

Legislative Assembly of Alberta

Title: **Friday, March 23, 1990 10:00 a.m.**

Date: 1990/03/23

[The House met at 10 a.m.]

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Lord, renew us with your strength, focus us in our deliberations, challenge us in our service of the people of this great province and country.

Amen.

head: **Introduction of Bills**

Bill 16

Real Estate Agents' Licensing Amendment Act, 1990

MR. NELSON: Mr. Speaker, I request leave to introduce Bill 16, which is the Real Estate Agents' Licensing Amendment Act, 1990.

Mr. Speaker, the purpose of this Bill in the main is to create a real estate foundation to promote and undertake education, law reform and research, and other projects and activities in respect of the real estate industry and the public. The legislation also enables the Alberta Real Estate Association to establish and administer an errors and omissions insurance or indemnity plan for realtors, expands the licensing provisions to include branch offices of real estate agencies, provides for greater consumer protection by imposing additional standards respecting the handling of clients' moneys, and creates new disciplinary options for the superintendent of real estate when realtors contravene the legislation or carry on their business contrary to the public interest. Finally, a number of housekeeping and minor improvements to the statute are proposed.

[Leave granted; Bill 16 read a first time]

MR. HORSMAN: Mr. Speaker, I move that Bill 16, Real Estate Agents' Licensing Amendment Act, 1990, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

MR. SPEAKER: The Member for Grande Prairie.

DR. ELLIOTT: Thank you, Mr. Speaker. The Northern Alberta Development Council takes pleasure in filing with the Assembly copies of a report entitled Opportunities for Health Care Professionals in Northern Alberta.

MR. STEWART: Mr. Speaker, it's my pleasure to table the 1989 annual report for the Alberta Research Council.

head: **Introduction of Special Guests**

MR. SPEAKER: The Member for Edmonton-Avonmore,

followed by Cypress-Redcliff.

MS M. LAING: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and through you to members of this Assembly 10 students from the Heritage school, which is in the constituency of Edmonton-Avonmore. They are accompanied by their teacher Mr. Hawryluk and their program aide Jane Woodbury. I would ask that they rise – they are sitting in the public gallery now – and receive the warm welcome of this Assembly.

MR. HYLAND: Mr. Speaker, this morning I'd like to introduce 34 students from Senator Gershaw high school in Bow Island. It's not very often I get this pleasure for two weeks in a row Friday. This probably won't happen for another couple of years. The students are accompanied by the principal, Bob Thompson, who's filling in as a bus driver; by parents Arlene Gyorfi, Dee Matthews, and Carol Kolody. I would ask that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Drayton Valley.

MR. THURBER: Yes, Mr. Speaker. It's my pleasure this morning to introduce to you and through you to this Assembly 27 students from the Calmar school. They are accompanied today by Carol Hayduk and Henry Schmolke. I believe they are sitting in the members' gallery, and I would ask them to rise and receive the warm welcome of this House.

MR. GIBEAULT: Mr. Speaker, I'm pleased to introduce to you and the other members of the House this morning some 29 bright young students from Weinlos elementary school in the constituency of Edmonton-Mill Woods. They are accompanied by their teacher Mrs. Lucille Dupuis, and by parent Mrs. Wendy Muth. I'd ask them to rise now in the members' gallery and receive our very warm welcome.

head: **Oral Question Period**

Provincial Budget

MR. MARTIN: Thank you. Mr. Speaker, to the taxing Treasurer. Last night the Treasurer tried to take Albertans for a ride. I don't think anybody was surprised at the desperate attempt to paint a rosy fiscal picture due to their mismanagement, but it's time that Albertans got a little more honesty from this Treasurer. What the Treasurer is doing is hiding the truth from Albertans, and he knows it. He vastly overrated how much revenue we're going to have in this next year. We're not going to get a quarter of a billion dollars from the feds. Natural gas prices are falling. The oil industry says he's looking for a miracle in oil prices. The list goes on. My question, though, specifically in one of the areas. Last year he said we were going to get \$195 million from the stabilization plan from the feds, and we only got \$75 million: only \$120 million out for this Treasurer. My question is: why would anyone believe this Treasurer when he says we're going to get \$250 million from the feds this year?

