter. I have, of course, had discussions with the past several ministers of National Defence, both those of Liberal administrations in Ottawa and of subsequent Progressive Conservative administrations. Quite frankly, I am satisfied that those ministers have given every possible attention, as has the Department of National Defence, to the issue as to the type of equipment that is being used for testing in Alberta. Testing has taken place, as I have indicated, both on the surface and in the airspace by a number of methods of defence-related equipment. Quite frankly, it is obviously the responsibility of the federal government to notify Alberta when those tests are to take place. That is part of the agreement. It is also their responsibility, though, to ensure that the type of equipment being utilized in defence testing is proper equipment. That is their responsibility, and I rely upon the sound judgment of the military in our country. I trust them, and I believe them.

MS BARRETT: Mr. Speaker, by implication from the minister's response he is also then relying on the sound judgment of the U.S. Air Force and the American Congress. They both say that the system was rigged when it came to testing for safety. Given that, is this minister prepared to tell his federal counterparts that Albertans want to refuse the cruise, it's not safe, and we don't want to put Albertans at risk?

MR. HORSMAN: Well, Mr. Speaker, I suppose I could be as strident in my reply as the hon. member was in asking her question. The fact of the matter is this: Canada requires defence alliances. Canada has entered into defence alliances with NORAD and with NATO. We are prepared in this government to rely upon the federal government, the Department of National Defence, and the Canadian military to ensure that the type of equipment being used and tested in this province is suitable and satisfactory. I know that the hon. member from the NDP does not believe in defending Canada through military alliances. We know that. We know they want to eliminate NORAD; they want to eliminate NATO. God only knows in what position they want to leave Canada, but I for one will support our federal government in this matter.

MR. SPEAKER: Thank you.

Calgary-North West, followed by Calgary-Millican.

**Applied Polymer Products Inc.**  
(continued)

MR. BRUSEKER: Thank you, Mr. Speaker. On August 4 I brought to the attention of this Assembly the problems of Ap-

plied Polymer Products in the hope that it would spur the government into action, but unfortunately that hasn't happened. As a result, the 45 jobs that were in the plant have now been lost and other jobs in spin-off companies that depend upon the feedstock from this company are also in jeopardy. That lack of concern shown by the government for those jobs forces me to question how serious they are about economic development and diversification and also how serious they are about the recycling industry in the province. My first question is to the Minister of Technology, Research and Telecommunications. What is the minister doing to ensure that the technology that has been developed here in Alberta at Applied Polymer will stay in Alberta working for Albertans?

MR. ELZINGA: Mr. Speaker, I'm happy to respond to the hon. member, and I thank him for raising this issue again. I had the opportunity, as the hon. member is aware, to meet with him and the principal, even though it was a brief meeting, upon my return from Fort Saskatchewan when we did participate in the official opening of Westaim with the hon. Minister of Technology, Research and Telecommunications.

Let me indicate to the hon. member that this government is concerned about jobs and that the record of this government as it relates to the creation of jobs is excellent in that we have the highest employment numbers in the history of this province. Mr. Speaker, that just underscores our commitment to the creation of jobs. I share with him, as I've indicated to two other members, that we are concerned. We don't like to have any failures. But it's an area whereby we have to exercise some prudence. In the event that we are to involve ourselves financially with this company, we want to make sure that we do it on the basis of a sound financial transaction. As I indicated to the previous members that have asked questions, we hope to have an answer for the principals of this company as it relates to our direct involvement within a number of days.

I would hope also that they would continue to have discussions with Vencap, because Vencap has indicated to me their desire to participate. But because of the complexity of the financial arrangements of this company, it has caused them some concern.

MR. BRUSEKER: Well, I'm glad to hear that they are interested in getting involved.

I'm wondering what the Minister of Economic Development and Trade can do to increase the normally slothful pace of government to ensure that a response will come in time, before the receiver cleans house and there is nothing left to respond to.

MR. ELZINGA: Mr. Speaker, I stand to be corrected, but I believe the request is for some \$6 million. We've had a period of slightly in excess of one week to examine this. We wanted to do a thorough examination, and I'm sure the hon. member would agree that in the event that that type of money is involved, we want to make sure that we do exercise sound financial management. Surely that time period is not a time period that is excessive.

MR. BRUSEKER: My final supplementary, then. If it is deemed by Vencap or the government or whomever that saving the entire company is not feasible, has the minister considered the possibility of at least maintaining the recycling of the plastic bottles and the manufacturing subsequently of the plastic sheet

product that is required by so many other companies, just saving that portion of Applied Polymer?

MR. ELZINGA: Mr. Speaker, that is one of the alternatives that we are presently looking at.

### **Palaentological Resources**

MR. SHRAKE: Mr. Speaker, all over our province we've got rocks and fossils and petrified wood.

AN HON. MEMBER: Including right here.

MR. SHRAKE: Also, all over our province we've got rock and lapidary clubs, whose members . . .

AN HON. MEMBER: There are lots of fossils.

MR. SHRAKE: I'm sorry, have I said something wrong here? [interjections]

MR. SPEAKER: Order please. Let the member get his question out.

MR. SHRAKE: Thank you. One fool at a time, I see. Sorry.

Anyway, these members of the rock and lapidary clubs are usually families, and a lot of seniors belong there, and they are usually called rock hounds, or they call their kids pebble pups. These good folks are quite concerned that since our Historical Resources Act the minister of culture is going to send the RCMP into their homes and seize their scraps of petrified wood and their little trilobites, ammonites, and their little scraps of dinosaur bone that they found somewhere along the way in the last few years. [interjections] Mr. Speaker, what am I doing wrong here? It's not Friday yet. Please, gentlemen.

Anyway, could the hon. minister of culture please advise this Legislature what the intentions of his department are towards these rock collectors and their collections?

MR. MAIN: Well, Mr. Speaker, it's with not a little fear and trepidation that I stand to answer this question, given the reaction to it from the members of the New Democrats. But let me say this. The Historical Resources Act, established in this province and amended some 10 or 11 years ago, firmly establishes that all paleontological and archeological resources are in fact owned by the Crown so that individuals cannot go and collect rocks and dinosaur bones and trilobites and whatever else and take it all away, but rather it should be retained in ownership for the enjoyment, the education, and the scientific benefit of all the province. That is the rationale behind the Act. It is certainly not the intention of the province, though, to call in the RCMP and storm rock clubs and steal little Johnny's dinosaur bone collection.

MR. SHRAKE: Supplementary question, Mr. Speaker. I hope he doesn't stonewall me on this one. If you go out by Rosebud Creek, there are little scraps of dinosaur bones ranging from the size of your finger to the size of your fist through the whole blasted area, all on the surface, and on the North Saskatchewan River just outside of Edmonton, from Genesee all the way up until you hit the foothills, there are scraps of petrified wood. If a kid is out there and picks up a scrap of this and goes home,

does this Historical Resources Act mean that he or maybe his dad has got to report that or he could be fined and maybe sent to jail or something if he doesn't report this piece of bone?

MR. MAIN: Mr. Speaker, some members of the current Assembly were present when this Act was amended, and I daresay some were present when these dinosaur bones were fossilized. But let me say this: the intent of the Act is clear. The intent of the Act is to retain these valuable scientific materials and resources for the enjoyment and education of all Albertans. The intent of the Act is not to prevent people from wandering the province and spotting items on the ground and picking them up and examining them and perhaps taking them home and sharing them with family and friends.

However, it is also not the intent of this Act to prevent and discourage exploration, because as the member quite rightly pointed out, just a number of weeks ago on the North Saskatchewan River not too far from this building an important scientific discovery was made by a young person exploring the banks, in that a dinosaur bone had been exposed. That person did the exactly correct thing: notified the Tyrell Museum of Palaeontology in Drumheller. Scientific excursions are coming here. This material will be excavated, it will be preserved, it will be displayed, and all of Alberta -- may I say the entire world, eventually -- will get an opportunity to enjoy this. The exact same thing happened down in Milk River in the Devil's Coulee with the dinosaur egg, a worldwide discovery of great significance, and were it not for the Historical Resources Act that might have been lost forever.

MR. SHRAKE: Final supplement. As these things are reported -- and this is what was told to me when I went out to Drumheller -- there was a dinosaur skeleton found where they were digging for the dump. They reported it to the Tyrell museum.

MS BARRETT: Question.

MR. SHRAKE: Please, bear with me on this one.

They have 12 of those already. They were not interested in it, so they just bulldozed the thing into the dump instead of letting private enterprise have a chance. If they report these finds and if the Tyrell museum does not want these, could the minister guarantee that they would allow the private enterprise people to at least have a crack at these rather than destroy them?

MR. MAIN: Thank you, Mr. Speaker. I'm not aware of the exact instance that the member refers to, but let me assure the member and let me assure the entire House and the province and the world that the government of Alberta is not going to allow . . .

SOME HON. MEMBERS: What about the cosmos?

MR. MAIN: The cosmos, everybody, whoever is listening -- and those at home on cable TV. The government of Alberta is not going to allow or encourage the destruction of valuable dinosaur bones. If, in fact, people do excavate dumps and roads and find bones, we go and look at them. In many cases what looks like a dinosaur bone is in fact a cow that's been dead for

10 years.

### Privatization of Hospital Services

REV. ROBERTS: Quite an afternoon, Mr. Speaker. We're not going to let him be a member of the dead bow tie society, I can tell you that.

Mr. Speaker, the Minister of Health has consistently stated that she is in favour of the privatization of nonmedical hospital services such as lab services, management services, laundry services, outpatient services, and so on. I'm just wondering today if there is any policy of this minister which would prohibit hospital boards from contracting out, privatizing, the food services of their hospitals or having private food operators operate in Alberta hospitals.

MRS. BETKOWSKI: There's nothing that I'm aware of that would prevent that kind of opportunity if it was a decision by the board of management of the hospital, Mr. Speaker.

MR. SPEAKER: Supplementary.

REV. ROBERTS: Thank you. I'm wondering, then, about the minister's response to the fact that the golden arches of McDonald's restaurants are, through their Ronald McDonald houses, attempting to set up franchises in major urban hospitals. Does the minister in fact believe that this private initiative from McDonald's restaurants to set up restaurants in our hospitals would be in the best health interests of Albertans and our hospitals?

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.  
Minister of Health.

MRS. BETKOWSKI: Well, Mr. Speaker, although I'm not specifically aware of approaches that might have been made by this company, certainly if the board of management approves that operation coming into that hospital, I don't frankly see what the concern of the hon. member is.

REV. ROBERTS: Well, given that Stephen Roth, the top marketing manager for McDonald's, who already has 13 franchises operating in hospitals, has said

Our high quality food goes . . . with [high] quality health care institutions. It's just a natural.

does the Minister of Health think that 'McCholesterol' burgers, special sauce, and this kind of privatization are part of quality health care in Alberta?

MRS. BETKOWSKI: Mr. Speaker, hospital boards are given the trustee role of our province to spend their global dollars in the best possible way. If those approaches are being made to hospitals within our province -- and I have no information to indicate that that is the case -- then I have every faith that those hospital boards will make an appropriate decision in that regard.



MR. SPEAKER: The time for question period has expired. Proper notice has been given with regard to a purported matter of privilege. Member for Calgary-McCall.

MR. NELSON: Thank you, Mr. Speaker. Just briefly, on Monday, August 14, on page 1399 of *Alberta Hansard*, the Member for Edmonton-Kingsway made a statement, and I'd like to repeat it. His opening statement with regards to comments on some taxation, I guess, with regard to comments made by the Provincial Treasurer.

This tax is not unlike one that was brought in in the 1987 budget. I guess I'm just sort of curious as to whether or not the Treasurer announced it to all his colleagues so that this time around a few of his colleagues could benefit like they did last time when they ran out and purchased \$10,000 worth of cigarettes before the tax was put on. It was my Nazi friend from Calgary-McCall that did it, in case anybody's wondering.

There are three or four points that I wish to bring in my point of privilege. I would certainly ask the hon. member to do the honourable thing.

First of all, Mr. Speaker, the innuendo suggesting that there is any insider information with regards to the purchase of any products that might or might not be entered into a budget concern is just that, innuendo, and has no basis in fact. It's common for the industry whenever a provincial or federal budget is to be brought in, whether there are any taxation increases or otherwise -- and that's the risk retailers take -- to purchase cigarettes or other commodities in a guess of whether or not a tax would be. However, the point I wish to make here is that the innuendo that was suggested is not only incorrect, but it is certainly out of context with the actual fact of us being here.

Secondly, Mr. Speaker, the amount of \$10,000. I'm not even sure where that came from. The number is certainly incorrect, and I would like to know where the member would even get his facts from. It has been mentioned previously, I believe, by other members. I have not risen on that point specifically in the past, but as it has been identified with another area of concern of mine, I thought it should be brought to bear. In fact, if the member has the correct facts, he might want to identify them.

Thirdly, Mr. Speaker, to identify a member of this Legislature or any individual in the community as being a Nazi or otherwise is totally objectionable not only to myself but others. I would suggest that the member recant that suggestion.

Then to have the audacity to call me a friend on top of it, it really tops the cat on that one.

So, Mr. Speaker, I would certainly, on those number of points, ask that the member recant and do the honourable thing.

MR. SPEAKER: Edmonton-Kingsway.

MS BARRETT: What a Commie type . . .

MR. SPEAKER: Order please. It's a matter between this member and Edmonton-Kingsway.

MR. McEACHERN: Mr. Speaker, there are a number of accusations here, and I'll take them one at a time.

The first one: the Member for Calgary-McCall says the statement that the Treasurer provided information regarding a proposed budget. I don't know when the Member for Calgary-McCall decided that he had to defend the Treasurer. I didn't hear the Treasurer complaining. If he wants to complain, we can have a go at it any time he likes about what's in the budget and what isn't and when he released facts and when he didn't. So I don't intend to answer that question to the Member for Calgary-McCall.

The second statement, that \$10,000 worth of cigarettes was purchased, comes from an article which I was able to track down with some difficulty. This was in the *Calgary Sun*, March 20, 1987. That was the day of the provincial budget of the tax year that we're talking about. Here is a little article in the corner of an article about the anticipated budget of the Treasurer. This was written the night before, one must realize, before the budget came out "Where there's smoke . . ." is the title.

One Tory MLA is so sure there's a cigarette tax hike in the works, he spent \$10,000 on the weed.

Calgary McCall MLA Stan Nelson -- who runs two convenience stores in the city -- confessed he's already spent \$10,000 on cigarettes in anticipation of an increase in the provincial excise tax and he hopes his gamble won't go up in smoke. That's more than 660 cartons at the going rate.

I'm speculating, but I think you're going to see cigarettes and booze taxed."

But Nelson stressed he has no inside information -- and has no idea when a new tax might take effect.

So I believe him and believe he had no inside information, and I apologize if he was insulted. I would like to, however, file the information, because he did ask me where I got my information. I have now made it clear where I got my information, so I will file five copies of this with the Clerk.

Now, as to the last point about the Nazi, people who josh other people shouldn't be so sensitive. For years now, for nearly four years in this Assembly, certainly four sessions, we on this side and particularly myself have sat here and listed to the Member for Calgary-McCall talk about his Commie friends. He has done it on record, and he has never been chastised for it or anything like that. So if I return in kind, I don't understand why he should get upset and then call it as a matter of privilege. Now, as it turns out when you look in *Beauchesne*, you do find that Nazi is not a parliamentary term, so for that reason I will withdraw it. But if he has such a thin skin, then he shouldn't cast the first stone. I can't help wondering sometimes whether he was objecting to the word "Nazi" or whether he was objecting to the word "friend." And, quite frankly, I don't really give a damn.

MR. SPEAKER: Thank you, hon. member. Now, would you like to stand up and withdraw the last word?

MR. McEACHERN: I don't give a darn. [interjections]

MR. SPEAKER: Order. With respect to the items as raised in the letter to the Chair by the Member for Calgary-McCall, the first item was a statement that the Treasurer provided information regarding a proposed budget. The Treasurer himself made reply to that in his own comments on page 1399 of *Hansard*, where he said, "I know for sure that the member did not know about the budget." Therefore, there was no information leaked there. The Chair regards the matter as closed.

**ORDERS OF THE DAY****head: GOVERNMENT MOTIONS**

16. Moved by Mr. Horsman:

Be it resolved that:

- (1) A select special committee of the Assembly be appointed, consisting of the following members, namely:

Mr. S. Nelson, Chairman,  
Mr. A. Hyland, Vice-Chairman  
Mr. J. Ady,  
Mr. J. Drobot,  
Mr. D. Tannas,  
Mr. D. Fox,  
Ms M. Laing, and  
Mrs. Y. Gagnon

for the purpose of inviting applications for the position of Ombudsman and to recommend to the Assembly the applicant it considers most suitable for appointment to that position.

- (2) Reasonable disbursements by the committee for advertising, staff assistance, equipment and supplies, rent, travel, and other expenditures necessary for the effective conduct of its responsibilities shall be paid, subject to the approval of the chairman.
- (3) In carrying out its responsibilities, the committee may, with the concurrence of the head of the department, utilize the services of members of the public service employed in that department or of the staff employed by the Assembly.
- (4) The committee may, without leave of the Assembly, sit during a period when the Assembly is adjourned.
- (5) When its work has been completed, the committee shall report to the Assembly if it is then sitting. During a period when the Assembly is adjourned the committee may release its report by depositing a copy with the Clerk and forwarding a copy to each member of the Assembly.

MR. HORSMAN: Mr. Speaker, in moving Motion 16, I just want to make a brief comment that it is with some considerable sadness that I find it necessary to make this motion today. It was certainly unanticipated just a short while ago that we would indeed find ourselves in the position in this Assembly of once again constituting a search committee for the office of Ombudsman. I'm sure I speak for all hon. members when I say that nobody wanted to see this motion on the Order Paper and, if I could, briefly express on behalf of members of the Assembly our appreciation to the current Ombudsman for his brief tour of service on behalf of this Assembly and point out that he is an officer of the Assembly and therefore an officer of all of us in the sense that we are the Assembly of the province of Alberta. Nonetheless, it is because of his own conscience and his decision to retire that it is necessary for us immediately to embark upon the efforts necessary to seek a successor.

For those reasons, I am moving Motion 16 standing in my name on the Order Paper today.

MR. SPEAKER: Leader of the Opposition.

MR. MARTIN: Yes. Just briefly following up in the tone from

the Deputy Premier, Mr. Speaker, we too find it unfortunate and sad that we have to go through this process of choosing an Ombudsman again so soon after the last time. I'd like to put on the record here in the Assembly that I think the present Ombudsman was doing an excellent job. I think it was a very good, proactive office. I think he was acting very much like an Ombudsman and doing it properly, as he should. I've talked to a lot of people that had to deal with the Ombudsman, and even if he couldn't help them, I think they walked away feeling they had been heard. It's a difficult job, as we all know, and I was looking forward as the Leader of the Opposition to the long term of Mr. Trawick in terms of working with him in the Ombudsman's job. We have no control over this matter. He's made a principle decision, and we have to move ahead and get another person who, hopefully, will be able to continue the good work of the previous Ombudsman. I just say that it is a sad and disappointing occasion, that we are losing an excellent Ombudsman.

[Motion carried]

17. Moved by Mr. Horsman:

Be it resolved that when the Legislative Assembly adjourns to recess the First Session of the 22nd Legislature, it shall stand adjourned until a time and date prior to the commencement of the Second Session of the Legislature as is determined by Mr. Speaker after consultation with the Lieutenant Governor in Council.

[Motion carried]

**head: GOVERNMENT BILLS AND ORDERS**  
**(Second Reading)**

**Bill 22**

**Electoral Boundaries Commission Amendment Act, 1989**

MR. HORSMAN: Mr. Speaker, I move second reading of Bill 22, the Electoral Boundaries Commission Amendment Act, 1989.

As indicated in my remarks in the Assembly yesterday, this is an amendment which is consequential upon the appointment of the committee which the Assembly concurred in yesterday relative to the examination of the Electoral Boundaries Commission Act, which is part of our legislation at the present time. The reasons for moving this particular amendment are to provide the time necessary for the select special committee established by the Assembly yesterday to carry out its work and to report to this Assembly in the first sitting of the next session of the Legislature. This amendment has a built-in sunset clause and will require the Assembly to act within the next session of the Assembly to provide the necessary steps to deal with electoral boundaries revisions.

Just briefly, may I say this in answer to some of the comments made yesterday by the hon. Member for Edmonton-Jasper Place. He quoted a reference to a judgment by Madam Justice McLachlin in the Supreme Court of British Columbia in the case called Dixon and the Attorney General of British Columbia. There was a subsequent follow-up decision by a justice of the same court, Mr. Justice Meredith, who I think perhaps complicated the matter considerably in the sense that the Dixon decision first rendered by Madam Justice McLachlin did not impose any deadline on the British Columbia Assembly, and Mr. Justice Meredith in his judgment went further and indicated that he

would not impose any deadline whatsoever on the Legislature as to acting in terms of the time for bringing about electoral boundaries changes. It was that second decision, of course, which brought us to the conclusion that there might be appeals and that the matter might go on beyond the Supreme Court of British Columbia. Therefore, we felt it necessary to take this and other legal judgments into consideration at the committee level. Therefore, this Act which I'm moving today is consequential upon the decision of the Assembly yesterday to establish a select special committee on this whole matter.