MR. JOHNSTON: Well, Mr. Speaker, because it's an amount due to Albertans by the federal government, and this government is determined to collect those dollars. It's due to us, it's ours, and it's going to be paid. That's why it's in the budget.

Now, Mr. Speaker, the Leader of the Opposition over the past week or so has been talking about joint efforts, working together to take on some of these issues. Now, here's one where I would think the Leader of the Opposition would be up saying: "Can I help you at all, Mr. Treasurer? Can I help the government get its just due for the province from the federal government?" That's the kind of response I'd like. Instead we get this "Well, do you think you're going to get it, Dick?" kind of question. Well, that's not the way this government operates.

Let me make it very clear, Mr. Speaker, that this amount is due to the province of Alberta. It's a matter of law. The established programs financing spells out very clearly that stabilization is payable to the government of Alberta if, in fact, it's had a sharp change in its economic foundation, as we saw in '86. The deadline for payment is December of 1990. Therefore, it's appropriate to have that money put in our budget, and it will be due to this province.

Now, Mr. Speaker, I agree that the federal government has been hesitant to get to the table. We believe we can get them to the table and negotiate, but failing that, we'll do everything we can to ensure that that payment is made. This province . . .

MR. SPEAKER: Thank you. Thank you, hon. Treasurer. We have a few more questions.

MR. MARTIN: Mr. Speaker, what we're talking about is the Treasurer cooking the books, and he knows darn well that they're probably not going to get it this year.

Now, Mr. Speaker, I notice here in another area that we have this nice little book about the GST, Protecting Alberta's Future – and I have read it; I've used it – that came from this Treasurer. But in there they say that because of the GST that's coming in in the next year, thousands of jobs will be lost. At the same time, in the budget he says, oh, the economy's booming and that there's going to be hundreds of millions of dollars coming in from taxes, new jobs. You can't have it both ways. Which is it? Is the GST going to cost jobs, or are we going to have all this tax revenue he's talking about?

MR. JOHNSTON: Mr. Speaker, I think the leader is getting warmed up for his budget speech in a few minutes. I'll be glad to hear more details of his thesis.

Mr. Speaker, the GST, should it come on stream – and we'll continue our opposition, obviously, as vigorously as possible – in the first quarter of '91, the economy is on such a strong course right now that we will rebound through the first quarter. We still stand by our position that over the three-year period after implementation there could well be difficulties for our province. That's been accommodated in the way in which we presented our plan over the next three- to four-year period. But in the 1990-91 fiscal year the outline we have given is a fair outline, is as good as you can get with respect to the information looking out, and we think this economy is on a strong, buoyant, bullish path. We're in favour of Alberta. We think Alberta is the place to be in the '90s, and this plan confirms that, Mr. Speaker.

MR. MARTIN: Mr. Speaker, it's the only Treasurer I know that can talk from both sides of his face. The GST is bad, but they can overcome it, at one time, depending on what the message is.

But the last one, where he's vastly overrated the revenues according to everybody else – but everybody else is always wrong

except this Treasurer, even though he's never been correct yet in his projections – is that the oil industry says in both cases, natural gas and oil prices, that he's vastly overrated it. How is it, Mr. Speaker, that he has done this? Isn't it clearly to overrate and put a rosy picture on Alberta's finances so that he wouldn't tell the truth to Alberta? That's what he is doing.

MR. JOHNSTON: Well, Mr. Speaker, one of the advantages of having *Hansard*, of course, is that we can go back and see what was said last year. I just happen to have June 12, 1989. Mr. Martin raises in the Assembly . . .

MR. ORMAN: Ten dollars.

MR. JOHNSTON: The Minister of Energy has also checked the record.

MR. SPEAKER: Hon. minister, we do not have a Mr. Martin in this Assembly.

MR. JOHNSTON: That's right. The hon. Leader of the Opposition, Mr. Speaker. I always make that oversight.

Mr. Speaker, on June 12, 1989, Mr. Martin, whom I'm quoting here . . .

MR. SPEAKER: Excuse me, Mr. Minister.

MR. JOHNSTON: . . . the Leader of the Opposition said: "I would suggest he's wildly optimistic about oil prices . . . [He's got] on his rose-coloured glasses." Now, members will remember that last year we included in our oil price forecast a price of \$19 U.S. for west Texas intermediate. I can tell you that today the price of oil is trading at \$20.26 U.S. The average price for WTI oil over the past year has been \$20.42 U.S.

Now, Mr. Speaker, I know the Member for Edmonton-Norwood does not like us to quote his own words, because you talk about being wrong. You talk about being wrong; he's wrong in neon lights. Now, here's a curious forecast. He goes on to predict that the price of oil will go to \$10 in 1989. Ha, ha, ha. Well, I wouldn't want to form a budget around his forecasts, I'll tell you. Our price . . . Let me just speak about the reason for the forecast of \$21 U.S. If you look at the supply/demand numbers – and we've studied these very carefully over the past three months/with assistance from my colleague the Minister of Energy. The two departments have worked very carefully in analyzing oil markets around the world. It is clear that oil production is dropping off in Russia and in the United States and in Alberta, as we have shown, and demand is increasing worldwide. OPEC itself is running just below its production capacity, which means we can expect at least – at least, Mr. Speaker – a nominal increase in the price of oil over last year's average. Now, if you expect the price of oil would increase by 5 percent over today's price of \$20.42 on average, that comes to about \$21.50 just on a nominal basis without any real price changes. So you can see that, in fact, this \$21 price of oil is a realistic price. It's not the doom and gloom scenario that the member from across the way has. I suggest that you get his . . .

MR. SPEAKER: Thank you.

MR. MARTIN: The reality is, Mr. Speaker, you were \$336 million wrong last year and over a billion the year before. That's not performance.

Health Care Premiums

MR. MARTIN: Mr. Speaker, I'd like to go to the Minister of Health, because the Treasurer is frankly hopeless. We know that. Maybe we'll get some answers from the Minister of Health. [interjections]

MR. SPEAKER: Order.

MR. MARTIN: Mr. Speaker, this taxing budget showed last night that this government's rhetoric about the family is nothing but rhetoric, because last night's budget was a major attack on health care for Albertans. Instead of joining eight other provinces which have abolished health care taxes, this government has chosen to hike up fees for health care premiums, nursing homes – attack the sick and the elderly – long-term care, Blue Cross coverage. I could go on. It's a very regressive form of taxation. In the case of health care taxes, a 16 percent increase will bring the total increase from June 1987 to 64 percent, going from \$336 a year to \$552 a year for a family, one step closer to a two tiered health care system. My question is a very simple one to the Minister of Health. Where were you when this Treasurer was hiking up health taxes yet again?

MRS. BETKOWSKI: Well, Mr. Speaker, you know, health in this province is a lot more than money, but it costs a lot of money to run our health system. Last night we presented a budget to Albertans which shows we will be spending on health in Alberta \$3.8 billion in 1990-91. It's our view that the premiums are an appropriate mechanism, because in fact if we were to move to a nonpremium system that the hon. Leader of the Opposition is suggesting, of course we would start taxing senior citizens. In our view, senior citizens should be exempt from health care premiums, and they are. In fact, 266,000 senior citizens and their dependants are exempt from health care premiums.

In addition, Mr. Speaker, this budget provides that we will provide either a partial or a full subsidy to an additional 250,000 Albertans, to give them a partial subsidy on the premium. In fact, our commitment to the family is sound. In fact, we believe that Albertans see this as a reasonable request for the beautiful and precious health system that we have in this province.

MR. MARTIN: Mr. Speaker, for the Minister of Health to say that this is appropriate – she knows full well it's a regressive tax. It doesn't matter whether you make \$20,000 or \$200,000; you're paying the same, and that's unfair. My question is to this minister. How could a Minister of Health, who says that she cares about average families, accept this regressive tax if she really does care about the health of Alberta families?

MRS. BETKOWSKI: Mr. Speaker, this is not a tax nor is it regressive. [interjections]

MR. SPEAKER: Order.

MRS. BETKOWSKI: This is a health care insurance plan, and the issue of insurance brings with it the issue of paying premiums. We believe that an increase of \$3.25 for those who are covered for single coverage, which is unequalled in the world with respect to what can be accessed for that additional \$3.25 a month for singles, is appropriate, and we will stand by it.

MR. MARTIN: I must say, Mr. Speaker, that this minister is a big disappointment to all Albertans. They expected more.