MR. SPEAKER: Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. I appreciate the comment made by the hon. minister in reference to some remarks I made yesterday. I understand what he's saying about Justice Meredith's subsequent decision, but I think the minister would probably agree that Justice Meredith's comments are in the nature of remedies that might be imposed by a court rather than on the substance of the decision itself. I don't have any quarrel with the fact that the Legislative Assembly ought to act to remedy an imbalance or a misrepresentation or an imbalance in the representation that's there in the boundaries of Alberta, in this case, or any other such jurisdiction. And that's what the initial judgment also said, that it's up to the Legislative Assembly to act. I think the minister may be having a little difficulty distinguishing between what is or isn't legal under the Charter of Rights and Freedoms and what the courts might or might not do about it. Those are two entirely different questions.

I see the Speaker scowling. Believe me, I didn't initiate this debate under this Bill today.

MR. SPEAKER: Order. Order please. This is the second time in the last few days that the Chair has been accused of body English or scowling or something. On the previous occasion the member was completely off the track, and the same is true in this case. Please continue.

MR. McINNIS: I'm sorry. I guess I misinterpreted the Chair's facial expression. My deepest apologies.

In any case, I think the question that sits there unresolved, and is the one that was the basis of my concern, is that somebody may come along and challenge the boundaries in court. Then it will be up to the court to determine what the remedies might be, and the extra year's delay does nothing in particular towards furthering reform, if indeed reform is required, and I submit that it is. That's my strong feeling, that it is. In fact, the extra year's delay might result in a situation where, due to a number of circumstances, we might be into a provincial election campaign before this process can be brought to completion. That's the real fear that I have. I just remind the minister and all members of the House of the election we just went through in this province. It took place inside of three years from the previous election.

So what I'm hoping is that the minister, in concluding the debate, might just outline the time frame as he sees it, how we get to a new set of boundaries and a new enumeration, because that's the end point of the process. We need to have boundaries, first, passed into law. Then those boundaries are translated by returning officers into poll maps, and the poll maps are used to create an electors' list. It seems to me we could be in a very awkward situation if that thing doesn't come to the end, to the

voters' list stage, before we get to an election campaign under the existing system and the way it works. I've spoken to the Chief Electoral Officer about it, and believe me, he's concerned about it, given the initiative which is clearly spelled out in Bill 22. The initiative is to delay the process by one calendar year.

Perhaps the minister will correct me if I am wrong as we work through this. We have next year before the report of the committee comes in and the commission is set up. Then what happens? Is the commission expected to report during 1990, or does it have until 1991? Does it have to be done before the Legislature sits in 1991 so that the new boundaries are in place in 1991? Or does it have to wait until the fall session of '91, if there is one, or the 1992 session, given that we haven't had a lot of fall sessions lately in our province? Because if it's 1992, then we're into the third year. In fact, from the election of March 20, 1989, to March 20, '92, is three years. We know that the last election was held inside three years. Now, I don't want the minister to speculate what might happen, beyond acknowledging that sometimes elections are held inside the three-year period. If so, where does that leave us? It does leave some possibility, in my mind anyway, that the result of all this might be a circumstance where the process is incomplete prior to roughly a three-year time frame. Certainly I think it does mean that it will be impossible for the Chief Electoral Officer to do the enumeration at the time he normally does it, which is the second September following a provincial general election.

So I would be grateful if the minister would just go through the time frame as he sees it in concluding debate on second reading, and it might clear up the problems, such as they are.

Thank you.

MR. CHUMIR: Well, I share the hon. member's concern and would like to associate myself with his comments in that regard. Members may recall that in my comments yesterday I asked the minister for assurances with respect to the time parameters to the extent that he's able to give them. Of course, he can't govern all aspects of what this House does, but on the other hand, he must have in his mind's eye a schedule and a format for accomplishing this particular change which is so merited by the requirements of the Charter of Rights and just reasonable equity with respect to distribution. So I would appreciate as well if the minister would give us some indication of what his intentions, what his goals are with respect to accomplishing whatever changes may be deemed suitable with respect to electoral distribution in this province.

MR. SPEAKER: The minister, in summation.

MR. HORSMAN: Well, I appreciate the concerns expressed by both members who have just spoken. I can't predict the future with certainty. I cannot predict the outcome of the deliberations of the select special committee as to what they may recommend by way of new legislation to deal with electoral boundaries. What this Act does is to provide the necessary time frame in which the committee can carry out its responsibilities. The committee may come forward with an entirely new process for determining electoral boundaries, based upon experience in other Canadian provinces and based upon the circumstances we find here in Alberta. So what we are doing by this legislation is providing a delay of one year in the appointment of the commission now required under the Electoral Boundaries Commission legislation. We're asking this committee to conduct a very seri-

ous review of the process which is now in place to determine whether or not it is suitable to meet the challenges faced as a result of the Canadian Charter of Rights and Freedoms and other judicial decisions and other actions taken in other provinces to meet these concerns.

I'm not going to prejudge at this stage the work of that select special committee. It would be, I think, entirely improper for me to do so. I am therefore hopeful -- I know this. The time frame that we are establishing is this: the select special committee established as a result of the vote yesterday will be required to report to the first sitting of the next session. And if they do that and bring forward a resolution as to a new type of legislation or amendments to the current legislation which must be then put into place, it will be incumbent upon the government to bring that legislation before a fall sitting, or a spring sitting if the work were done soon enough, but no later than the end of the second session. It must be done or it will be necessary to appoint a commission under the current legislation.

Now, we could have gone forward and appointed a commission under the existing legislation, but our advice is, and it will be shared with the committee in due course, that the current structure of the commission under our present legislation would not withstand a Charter challenge. Therefore, that creates a problem for creating a new commission based upon the current legislation. And to deal with that issue, we have therefore asked the committee to review the whole issue. That's why we need the time in order to carry out this work, but there is a time limit on it and there's a sunset clause. So if the committee does not complete its work, it does not recommend any changes, then the government must create a commission based on the current legislation as a result of the sunset clause built into the amendment now before the Assembly.

[Motion carried; Bill 22 read a second time]

#### **Bill 24**

#### **Legislative Assembly Amendment Act, 1989**

MR. HORSMAN: Mr. Speaker, I move second reading of Bill 24, the Legislative Assembly Amendment Act, 1989.

This Act, as indicated in my brief comments yesterday and in first reading, will transfer responsibility for determining members' indemnities and ministerial and other salaries to the Members' Services Committee. I appreciate the consultation and discussions with the House leaders of the other parties in arriving at a decision to move this Bill forward so these decisions can be appropriately made in that particular legislative committee established by the Assembly.

MR. McINNIS: In speaking on second reading debate, in 15 years or so of working in various Legislatures with different caucuses and different leaders and so forth, I know from my experience that there are very few decisions that are more difficult than the decision a member has to make affecting his own pay and benefits. They are difficult politically and they are difficult for people to understand in a lot of ways. What this Bill does is transfer that decision from all of the members to a few of the members, of which I happen to be one. So I do feel that one particular comment needs to be made on Bill 24, and that is that I don't believe this committee should be faced with that problem in a more or less arbitrary fashion. I believe the committee should proceed by having neutral, nonpartisan people examine

this question prior to the committee making the decisions. That's the basis upon which I'm supporting the transfer of the responsibility from the Assembly to the Members' Services Committee.

[Motion carried; Bill 24 read a second time]

[On motion, the Assembly resolved itself into Committee of the Whole]

#### **head: GOVERNMENT BILLS AND ORDERS (Committee of the Whole)**

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: I'd like to call the committee to order.

#### **Bill 18**

#### **Investment Contracts Repeal Act**

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments offered with respect to this Bill? Are you agreed as to title and . . .

MR. HAWKESWORTH: Mr. Chairman, I take it this is the "close the barn door after the horses have fled" Bill, if that might be the more proper title, inasmuch as investment contracts . . .

MR. DEPUTY CHAIRMAN: Hon. member, order please. The Member for Calgary-Mountain View, and if you would like to start your remarks again, please.

MR. HAWKESWORTH: Sorry, Mr. Chairman. When you looked at me after interrupting you, I thought for sure I had your attention.

This is Bill 18, which is the Investment Contracts Repeal Act. It just would seem to me, Mr. Chairman, to be the "close the barn door after the horses have fled" Act; that ought to be the more proper title. Given the chance the government had over the years to make the proper amendments, and it seemed that none of them were made because of certain lobbying that went on -- at least that is the speculation and the reasonable conclusion some of us could make -- this Act was never properly restructured until it resulted in a lot of tragedy for a lot of people. Now it's fine; I guess there aren't very many, if any at all, contract investment companies left, so there's no point to keeping it on the books. But as I say, the changes that should have been made many years ago weren't, and now of course it's simply being repealed. It's, I guess, after the horses have fled, we'll close the barn door.

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

MR. CHUMIR: Thank you, Mr. Chairman. I guess I can't resist having a few words at the demise of this legislation. It reminds one of the old aphorism that this is the way the world ends, not with a bang but a whimper. And here we are, after many, many years, many suggestions for reform going back to 1976: Mr. Shortreed's proposals, vetoed by Premier Lougheed,

who of course now doesn't know anything about the companies involved in the Investment Contracts Act; and even, strangely enough, recommendations in 1983 by the then Minister of Consumer and Corporate Affairs, who fell on her sword, whether her own or -- it appears like it was somebody else's sword, but she was impaled on it in any event. She made recommendations back in those years for required changes, changes that were too obvious to even need to be stated, but of course changes which, if made, would have undoubtedly red-flagged for the innocent investors who were duped into putting their life savings into these companies. That something was remiss, changes so simple as requiring the company to issue financial statements and financial information so Albertans who were relying on the protection of this government's regulators would be able to have some information with respect to those companies.

Nevertheless, it was a piece of legislation which, because of its requirement that 104 percent of the sum of the deposits be kept on deposit with a commercial bank, was in itself ironically not the protection. It was an irony. It was not the protection for the investors that it was intended to be but, in fact, turned out to be a boomerang which swung around and hit the investors, because it was that very provision that enabled the company to make representations to investors that they were safer than CDIC. We have a requirement in our legislation, in our Investment Contracts Act, that 104 percent of the amount you have on deposit is going to be with a chartered bank, and of course we knew that wasn't the case. In fact, in 1984 one of the regulators who has been called to task by Mr. Code was chided for having changed a notification on a form from stating that 104 percent "is" on deposit to 104 percent "is required" to be on deposit, obviously knowing that it wasn't there.