I want to ask this minister again: even at this late date will the minister finally stand up for families and tell this Provincial Treasurer over here, Taxing Dick, that enough is enough and that there will be no more regressive taxes, that she will fight to take these ones off and there'll be no more in the future? Will she do that?

MRS. BETKOWSKI: Well, Mr. Speaker, I believe that the increases in the premiums are appropriate. I've stated that before, and I will state it again. If you want to look at, for example, what our province to the west of us, British Columbia, is charging for health care premiums, it is charging significantly more than Alberta.

Another important part of the budget announcement last night was that we will now link the premium increases for those who pay premiums for basic health services up to a level of 50 percent of the cost of delivering health services to those people in our province. Right now, before there's "shocked and appalled" expressed in the House, let me tell Albertans and members of the House that we are at about 40 percent of those increases, and over the next three years we will phase in an increase which will take the current \$19.75 per month up to under \$30 a month for single care coverage. I don't think that's too much to ask of Albertans, Mr. Speaker.

Provincial Budget (continued)

MR. DECORE: Mr. Speaker, one year ago the Premier told Albertans there would be no tax increases.

AN HON. MEMBER: Income tax.

MR. DECORE: Income tax.

Yesterday, Mr. Speaker, the budget increased taxes and charges on Albertans by some \$480 million. There's no magic here. Everybody knows that Albertans get the bill in the end, the small businesses who have to pay \$30 million in extra taxes. These moneys are paid by Albertans in the end. The budget also levies direct charges: utility charges in the vicinity of \$102 per year, health care charges of \$120 per year, and fuel taxes of about \$35 per year on the average Alberta family, a total of about \$250 per year. How can the Premier in clear conscience continue to say that there are no tax increases for Albertans?

MR. GETTY: Well, Mr. Speaker, I've dealt with this in the House before and with the hon. member to assure him that there are no increases in personal income taxes in Alberta. As a matter of fact, they are the lowest personal income taxes in Canada by a substantial measure. There is no retail sales tax. We're going to keep them that way. We are in the '89-90 year right now. Last year we cut income taxes. That's the way income taxes went in Alberta. What we have done this year is talk to Albertans, gone throughout our province, and what they have said is, "Let's all share in reducing the deficit." Now, there's no magic pot of money somewhere that we take it and reduce the deficit. It's all of us together working to reduce the deficit, and it's a billion dollar cut in the deficit. I'm sorry; they just don't like it. But we're on plan, and we're going on to a balanced budget whether they like it or not.

MR. DECORE: Mr. Speaker, I'd like to address the issue of a billion dollar reduction in the deficit. In four out of the last five budgets the Provincial Treasurer has grossly underpredicted the government deficits by an average of over 90 percent – an average of over 90 percent. Last year alone: the Treasurer had to confess yesterday that he was some \$300 million out, but that didn't even take into account the bookkeeping changes that he made a year earlier. How will the Treasurer assure Albertans that a clear, precise plan is put into place, that it's a real plan to get rid of the huge deficit that Alberta now has?

MR. JOHNSTON: Well, Mr. Speaker, I think Albertans are very conscious that there are two sides to every equation, particularly when you deal with the deficit. Albertans are very aware that since '86 this province has gone through a very difficult course, particularly because the world price of oil has changed dramatically, and that's an external fact that Albertans can't control. So what this government has done is to plan very soundly in those areas that it can control and judiciously and wisely move on a longer term plan to a balanced budget. Now, in 1986 the price of oil dropped below double-digit levels, and for the first time last year we had some predictability coming back into the oil price itself. Moreover, we found that the strong economy in this province – new investment, large number of jobs – has generated that kind of income, that revenue predictability on the tax side that is necessary for any budget to be planned.

Now, Mr. Speaker, contrary to the whimsy of the opposition leader, what we have done has been a very gradual, progressive step towards the balanced budget, and the facts are being revealed daily. Now, I want to draw the attention of the leader of the Liberal Party to this very important document, Alberta at a Glance, which is part of the budget process. There's a nice graph there. It shows precisely how we're going to get to that deficit. It shows clearly that by '91-92 we are essentially on course. For the first time in the last four years we've had more predictable revenue. Diversification is taking place; we're moving away from heavy dependency on oil and gas, vital as it is. In fact, diversification is coming to this province, and it's showing up in the terms of our revenue.

Mr. Speaker, we are on course. This is a reasonable budget. It does have greater predictability on the oil and gas side in particular, and the other revenue side of taxation is more sure than ever before. It's a very positive plan.

MR. SPEAKER: Thank you.

Final, Edmonton-Glengarry.

MR. DECORE: Mr. Speaker, the projection by the Treasurer is that there will be a 3 percent increase in the GDP of the province. In fact, because of high interest rates and poor exchange rates economists believe there is a slowdown, that Canada is moving closer towards a recession, and that the GDP should be closer to something below 2 percent. This inflation at 3 percent projects revenues that are far greater than will properly accrue to the province of Alberta. How can the Treasurer continue to paint, in the Leader of the Opposition's words, these rosy pictures when the Treasurer has had such a poor record in the past on deficits?

MR. JOHNSTON: Well, Mr. Speaker, let me assure you that this government is bullish on Alberta. We believe the economy is strong. We have seen the fundamental numbers. Now, I

know the leader of the Liberal Party doesn't like it. He doesn't like to see people at work. You know, out of one side of his mouth he says unemployment's going to go up; you're going to have low economic growth. We don't believe that. We don't believe that for a minute. We think this province is strong. Moreover, we think that the trends over the '90-91 period are going to reinforce our plan: more investment coming to this province, in-migration taking place, and the lowest tax regime of any province in Canada. It's going to attract investment. We think the forecast on economic growth is very strong, and contrary to slowdown in other parts of Canada, we think our province will boom through that 2 percent number he's using. Three percent is a modest projection.

MR. SPEAKER: Drumheller, followed by Calgary-Mountain View.

Meech Lake Accord

MR. SCHUMACHER: Thank you, Mr. Speaker. My question is for the Premier. Can the Premier advise the Assembly of his reaction to the constitutional initiatives announced by the Prime Minister last night and what the response of our government will be?

MR. FOX: He's doing that in his news conference right after question period, Stan.

MR. SPEAKER: Thank you, hon. member.

MR. GETTY: Mr. Speaker, as I've said in the House in response to the hon. Leader of the Opposition, in the coming weeks and months I think there'll be a great deal of pressure and challenge on leaders in this country. I've been waiting to see the Prime Minister move in this area, because as our Prime Minister he does set the tone and direction when we are dealing with challenges like constitutional reform.

I felt that last night he moved with the right type of tone, a generosity of spirit, asking Canadians to pull together to deal with this constitutional matter. I believe that while the move that Premier McKenna made and the subsequent moves by the Prime Minister are not going to solve our problem, they are building blocks towards solving the problem. It gives us a chance, Mr. Speaker, and I hope that all leaders, all first ministers, and people in this Legislature will continue to keep their eyes on the need to unify this country so we can be a great nation, not concentrate on those things that could cause disunity and pull us apart.

MR. SPEAKER: Supplementary, Drumheller.

MR. SCHUMACHER: Thank you, Mr. Speaker. In view of the apparent unyielding attitude of Mr. Bourassa in this matter, can the Premier say if the government of Quebec is presently involved in any discussions that could end the current impasse?

MR. GETTY: Mr. Speaker, there have been discussions with most governments. I spoke to the Prime Minister yesterday. I have spoken to Premier Bourassa just recently. I know the pressures he faces. I know the difficult situation other Premiers have in terms of dealing with constitutional reform. One of the things I stressed to Premier Bourassa and the Prime Minister yesterday is that Senate reform is a key part of any additional

indication of going the extra mile in tolerance and understanding. I urged that he have the matter of Senate reform in his comments last night, and I'm glad he did.

But I also made it clear to him and to Premier Bourassa that Albertans are looking for more tangible evidence on Senate reform if we are now moving into what we consider to be the second stage or companion resolution, and I made sure the Prime Minister knows how strongly we feel that Senate reform is the key to a stronger Canada and that we want Mr. Waters appointed to the Senate because the people of Alberta have asked that that be done.

MR. SPEAKER: The Member for Calgary-Mountain View.