This government is here and says they're only responsible for 15 to 18 cents on the dollar under those circumstances. I think it's scandalous. The one thing the government should be doing is allowing the courts to make a final decision with respect to that 25 percent rather than putting these investors, after all they've gone through, to the cruel choice of having to decide between a pittance and rolling the dice for a long period of time in our courts. The government, in my view, should agree to a quick reference to a court, accept the evidence before Code, accept the Code report conclusions if that's acceptable to the investors. Let's get a quick reference to the courts and get this out of the way. In any event, that's what should be done, and of course many things should have been done over the years. We now sound finis to this piece of legislation, and I'm sure there is no one here who will disagree when I say good riddance.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Are there any further comments on Bill 18?

[Title and preamble agreed to]

[The sections of Bill 18 agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 18 be reported.

[Motion carried]

## Bill 123

### Tobacco Tax Amendment Act, 1989

MR. DEPUTY CHAIRMAN: Are there any amendments, questions, or comments on this Bill?

MR. HAWKESWORTH: Just one brief comment, Mr. Chairman. I've heard the Provincial Treasurer say on many occasions that Alberta doesn't have a sales tax. Well, I don't know what a tax on sales of tobacco is if it isn't a sales tax, I don't know what a tax on booze is if it isn't a form of sales tax, I don't know what a tax on hotels is if it isn't a sales tax, and I don't know what a tax on fuel is if it isn't a sales tax. Perhaps in the future the Provincial Treasurer, when he's making his rhetorical comments, could stop in full flight and make sure he makes an accurate statement and says Alberta does have a number of individual commodity sales taxes, rather than saying Alberta has no sales taxes at all. That would be a more accurate statement, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Are there any further comments on Bill 23? Are you rising, Calgary-Buffalo?

MR. CHUMIR: Yes, I am. I have a question for the minister, and it's a point of information. I understand that some organizations concerned with smoking have raised the issue as to whether or not the tax on loose tobacco is at such a level that even when the tax on cigarettes goes up, the tax on loose tobacco is so low that that in itself is considered to encourage smoking. I note that there was an increase in the tax on loose tobacco, but not being a user of it, I'm not able to quantify whether or not it's relative in amount in relation to the cigarette tax. I'm wondering whether the minister has reviewed that matter, is aware of it. If not, perhaps he might take this as a representation with respect to an issue that . . . I know how concerned he is about these health measures, as I noted yesterday. So perhaps he might take this as a conscience raiser, shall we call it, with respect to that matter. But could he tell us what he knows, if anything?

MR. DEPUTY CHAIRMAN: Are there any further comments on Bill 23?

[Title and preamble agreed to]

[The sections of Bill 23 agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 23, the Tobacco Tax Amendment Act, 1989, be reported.

[Motion carried]

## Bill 10

### Financial Administration Amendment Act, 1989

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments?

MR. HAWKESWORTH: Just a couple, Mr. Chairman. I want to ask the Provincial Treasurer -- I know we've had quite a debate about the increase in the debt by \$2 billion, but there are other less significant provisions contained in the Bill. I know

that the provincial Auditor General in his recent report made note of the fact that there were a couple of benefit programs that needed some legislative change. I believe that has to do with recommendation 43 in the most recent annual report of the Auditor General, '87-88:

that the Treasury Department seek to obtain legislation to constitute legally the Government of Alberta Dental Plan Trust, the Government Employees' Group Extended Medical Benefits Plan Trust and any other trust funds that have the same legislative disability.

I wonder if the Provincial Treasurer would take the opportunity here in committee reading of the Bill to indicate whether the clauses contained in this Bill regarding benefit funds relate specifically to that recommendation of the provincial Auditor General.

The other question I would like the Provincial Treasurer to make a comment or two about has to do with the creation of pooled funds. It occurs in the same section of the Act that refers to mutual funds. I hope I'm not under misapprehension here, misunderstanding -- I don't think I am -- that this is a way of providing a sort of mutual fund for government agencies and is not intended to be some sort of pooled fund that would be back-stopped by the government for sale to the public. Perhaps he could just make a comment about those two aspects of the Bill.

Thank you.

MR. CHUMIR: Well, I share the same concern expressed by the Member for Calgary-Mountain View with respect to the first item, and that is recommendation 42 of the Auditor General

that the Treasury Department record the full costs of the Long-term Disability Benefit Plans in the financial statements of the General Revenue Fund of the Province.

From what I'm able to determine, while the amendments in this Bill will deal with the long-term disability benefit plan, they don't achieve this particular recommendation. They set up a fund that deals with it; nevertheless, we're still left with the very unsatisfactory situation, if I understand this correctly and unless the minister persuades me otherwise, whereby this liability is not recorded in the financial statements of the General Revenue Fund. Indeed, it would continue to fall within the category encompassed by approximately \$8 billion of unfunded pension liability which has been footnoted as a result of comments by the Auditor General in which he has expressed dissatisfaction. He has pointed out that this is now contrary to generally accepted accounting principles.

If there was ever any doubt about what those accounting principles were, then the accounting profession has certainly dispelled those doubts within the last two or three years. Now the accounting profession is fully onside with the Auditor General on that matter, and the Provincial Treasurer is the only man in the regiment out of step. Now that we have a change to this particular fund -- the attention of the Provincial Treasurer has so obviously been focused on this particular problem and on this fund, and if the minister has not been dealing with this recommendation of the Auditor General, perhaps he could give to this House a very clear explanation of why he is giving the Auditor General the finger in this matter.

MR. DEPUTY CHAIRMAN: Are there any further comments?

MR. CHUMIR: In the same way, I might note, that the government has been giving the Ombudsman the finger by reaching a decision with respect to the Principal matter before the Om-

budsman even had the opportunity to report. I couldn't resist it.

MR. DEPUTY CHAIRMAN: Are there any further comments? Title and preamble. Are you agreed?

MR. JOHNSTON: Mr. Chairman, maybe I could just take a second to explain two of the questions which were posed.

With respect to the benefit fund, the answer is yes. The Auditor General pointed out that it was his firm belief, I guess based on good legal opinion from Glen Acorn, that in fact we probably had constituted the benefit fund for the employee dental plan in particular, and properly we needed to be certain that all of us who have had our teeth checked or filled are doing it legally. So as a result, we were going to put that fund into a legal context. That's what this amendment does. No, it is not a deal with the other pension funds. Those are already constituted. We disclosed those, as I've indicated before, and we are, as I've indicated as well, studying what it is the Institute of Chartered Accountants has recommended to us with respect to the way in which disclosure takes place. The fact that we are not at all at odds with the current requirements of the Institute of Chartered Accountants should be noted.

With respect to the pooled funds, Mr. Chairman, we're not putting the government into the business of selling mutual funds, but because the Financial Administration Act in section 50, for example, does provide that you can form a mutual fund -- a mutual fund in the context that a variety of participants can put cash into the fund -- as manager of the fund, the Provincial Treasurer actually buys lot sizes of stocks into the fund, and obviously the per unit value of the fund reflects in the ownership of such funds as the Workers' Compensation Board, for example, or other funds of that order. It simply allows us to facilitate more efficient transactions in the marketplace, reducing the costs and allowing us to manage more effectively the resources of these funds. So that's how it operates. At the end of the day there'd be a breakup value. At the end of the year, obviously, the Workers' Compensation Board, if that's the example, would show its investment on these shares.

That's essentially what we're doing here, and I think that answers the questions that were put by my colleagues. Accordingly, Mr. Chairman, I'll wait for your direction.

[Title and preamble agreed to]

[The sections of Bill 10 agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 10 be reported.

[Motion carried]

## Bill 12 Credit Union Act

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments? Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Chairman, just a very small comment I made a mistake the other day. I sort of said the wrong number. I said that the directors of the present stabilization corporation, which is to have its name changed under this Act to the deposit guarantee corporation, were getting

\$750,000 per meeting. That was just a little high. We should delete the three zeros and say it was just \$750 per meeting, which is still scandalous and puts quite a burden on the members of the credit union system, in my humble opinion.

MR. DEPUTY CHAIRMAN: Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. I'm still waiting for some explanation from the Provincial Treasurer of how it is that he expects this House to approve a provision such as section 240 of this Bill which would have this House approve and sanctify the provisions of a number of agreements to which the government and this deposit guarantee corporation or its predecessor have been parties, including not only to the current status of those agreements but any amendments to be made up to October 31 of this year, without allowing the members of this House to see those agreements that it is preparing to ratify. Now, we are passing legislation with respect to that, and this minister is asking the members of this House to buy a pig in a poke -- a pork in a poke -- and it's not right.

So I would like to get some explanation from the minister with respect to what's going on and what types of precedents he presents to this House. If he presents precedents, I vouchsafe they're bad precedents with respect to having this House affirm on a legislative basis secret documents it's unable to have access to. Now, I think that is unacceptable. I think it is verging on scandalous. I don't use that terminology in this House very often -- to the press, yes, frequently, but not in this House. So that's a symbol and a sign of the strength of my feelings in that regard. I insist on an answer from the minister.

[Title and preamble agreed to]

[The sections of Bill 12 agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 12, the Credit Union Act, be reported.

[Motion carried]

### Bill 17

#### Department of Public Works, Supply and Services Amendment Act, 1989

MR. DEPUTY CHAIRMAN: Are there any comments, questions, or amendments?

MR. TAYLOR: Mr. Chairman, I'm just circulating an amendment to Bill 17. I think you just looked at it there now. It's a fairly straightforward one and one the minister in discussion the other day said he was going to do anyhow, which was to table a report, listing all land sales completed pursuant to this section during each year in the Legislative Assembly within 15 days of the commencement of the first sitting in the next year, including but not limited to the following . . .:

- (a) the location of the land
- (b) the purchase price of the land
- (c) the area [involved]
- (d) the name of the purchaser.

To refresh your memory on the Act, it was really being amended by the minister to allow him to dispose of what appeared to be small amounts of land to neighbouring owners of land without going through the problem of advertising, competi-

tive bidding, and often maybe evaluations which all might come to more money and trouble than the size of the land was worth. However, although I'm sure this minister had the very best of intentions, you never know; the next time around, the next election, you might have a Liberal minister that is not as well intentioned as this one. Consequently, there would be all sorts of loopholes where that minister could dispose of the land under the argument that it would adjoin an owner already in the area and wasn't that important.

So as a sort of admittedly backward look or a retroactive discipline to the minister, and because public money's involved and all transactions should appear to be aboveboard and highly moral, it seemed to me only judicious to put into law that the minister has to report all and treats all these transactions in the previous year, which I understand aren't very many anyhow, that had not gone through the normal process. Mr. Chairman, I don't think it is doing anything more than writing into the Act what would be the intention of every well-meaning minister anyway and would certainly show to the public . . . I think all of us as MLAs from time to time have had people come up to us and say such and such happened, the sweetheart deal happened, and some of the land was transferred at a very special price. I think this would take that away too, have the double effect of regularizing the process so the minister wouldn't have to worry about it. Secondly, it would send the public of Alberta a message that there are no deals or negotiations that are secret when it comes to selling public lands. Although a deal may not have gone through the public auction bit or the public evaluation, it would appear on the record within the year who bought it, what they paid for it, where it was, and the size of the buy. I think that's only fair and open government, Mr. Chairman, so I move this amendment.

[Motion on amendment lost]

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Chairman. I have a small and, I hope, friendly amendment to move to Bill 17 to clarify what I understand to be the government's intent here: that the provision of architectural and other building services in respect to hospitals has to do with the transfer of responsibility for construction of hospitals from the Minister of Health to the Minister of Public Works, Supply and Services. We ran into a certain difficulty with the operation of all those things under Bill 5, and the Minister of Health was persuaded to bring in an amendment to clarify the intent of the government to make sure she was dealing with hospital boards when it came to the transfer of facilities under that legislation.

Bill 17 has within it a similar difficulty, and I have an amendment to propose in section 2 of the Bill, affecting the proposed section 13.1. It simply takes out the words "an owner or operator of a health care facility" and substitutes the words "a hospital board." This is simply so we don't end up with legislation on the books which permits a greater degree of privatization than was ever intended in the first place. We don't want to have accidental privatization any more than we'd want to have accidental socialism in our province. So for that reason, I'd like to move the amendment, simply to parallel the new wording which was brought in in Bill 5 when it was amended in committee. I appreciate that this Bill 17 was probably drafted prior to the

amendment to Bill 5, so it would be a natural thing for the people drafting the legislation to use the old language that was in the old version of Bill 5. What we have here in essence brings Bill 17 into conformity with Bill 5 by describing these health care facilities as being under the control of a hospital board rather than an owner and an operator. Just so the members are clear, under Bill 5 as amended "a hospital board" does include the private owner of a nursing home, so we're not talking about restricting things in such a way that the minister can't be involved in the construction of private nursing homes, although I'm not sure for what reasons he would want to be.

Anyway, I think it was pretty clear from the minister's comments in second reading that he had nothing more complicated or more controversial in mind with Bill 17 than simply effecting the orderly transfer of this responsibility. Basically what this amendment does is accomplish that according to the newly worded version of Bill 5 which, as members know, is the Department of Health Act. So I would like to move the amendment currently being distributed under my name.

MR. DEPUTY CHAIRMAN: The amendment proposed by the Member for Edmonton-Jasper place to section 2 appears to be in order. Do all hon. members have a copy? Are there any comments on the proposed amendment?

MR. KOWALSKI: Mr. Chairman, this is the first that I see of this amendment. Unfortunately, I do not have a copy of the amendment to Bill 5 in front of me, so I'm having real difficulty commenting yes or no to it, whether or not it would be appropriate. In essence, it may very well be that the Minister of Public Works, Supply and Services will be asked by a board that would operate a nursing home of an nonprofit society for such things. If we have in Bill 17 simply section 2 which says "a hospital board," I would be prohibited from such a thing because I don't have it.

The difficulty I have, Mr. Chairman, in making of law is that I don't have the law in front of me. I don't know how I can make a legitimate statement on my part when I have an absence of actual knowledge with respect to the matter. That is the difficulty.

REV. ROBERTS: We'll get it for the minister.

I'd like to point out that the definition of "hospital board" currently exists in both the Department of Community and Occupational Health and the Department of Hospitals and Medical Care Acts. It describes almost every health care facility you could possibly want to describe in great detail: acute care hospitals, long-term care nursing homes, public and private nursing homes, and all the rest. It's in there. That's what the minister has brought in to keep it the way the language has already been.

I'd have questions, Mr. Chairman, without this amendment, to know what in fact the definition of "a health care facility" is. What is it referring to, other than what the minister said in his estimates on the capital vote?

I don't know if you want to have an adjournment or if you've got the amendment, but there are these and many other good reasons for supporting this.

MR. KOWALSKI: Mr. Chairman, I found the amendment to Bill 5, basically dealing with section 11(1), with a definition of "Government health care facility" and what it means, and perhaps . . . I was absent yesterday. Was this amendment ap-

proved by the House?

AN HON. MEMBER: Yes.

MR. KOWALSKI: It has been approved. Then I will take the validity of the honour of the members who have informed me of such, and I would have no difficulty with the said amendment.

MR. DEPUTY CHAIRMAN: Are there further comments on the amendment to Bill 17, section 2, as proposed by the Member for Edmonton-Jasper Place?

HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Just one moment.

The question has been called, so we will proceed.

[Motion on amendment carried]

MR. WICKMAN: Mr. Chairman, I'm going to speak on the Bill and speak on it negatively. The Bill had the opportunity to be amended by the Member for Westlock-Sturgeon, and that amendment was not accepted. We're dealing here with a Bill that proposes land transactions take place, yet there is no built-in mechanism to ensure that members of this House are informed as to what those transactions are. The minister indicated the other day that he would be prepared to supply to the Member for Westlock-Sturgeon every six months a listing of all those transactions. But my concern: I've requested information from that same minister on the community facilities enhancement program. I still haven't got it. Despite the fact that I hear comments about open government and this information is going to be supplied, it is not being supplied. Quite frankly, I am not prepared to accept the minister's statement, when he stands up, that he's going to supply this information, that it's going to come. I would only be assured that it's going to come if it were built into the legislation. It's not built into that legislation. On that basis, I can't support this Bill.

MR. DEPUTY CHAIRMAN: Are there any further comments on the Bill as amended?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 17 agreed to]

MR. KOWALSKI: Mr. Chairman, I would move that Bill 17 be reported.

AN HON. MEMBER: As amended.

MR. DEPUTY CHAIRMAN: As amended, yes.

[Motion carried]

MR. STEWART: Mr. Chairman, it's my understanding that certain discussions between the party leaders have occurred with respect to the opportunity to debate third reading of Bill 21, and accordingly I would move that the committee rise and report.



[Motion carried]

[Mr. Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bills 10, 12, 18, and 23, and reports Bill 17 with some amendments.

MR. SPEAKER: Do the members concur on the report?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: **GOVERNMENT BILLS AND ORDERS**  
(Third Reading)

**Bill 21**

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

MR. JOHNSTON: Mr. Speaker, I'm very pleased to move third reading of the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1989-90.

Members know that this piece of legislation provides for expenditures out of the heritage fund to the extent of \$141,238 million for a variety of very important projects for us in this province, projects which have now become part of the character of our province, investments to ensure that diversification takes place in a variety of sectors, to ensure that food supplies are adequately protected, to ensure that the drought in the southern part of the province is guarded against through the valuable investment in irrigation, and also in the area of research, Mr. Speaker. Those are some of the very fundamental objectives which this amazing heritage fund has satisfied over the years that it's been put in place, and I know that all members support the very good works that are carried out through these dollars.

Therefore, Mr. Speaker, I have no hesitancy whatsoever to move third reading of this Bill, a Bill which provides \$141,238 million to ensure that these fine objectives are reflected in the nature of our province, in the character of our province, to ensure a better place to live, diversification, research, and an opportunity to be special in the Canadian mosaic.

Mr. Speaker, I move third reading of this Bill.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. It is true that these expenditures will do some of the things the Treasurer said, although he perhaps uses more glowing terms than some of us might on this side, on some of the projects anyway.

Most of the details of this Bill have had some debate when they were called as estimates. But what we have not had a chance to do yet is to look at the cumulative effect of these expenditures and how they affect the heritage trust fund and the general composition, I suppose one might say, of the heritage trust fund. If you spend \$141 million, then you would think that would show up as an expenditure, but not so under this Treasurer's reckoning and calculation about the heritage trust fund. He has maintained for the last three or four years that there is, in fact, \$15.3 billion in the heritage trust fund, and even though he spends some money every year out of the cash and marketable

securities section, he claims that there's still that much money there.

What happens is that he adds it to the amount of money spent on the capital projects division of the heritage trust fund, and then he keeps that division of the heritage trust fund on the books as deemed assets. Of course, the Auditor General and a number of us on this side of the House have tried to explain to the Treasurer the difference between an expenditure and an asset so that he would understand that when the money's spent, you don't still have it, and therefore you can't claim there's \$15.3 billion in the heritage trust fund.

However, he was at it again last October when he announced the 1987-88 annual report of the heritage trust fund, that there's \$15.3 billion in the fund. Well, Mr. Speaker, we're going to spend \$141 million, and that amount will go down by \$141 million if he just thought about this year by itself. But if you consider that over time the capital projects division of the heritage trust fund has accumulated expenditures, which this Treasurer calls assets, of some \$2.9 billion, then you would have to say that there's less than \$15.3 billion, at least of what you'd call financial assets, in the fund. In fact, the Treasurer does admit that and does use the term "the financial assets of the fund" and gives a different number for it.

The latest report that we have for the heritage trust fund, the December 31 one, puts the financial assets of the fund at \$12.44 billion. I would just say, Mr. Speaker, that that's some \$300 million less than the highest value of financial assets that was ever in the fund, which occurred on March 31, 1987, that figure being \$12.74 billion. That was the stage at which the government decided that they could no longer put more revenues into the heritage trust fund, and we concurred with that because of the downturn in the revenues of the province, particularly in the oil industry. If you consider inflation of 3 or 4 percent a year for the last couple of years and the expenditures from the heritage trust fund -- I think it was \$129 million and then \$164 million last year and \$141 million anticipated this year -- if you consider the expenditures as well as the inflation, you'd have to say that the trust fund is worth some 10 percent less than it was back on March 31, 1987, when it reached the peak of its value.

Now, if that were the end of the problems in analyzing the heritage trust fund, that wouldn't be too serious, I guess, because everybody except the Treasurer knows that the deemed assets are not really assets. They are in some senses of the word but not in the sense that you can really claim them to be things that the Treasurer could get his hands on and liquidate. I suppose you could sell the University hospital. I suppose you could sell some of the dams, but I kind of doubt it. I don't think he would. I don't think he'd sell Kananaskis and so on. So that particular argument is being given a lot of coverage.

But the part of the fund that disturbs me the most -- and I can't understand yet why the Auditor General hasn't made some comment on this, but in any case I would like to make some comment on it. Another part of the fund that is a great problem is the three Crown corporations in the Alberta division of the fund that have been losing money since 1981. Now, I'm not going to spend a lot of time on them because later there is a motion on the Order Paper, Motion 15, appropriating more funds from the heritage trust fund to those entities. So perhaps at that time I can give a more detailed analysis of what the problem is with those particular Crown corporations. But I would just make the sort of general comment that some \$4.3 billion of the fund is tied up in those three Crown corporations. Now, if

you . . .

MR. SPEAKER: Order please, hon. member. The Chair surely hesitates to interrupt. The member has indeed made fair comment about his own comments that anything relating to the three corporations will have to follow in the subsequent debate. The Chair for the edification of Edmonton-Kingsway and other members has to quote *Erskine May*, page 577.

Debate on third reading, however, is more restricted than at the earlier stage, being limited to the contents of the bill.

The Chair has allowed five minutes to go by in terms of overview comments but is forced to direct the member and other members to the contents of the Bill, specifically pages 2 and 3 related there rather than the general. Thank you.

MR. McEACHERN: Mr. Speaker, perhaps one could beg your indulgence. I would like to say that when the estimates for the capital projects division of the heritage trust fund came up, as one does for the main estimates, I wanted to have in the Assembly some general debate on those expenditures. It was not allowed at that stage by the committee chairperson. He said that there would be an opportunity later, and he suggested that second reading would be an appropriate time of this particular Bill, knowing that the appropriation Bill for the capital projects division would come back to the Assembly.

But we are now at third reading because we skipped second reading on that, so perhaps you could allow me a little more leeway. I don't intend to go on at great length, but I do think it's relevant and related. If we are to expend \$141 million from the fund, it seems to me that you need to know what that's doing to the fund, where it's coming from, and how it affects the fund. I don't think that my remarks are out of context in that regard, particularly in view of the fact that I was promised a general debate on this point.

MR. SPEAKER: Thank you, hon. member. The Chair is also aware and has correspondence before it with regard to a letter from the Member for Edmonton-Highlands which the Chair then in turn did distribute to House leaders of all political parties along that area. Nevertheless, whether it be at second reading or at third reading, the Chair is constrained to follow the direction which has now been given to the hon. member. Perhaps at a future date the House leaders can come up with a solution to the valid complaint that you have, but in terms of third reading, it's now back to pages 2 and 3. Thank you.

MR. McEACHERN: Well, in third reading one does summarize one's points about the Bill, does one not? I mean this is . . .

MR. SPEAKER: I've been through *Erskine May* as to what's in here. Hon. member, this discussion will not continue.

MR. McEACHERN: Well, I think the points I'm making are very relevant ones to the spending of \$141 million, so I don't really feel that I'm out of order on the . . .

MR. SPEAKER: Thank you, hon. member. It doesn't matter whether you feel you're out of order or not. You have been given direction. I'm certain, given the skill and the experience that you have in debate in this Legislature, you can indeed relate your remarks to pages 2 and 3.

MR. McEACHERN: I will try, Mr. Speaker, if I can just collect my thoughts as to where I left off here.

The \$141 million, Mr. Speaker, will come out of the cash and marketable securities section of the fund. There is in that section of the fund some \$2.9 billion, and I would like to say that that part of the fund is the most liquid part of the fund and does allow the government a certain amount of leeway with the heritage trust fund at this stage. It's much more liquid, for example, than the moneys that are tied up in the Crown corporations that I mentioned a minute ago. To liquidate those would take a number of years, and likely one wouldn't get back the value of the debentures in them. So that's one of the reasons I was suggesting that the three Crown corporations not be counted as part of the financial assets of the heritage trust fund, because of their illiquidity. It's not that they don't have value.

There are a couple of other divisions of the fund which are also doing very well. The Canada investment division, \$1.4 billion, is being paid out. That's no problem.

MR. SPEAKER: Hon. member, that's not in Bill 21 at third reading.

MR. McEACHERN: Well, if you're going to get money out of the fund, you have to talk about where it's coming from and the effect it will have on the fund, so that's really all I was doing.

MR. SPEAKER: Hon. member.

MR. McEACHERN: Okay.

So the main point to make here, then, I guess as a general point is that if you're going to spend \$141 million out of the fund, you have to face the fact that the fund has gone down in value considerably already by about 10 percent -- and this will add to that -- and that the heritage trust fund, although it can be considered like a savings account, all sections of it are not liquid, although most of these sections other than the Alberta section are quite liquid and could be used at any time needed.

But the Treasurer, if he is going to use money out of the heritage trust fund for expenditures, has to start recognizing that in fact he has spent that money and that it's not money we still have. In a way he's doing that in other aspects with the fund as well, where he takes money out of the Alberta section, for instance, and puts it into the small business term assistance plan and then sort of puts in an IOU note to the fund and says he hasn't used it. So the Treasurer has hired recently a person to help him manage the debt of the province, and I would suggest that what he get that person to do is to also analyze the savings account, not just our debt on the general revenue side but also the money that's in the heritage trust fund and what it's bringing in, and when is it most convenient to borrow from ourselves and when it is not.

MR. JOHNSTON: Mr. Speaker, on a point of order.

MR. SPEAKER: Point of order.

MR. JOHNSTON: Mr. Speaker, the traditions of this House, obviously as pointed out in *Beauchesne*, talk very clearly about reading of third readings and what is germane to the Bill itself. Here we have an example of an item which is not even a part of the heritage fund, let alone the capital projects division. Surely the member should at least present his arguments with respect to

capital projects division and accept the warnings you've given him repeatedly about that protocol.

MR. HAWKESWORTH: Mr. Speaker, on the point of order. The hon. member was given assurances by the Chairman of Committees that at some point in the process he would be allowed some time for some general comments about the fund. Based on those assurances, the member has gone ahead with preparing his comments this afternoon. I believe he proceeded in good faith on the understanding that this was the one opportunity in which this specific Bill would have any time at all to be debated. It wasn't called for second reading, and it wasn't called for committee, which would have been the other opportunities for him to have made his general remarks. He's doing it in good faith, based on a comment made to him by the Chairman of Committees. I imagine that his comments were not intended to be long, and we could have his speech over with by now if he would have been allowed to proceed.

MR. SPEAKER: Calgary-Buffalo, and that will be it.

MR. CHUMIR: Thank you, Mr. Speaker. It would be remiss of me to allow this legislation to pass . . .

MR. SPEAKER: It's on the point of order?

MR. CHUMIR: Pardon me? Point of order. Oh, excuse me.

MR. SPEAKER: On the point of order, Edmonton-Strathcona; then that will be it.

MR. WRIGHT: Mr. Speaker, with the greatest respect, the precedents you cited from *May* are not in point because in all those cases there had been a second reading.

MR. JOHNSTON: Mr. Speaker, on the point of order. It may well be that at some point a general discussion could take place, but our own Standing Orders clearly state that we take the precedent. The heritage of this parliament flows back to the British parliamentary system wherein third reading, the protocol associated with third reading, the way in which third reading operates is clearly spelled out not only in a parliamentary tradition but in our own House orders, in *Beauchesne*, and in every other reference there is. We cannot change that, and that is inappropriate, and that's why the point of order is raised.

MR. SPEAKER: Order. The Member for Calgary-Mountain View raised the point that an undertaking had been taken in committee. The chairman had made some comment in committee. It was not, as far as I can read the record, decided on in committee. Nevertheless, what is taken in committee is not binding upon this House.

Now, the Chair also pointed out in an earlier comment to the Member for Edmonton-Kingsway that the Chair was in receipt of a correspondence in this regard, had it circulated to all House leaders for the issue to be dealt with. Nevertheless, in terms of second reading, at that stage there still would not have been opportunity to deal with the broad context. It would, again, still be limited to the contents of the Bill in terms of the principle. That did not take place. We are now at third reading. The Chair has given direction to Edmonton-Kingsway, and that still holds. This will be the third and last time of warning direction with

respect to keeping the comments to the contents of the Bill. For the last time -- the last time -- pages 2 and 3 of the Bill.

MR. McEACHERN: Mr. Speaker, I was on the verge of wrapping up my comments anyway, so I will do so.

I can't believe that the Treasurer is so thin-skinned and so worried though. I just think that the Treasurer doesn't want the new people -- there are some 21 new members in this Assembly who maybe do not know a lot about the heritage trust fund. Some of them may be on the committee, some of them maybe not. A general discussion of some of the points about the various divisions of the fund and some of the strengths and weaknesses might well have been in order. But if he wants to be so sensitive and can't possibly take a little bit of discussion on his precious fund, then so be it.

The fund, Mr. Speaker, has been set up by the Treasurer, this \$15.3 billion that he claims he has. It has become like sort of a glass palace that he's afraid anybody might throw a rock at and it'll break and collapse. Yet every year he's quite prepared to spend a certain amount of money out of it, \$129 million two years ago, \$164 million last year, \$141 million this year, and yet tries to claim, of course, that he hasn't spent it because he finds some fictitious way of claiming that he hasn't spent any money.

The fact is that it's become a political boondoggle for him. He doesn't know quite what to do with it. He's now in the process of stacking up a debt on the general revenue side that more than balances the heritage trust fund, even if he's spending money out of the heritage trust fund, too, but trying to claim that he isn't, and he doesn't quite know how to touch the fund. He's afraid to touch the fund because it would be a politically difficult thing to do. He'd have to start explaining to the people of Alberta why the fund is going down every year. He can spend \$141 million and then gerrymander the books, in a sense, and say he didn't spend it, much like he does with the Crown corporations, by the way. Then he doesn't want to sit in this House and defend the fund and debate the main points about it.

So, Mr. Speaker, we said that the expenditures, as we went through them in the estimates, were in most cases reasonable, and we raised a lot of questions and asked a lot of points about the details and voted on them one point at a time. We would be prepared to accept this appropriation Bill, but if the Treasurer's going to be so miserable that he doesn't even want to hear a bit of an analysis about the effect of spending the money, it makes you feel almost like, you know, why should we let him get away with it? Maybe we should just vote against it and argue the case that in fact it's just the Treasurer using it as a slush fund and lots of other things that we could think of. In fact, by interrupting, he just tempts one to go on a little longer than intended.

AN HON. MEMBER: I don't think even your colleagues could stand it, Alex.

MR. McEACHERN: Well, they're enjoying it.

MR. SPEAKER: Through the Chair, hon. member, and pleased be advised that your interruptions mainly were from the Chair.

MR. McEACHERN: The interruption came from the other side first.

MR. SPEAKER: Hon. member, it's direction from the Chair on third reading given to all members.

MR. McEACHERN: Well, Mr. Speaker, I really was going to wrap up within about two sentences of the Treasurer interrupting me, but now it makes me feel like saying a couple of more things, so I'll just say that the Treasurer should follow the advice of the Auditor General and recognize that expenditures are expenditures, not assets. I'll just say that he should also take a look at removing the Crown corporations from the heritage trust fund so that we don't claim we have liquid assets that we don't have. I would also suggest that while he's at it, he take about \$150 million back from Vencap. They obviously don't know how to use it.

He should consider, when he's borrowing money from other parts of the world or from the private sector in this province or individuals in this province, that he shouldn't have to pay 1 percent above the going rate when we've got a heritage trust fund. He should take his political courage in his hands and take a look at the heritage trust fund and see when it makes sense to use the money in the heritage trust fund, and quit trying to kid everybody that we've got this \$15 billion heritage trust fund when, in fact, we've already blown it. In the last four years this government has blown the heritage trust fund. It took 10 years to build and four years for this Treasurer to blow it. If he would just sort out the accounting and the procedures and use the correct terminology -- I mean, he's only an accountant. I don't really expect him to know the difference between an expenditure and an asset. But perhaps he'll learn if we keep telling him him often enough.

So, Mr. Speaker, perhaps we will let the Treasurer pass his Bill 21.

MR. SPEAKER: Member for Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. Very briefly, first let me note that the perpetual plaintiff is turning into a pettifogger over there.

It would be remiss of me not to ask about the wisdom of using the heritage trust fund to fund these kinds of expenditures. We've never had an explanation from the government, at least not an adequate explanation. Lots of very subjective obfuscation, but we've never had an explanation of why these expenditures are being made out of the heritage fund instead of through the General Revenue Fund. The result in recent years has been, unhappily, a net reduction of the heritage fund's financial assets. We're actually going down rather than up. We're not staying flat. Even if we weren't taking this \$141 million out of the fund, we'd be losing through attrition by inflation. So it seems to me that we need in future to pay much more attention to that concern as to where we're going and the concept of the fund for future generations. It needs more review and thought.

What we see here, of course, is that the heritage fund has been a convenient way for the government to satisfy all political claims in the past without the necessity of worrying about current funding. We knew where the money was coming from. Well of course, we now see that the government isn't worrying about current funding even in the basic budget. These bad habits have now become a part of the way of life for the way in which the government finances and operates this province, but it's not a proper basis for long-term financial stability.

I would close with just making the brief note that a further deficiency in the way these expenditures are made through the heritage fund is, of course, that they have enabled the Provincial Treasurer to omit the expenditures totally from the budgetary

expenditures as reported to the people of this province. This was of course a very convenient change from previous years, obviously motivated by the climbing financial fortunes of this province. But the fact is that your doing it in that manner is misleading with respect to the total cost of operating this province, and it's not the way to go.

So with that, I close. Thank you, Mr. Speaker.

[Motion carried; Bill 21 read a third time]

#### head: **GOVERNMENT MOTIONS**

*(continued)*

15. Moved by Mr. Johnston:

Be it resolved that this Assembly, pursuant to section 6(4.1) of the Alberta Heritage Savings Trust Fund Act, authorizes for the fiscal year ending March 31, 1990, the making of investments under section 6(1)(c) of that Act in

- (1) the Alberta Agricultural Development Corporation in an amount not to exceed \$42 million in aggregate,
- (2) the Alberta Mortgage and Housing Corporation in an amount not to exceed \$115 million in aggregate, and
- (3) the Alberta Opportunity Company in an amount not to exceed \$39 million.

MR. JOHNSTON: Mr. Speaker, in moving Resolution 15, we do this, as all members know, to ensure that the money provided to the Agricultural Development Corporation, Alberta Mortgage and Housing Corporation, and the Alberta Opportunity Company are agreed to by the resolution of this Assembly. We know already that we've had extensive debate through the budget process on the appropriate role of these three Crown corporations, which I think are doing yeoman's duty in ensuring that the programs in agriculture, in housing, and in small business in particular are provided to our citizens, our small businesses in this province. Accordingly, Mr. Speaker, I think all Albertans agree that that's one of the significant benefits that the Heritage Savings Trust Fund has provided us, that we do have an opportunity to use the funds within the heritage fund to transfer to those three corporations in particular and to ensure that these companies can continue to provide those social and economic objectives that are so important to our province.

Now, Mr. Speaker, you know full well that the opposition tends to have a different view as to the transfer of dollars into these three important areas, fundamental areas: agriculture, small business, and housing. From time to time I even see a slight hesitancy to provide dollars for these corporations. But I know that Albertans are wary, that they want us to ensure that these corporations pursue those objectives that have now come to be commonly shared by the people of this province. That's why we make our commitment to ensure that adequate funding moves to allow that small business in Lethbridge, to allow the housing development near native reserves in this province, to ensure that farming communities have the benefit of an adequate and easy response to money.

That's why this government certainly puts this commitment ahead of many others, and that's why we're very fortunate in this province to have the use of the Heritage Savings Trust Fund to ensure that we are able to have these objectives put in place, to ensure that we can put the dollars forward, as opposed to the frailty of the public markets, from our Heritage Savings Trust

Fund. That's why we are so fortunate in this province to have put that fund aside, to have saved dollars, a principle well understood by all Albertans, to ensure that we can use those dollars in the future for a variety of common purposes that I've just described. That's why it's very important for us to pass this resolution, to get on with the questions we have talked about, to ensure that these corporations carry out their mandate in an efficient and an effective manner. Therefore, Mr. Speaker, I'm very proud, on behalf of the government, to provide to the Agricultural Development Corporation \$42 million in additional money, to provide Alberta Mortgage and Housing Corporation \$115 million, and to provide the Alberta Opportunity Company \$39 million.

Now, Mr. Speaker, I hope that the opposition, unlike previous years that I've been involved here since 1986, does not speak from both sides of their mouth, does not on one hand say, "You shouldn't give them the money," and then when forced to vote upon this issue, hunker down, hide away, and are fearful that they would not make the commitment to agriculture, to housing, and to small business. Opposition to this resolution, Mr. Speaker, is just that: opposition to those objectives. It's a shameful thing. It's a characteristic of the NDP in particular, and I hope that they change their role this time.

Mr. Speaker, I move this resolution.

MR. McEACHERN: Point of order, Mr. Speaker.

MR. SPEAKER: Order. I have a point of order.

MR. McEACHERN: The point of order is that there's nothing in this motion that indicates that the policies of the New Democratic Party are before the House. Therefore, the Treasurer should really restrict himself to talking about the motion before the Assembly and not about the policies of the New Democratic Party. We are quite capable of speaking for ourselves, and we dam well will in a few minutes when we get our turn.

MR. SPEAKER: The Chair supports the contention, the complaint of the Member for Edmonton-Kingsway. The Chair also recognizes that the Provincial Treasurer had concluded his remarks, and the Chair recognizes Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker.

MR. McEACHERN: I thought it was me . . .

MR. SPEAKER: You were on a point of order.

MR. McEACHERN: I was on a point of order, and I didn't realize he had concluded his comments.

MR. SPEAKER: I'm sorry, but that's what happened.  
Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. Speaking against this motion -- and I almost dread doing so because the hon. Member for Lethbridge-East in full flight is . . .

MR. SPEAKER: Order please, hon. member. It is appropriate to refer to the Provincial Treasurer and other cabinet ministers not by their home constituency.

MR. TAYLOR: Mr. Speaker, I'm glad you told me that because I know many people down there don't want their connection with him at all.

Speaking, then, to the hon. Provincial Treasurer. In speaking against this motion, watching him in full flight on essentially a very socialistic practice, baiting the socialists across the way about who was going to spend the most government money playing capitalist, is very intriguing. If there was ever a case of the pot calling the kettle black-bottomed, it certainly has to be this, Mr. Speaker. To ask for money for the Agricultural Development Corporation and the Alberta Mortgage and Housing Corporation is a philosophical leap that this government made some years ago when they decided to be banker. I'd like to see them get back to what governments are supposed to do, certainly right-wing governments or middle-of-the-road governments, where they were supposed to use the government's treasury to backstop and subsidize and encourage the private sector. But instead, what happened here is that the government has moved into the banking business. Instead of the Royal Bank, Treasury Branch, we have the Alberta Agricultural Development Corporation, the Alberta Mortgage and Housing Corporation that have built up their own bureaucracy, that have set up their own business, and are busy trying to perpetuate their power.

Now, whether or not the hon. Provincial Treasurer is an innocent dupe of the bureaucrats that are trying to build a bigger and bigger bank with taxpayers' money and a loan organization that has an inexhaustible supply of money, not like other banks . . . They just don't fold up; they just come into the government and ask for more money year after year. There's no co-ordination in the loaning. There's no long-term aim except possibly to buy votes at election time. And as the taxpayers become more and more aware of what the cost of the Mortgage and Housing Corporation and Ag Development Corporation is, or what it's come to, Mr. Speaker, I think they will rebel at it. There's no question that I think a good conservative government -- and I use the word with a small "c" instead of a large "C" here -- would have gone to the present financial institutions, maybe even the Treasury Branches, and put in some sort of a sliding subsidy system if, indeed, they wanted to see moneys developed in one area that the banks were not developing. Indeed, then you would have acquired the bankers' expertise in evaluating the loan, and you would have then taken a very little amount of the taxpayers' money to top up, as you might call it.

Well, I think what we have here, Mr. Speaker, is an antiquated idea. Now, by antiquated, I only mean about six or eight years ago, when this government was rolling in dough and didn't know what to do, so they started playing banker. It allowed the Treasurer to wander over to Paris and London and to visit the gnomes of Zurich and say how much they had on the line. The whole point of loaning money out because they had so much of it became, I suppose, a pretty good idea, or they thought it was a good idea at the time. But the point is if it ever was a good idea, and I question whether it was. I think they'd have been much better to have used the heritage trust fund for what it was intended: to invest through a board of directors or through some people who had some more knowledge in finance than having a blue and orange membership card, to help invest it so that our future generations would get some value out of it. Now, to take the policy of playing banker and continue it into the present day means that we're putting up every dollar. We're not putting up the surplus dollars or topping up dollars from the

general community; we're putting up all the dollars, and we're in a deficit position.

Now, Mr. Speaker, I suppose I could speak for nearly an hour on this area, but I think I've only fed a couple of spoonfuls of hay to the Provincial Treasurer this time, and I'd like to move on to the third part: the Alberta Opportunity Company. Now, that is a portion where government can make direct loans because bankers probably aren't, although even then I think you could, through subsidized interest and subsidized capital return, get around it and make our money go much farther than it is. But the least we should be doing is having an independent board of directors invest and look and vet this money. We're trying to do it all within our own bureaucracy and with our own corporation, possibly, Mr. Speaker, because they want to have as much political input as they can in directing the money here and there and, as one of the more famous cabinet ministers said, "Bend ze rules a bit" But the point is that whether you "bend ze rules" or not, I think the Alberta Opportunity Company would do much better if they used an independent board of directors in putting the money to work.

So, Mr. Speaker, although the minister and the hon. Treasurer invited my vote for it, after speaking against it, I'm afraid I'm just going to have to not only speak against it but vote against it. Thank you.

MR. FOX: Mr. Speaker, speaking on Motion 15, I too would like to make a few comments, especially with respect to the Agricultural Development Corporation, and correct the record. The Provincial Treasurer challenged us to be consistent and vote the way we speak. I might remind him that on at least a couple of occasions in this Assembly in debate on similar motions, the Official Opposition has not only voted against the Bill but, in response to division prompted by government members, stood and voted against the motion and not because we don't recognize the value of housing, small business, and agriculture. Quite the contrary, Mr. Speaker: it's because we have no confidence in this Treasurer and his ability to handle money on behalf of Albertans. That should be abundantly clear to everyone in the province who looks at the record: a province rolling in dough, awash in riches up until about four years ago, until the Getty regime took over and my friend the bean counter who majors in dead languages took over the Treasury there, and we ended up with a \$10 billion deficit, for Pete's sake. It's been an absolute disaster. I think he's getting better, though. I think he's learning a lot in his job. He now knows how to count green marbles and red marbles, and I'm hoping that he'll learn to handle money so it performs not as water in his hands and becomes something that he respects and spends wisely so that all Albertans will benefit and not be left holding the bag.

I hope that he does take time to learn a little bit more about these institutions that he purports to fund by way of this motion, especially the ADC because I've heard him stand up on more than one occasion, Mr. Speaker, and brag unabashedly about the record of the ADC and describe it as one of the most benevolent, successful organizations ever to exist in the province of Alberta. We know that's just not the case. The record proves otherwise, that though the ADC has made some attempts to reform and update their policy and become a little more relevant, they have in many cases a pretty poor reputation out in the country, and it's due part to this government's attitude towards agriculture and farm lending.

If the Treasurer wants to go out to a riding like Vegreville

and brag about the record of the ADC, I'm sure he would witness a rare coming together of the province's two major industries, agriculture and oil, because the farmers would tar and feather him and run him out of town because they know much better. They know. They're involved. They know what the record of the ADC is, Mr. Speaker. I think that the Provincial Treasurer may want to learn a little bit more about these outfits -- the ADC, the AOC, and the AMHC -- in order to find out how they're spending the money that he appropriates to them in each successive budget year. I guess until I'm supportive of the efforts of those organizations, I will continue to make recommendations in this House about how they ought to be run for the benefit of Albertans. But in the meantime, until I can develop a little more trust in the ability of the hon. Provincial Treasurer to handle money, I'm going to have to vote against it as well.

MR. SPEAKER: Edmonton-Beverly is recognized.

MR. EWASIUK: Thank you, Mr. Speaker. I, too, want to make a few comments on this motion. I particularly want to address the matter of the Alberta Mortgage and Housing Corporation. Indeed, the philosophy of the corporation is not something that we can protest. I think it's a good organization and the intent of it and its use to the citizens of the province . . .

MR. SPEAKER: Order please, hon. member. I hesitate to interrupt but Standing Order 61(5) applies at this time.

#### head: **GOVERNMENT BILLS AND ORDERS**

##### **(Third Reading)**

*(continued)*

##### **Bill 19**

##### **Appropriation Act, 1989**

##### **Bill 20**

##### **Appropriation (Alberta Capital Fund) Act, 1989**

MR. SPEAKER: In accord with that for third reading, Bill 19, the Appropriation Act 1989, is put to the House.

MR. McEACHERN: Bill 21?

MR. SPEAKER: Nineteen; 21 had already been passed for third reading.

Also in accord with Standing Order 61(5), Bill 20, the Appropriation (Alberta Capital Fund) Act 1989, is put forth for third reading.

[Motion carried; Bills 19 and 20 read a third time]

#### head: **GOVERNMENT MOTIONS**

*(continued)*

MR. EWASIUK: Mr. Speaker, as I was saying, I believe that the Alberta Mortgage and Housing Corporation function is one that's acceptable and has in fact fulfilled the need in the province. However, we are funding it through the Alberta heritage trust fund to a large extent again this year, \$150 million, and the point I want to make today is that the policies that the corporation has followed in the last few years have, I think, made it a rather inefficient operation, an operation that if it had

not been for the heritage trust fund, would be in grave difficulties financially.

We know that the corporation has lost millions of dollars in the last three years because of the policies that it tends to follow. We have properties that have sat vacant when there was a need to house individuals, particularly those on low income, people on social assistance. The corporation would not make their facilities available to them. At the same time, we the taxpayers are funding them now and trying to keep them afloat with the heritage trust fund.

The same principle applies on foreclosures. The corporation would foreclose on individuals, and rather than renegotiate a mortgage with these individuals so that they continue to live in that house and continue to pay down the mortgage on that property, the corporation would in fact evacuate these people, again permit the premises to stay vacant, or they may in fact rent it to someone at a substantially decreased market value. Now, I think that does not augur well for me and Albertans as taxpayers who have to fund a corporation of this nature, particularly through the Alberta heritage trust fund, when the operation and the corporation itself is not efficient. I understand that the minister in dealing with his estimates did indicate that there are some changes in policy to rectify some of these positions, and I hope that is the case.

Mr. Speaker, as I say, I believe in the philosophy of the Alberta Mortgage and Housing Corporation, but I think the funding we've been allowed to give to it has not been spent well. The corporation has not been efficient in its management of the funding, and on that basis I would think we would have to not support this motion.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. Each year the Treasurer comes before the House and asks for some money from the heritage trust fund to keep these three Crown corporations going. I guess what it does: each time he comes before the House it just re-emphasizes the point that we make and that is that these organizations should be funded from the general revenue account. They are, after all, expenditure programs, programs that we basically agree with. They're not as well run as they should be, but nobody's objecting to the basic intents of the Agricultural Development Corporation, or Alberta Mortgage and Housing certainly provides some low-cost housing and seniors' housing and that sort of thing. The Alberta Opportunity Company is a company that could be helping small businesses. I don't think it's been very successful at it. The members should be interested to know or remember perhaps that in terms of the Alberta Opportunity Company it's also going to get \$33 million from out of the budget from the Economic Development and Trade department to get into more venture capital for small companies, and we wish them every success on that.

But I have to say that when the Treasurer asks us for this money, it does raise the whole question of how he handles the Treasury of this province and shows what a silly little triangle he has built up in this case. In October of last year when he made his announcement releasing the heritage trust fund report, he bragged that the heritage trust fund had brought in \$1.35 billion to the general revenue coffers of the province. Well, Mr. Speaker, if you take 12 percent, as they claimed, from the Alberta division of the heritage trust fund -- they were claiming, then, 12 percent on these three Crown corporations -- that would

be some \$540 million. So over a third of the money that he was claiming to have made out of the heritage trust fund would have come from these three Crown corporations that everybody knows have been losing money since 1981. Talk about Magic Johnston; we called him Magic Johnston. Well, believe me, this is magic.

I mean, of course, the taxpayers pay. The fact of the matter is that between 1982 and 1987 these three Crown corporations cost the province \$1.5 billion in subsidies. Then in 1987-88 Alberta Mortgage and Housing cost us \$206 million, the ADC cost \$56 million, and the AOC cost \$14 million. Even so, as well as getting all this money from the business they're involved in and as well as getting all this subsidy from the Alberta government, their debts increased in that year to, in the case of Alberta Mortgage and Housing, some \$586 million, which they're carrying on the books, which no private corporation could ever get away with, of course. ADC is carrying \$100 million as of March 31, 1988, on its books, and the AOC is carrying some \$22 million on its books.

So, Mr. Speaker, what we really do with the heritage trust fund is that we ask the heritage trust fund to give money to the three Crown corporations and then, of course, they're supposed to pay it back plus interest, and they do. But since they've been losing money on their businesses since 1981, how do they achieve it? Well, they achieve it by getting subsidies from the Alberta government general review account. They also use the new debentures they get. These new ones that we will okay at the end of this discussion will go into the Crown corporations, and then they'll be able to meet their obligations on the old ones. So each year they sort of recycle the debt five years ahead by issuing new debentures to the heritage trust fund, and that's what we're approving here.

Then the final, of course, beauty of it is that the Provincial Treasurer says: "Hey, look how much the heritage trust fund has brought into the general revenue account. Isn't that wonderful; \$540 million from these three Crown corporations." I mean, it's an absolutely incredible performance, and no wonder we've decided that he should be called Magic Johnston. The really sensible solution -- and the Treasurer might take note of it -- is that to the extent that these are programs for seniors' housing, for helping farmers, for helping small businesses, for low-interest mortgages to people that need help: those are just ordinary expenditures that should come out of an ordinary budget. It really doesn't make sense to set up this silly . . . It's part of what I was saying earlier on when we were talking about the heritage trust fund in general. He set up this glass castle that he can't afford to break, so he keeps inventing these kinds of silly little triangles and circles to continue to make it look like the Alberta government is making a lot of money out of the heritage trust fund.

In the period '82-87 he bragged in this Assembly that the Alberta heritage trust fund had brought in \$7 billion to the general revenue account. It's a factual statement, true. Except in the meantime, while that was happening, we were also putting into the heritage trust fund 15 percent of our resource revenues plus all these subsidies through the Crown corporations. So, in fact, we put in \$3.7 billion from the revenues and we put in \$1.5 billion in subsidies, so of his \$7 billion we put in \$5.2 billion of it from out of the general revenue account. So the net gain was \$1.8 billion. Yet he's going around the province telling everybody, "Oh, equivalent of a 6 percent sales tax."

Well, Mr. Speaker, the Treasurer should get his bookkeeping

straight. He is, after all, an accountant. It seems like all that does is allow him to manipulate things every which way and make half-truths and convince people that everything's wonderful and rosy, particularly just before elections, when in fact it isn't. So he should turn his accounting skills to giving accurate statements that people can understand about where the province is at with its budget and with the heritage trust fund and quit using his abilities as an accountant to make things so foggy or put them in such a strange light that it takes a Philadelphia lawyer to figure out where he's wrong. I've got to admit that he's pretty good at it. You know, I've been watching the Treasurer for the last three or four years, and I've picked out most of the holes. The Treasurer is just kidding us when he tells us that he needs money from the heritage trust fund to run these three Crown corporations. In fact he should just put them back under the budget where they belong.

SOME HON. MEMBERS: Question.

[Motion carried]

head: **GOVERNMENT BILLS AND ORDERS**  
**(Third Reading)**  
*(continued)*

[It was moved by the members indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Moved by
8	Department of Social Services Amendment Act 1989	Oldring
13	Department of Culture and Multiculturalism Amendment Act 1989	Main

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