Provincial Tax Regime

MR. HAWKESWORTH: Thank you, Mr. Speaker. For all this government's posturing and supposedly opposing the federal government's GST, when it comes right down to the crunch of raising of revenues, this government copies and apes their Conservative cousins in Ottawa. Whether it be fuel tax, nursing home fees, health care premiums – the list goes on – motor vehicle fees, they're all flat and regressive levies on ordinary Albertans, just as the GST is a flat and regressive tax. To the Provincial Treasurer. Would he now admit that when it comes to revenue grabs, he's no different from his counterpart Michael Wilson in that he as well chooses to raise revenues using these regressive, flat sources?

MR. JOHNSTON: I must certainly disagree with the Member for Calgary-Mountain View. It is clear that all governments must use some form of taxation to generate revenue to pay for the first-rate services which Albertans have come to expect, and Alberta has in place a modest array of taxes. Let me say, Mr. Speaker, that there is only one clear answer to this predicament. First of all, if there is any regressivity in the tax, as other colleagues along here have spoken to already this morning, in fact, we have adopted targeted policies which remove the regressivity; that is to say, they're either exempt from the taxes or there's a subsidy relationship based on income which allows them to avoid the tax. Across a variety of areas we have done that. In the case of medicare premiums the minister has already indicated, for example, that seniors are exempt. In a variety of other areas the taxes go around those people who have low income. On our income tax side, for example, 500,000 Albertans are either reduced or exempt from personal income taxes because of our targeted tax exemption regime.

There is one easy solution to this, Mr. Speaker, and Albertans understand it very carefully. Alberta has the lowest personal income tax in Canada, Alberta has no retail sales tax, and overall the tax regime in Alberta is the lowest in Canada.

MR. HAWKESWORTH: Mr. Speaker, the total impact of the increases announced in his budget last night will be somewhere around \$300 to \$400 per person, and they'll hit ordinary Albertans regardless of their incomes. In fact, five of the increases would equate to an 8 and a half percent increase in personal income taxes over last year's personal income tax take. When will the Provincial Treasurer stop his disguised attack on Alberta's middle class and on Alberta's poor and start restoring fairness to our tax system?

MR. JOHNSTON: Well, Mr. Speaker, I've already indicated to

you how this government on an even-handed basis deals with low-income Albertans. There are not many of them. Most Albertans are so-called middle class. I don't look at that kind of distinction that the socialist party across the way talks about. I think all Albertans are Albertans, and we try to be fair and even handed. What we have done in these taxes, the modest increases which you saw yesterday, is to ask all Albertans to join together to take on this question of the deficit. All Albertans have been asked to contribute just a bit more to balance the budget. You know why, Mr. Speaker? Because Albertans want to get this balanced budget in place. They want to cut the deficit, as we have done by a billion dollars last night. They're supportive of this plan, and we're going to make it work for Albertans.

MR. SPEAKER: Calgary-Buffalo.

Utility Rebate Reduction

MR. CHUMIR: Thank you, Mr. Speaker. The Treasurer, as others have noted, has continued his attack on low- and average-income Albertans by imposing \$300 million of regressive personal taxes in his budget. One increase that's well disguised in his budget is the \$95 million increase in utility fees for Albertans: about \$100 per household through a cutting in the rebate of provincial taxes. At the same time the Provincial Treasurer is crowing and whining about the iniquity of the federal goods and services tax, he is imposing the equivalent of a consumption tax on every household in this province. I'm wondering whether the Treasurer is prepared to confirm that there will be a \$95 increase in utility bills to Albertans as a result of his budget.

MR. JOHNSTON: Well, Mr. Speaker, first of all, the member again is making some half-truth statements. I notice he's reading a prepared speech, so I expect I should have a prepared answer. Nonetheless, let me make it very clear. As a matter of fact, Alberta is the only province where the federal corporate tax on utilities is rebated to utility consumers. All other provinces capture the federal tax for themselves. What we have done here, at a time when utility rates are probably low or not increasing very rapidly, is ask again that businesses, individuals assume somewhat the cost of this deficit which we're fighting. We think it's a reasonable approach to ask Albertans in a modest way to pay just a bit more on their utility bill to take on this deficit battle. Alberta is the only province, I repeat again, where the federal tax on corporations is rebated to the consumer. We're just asking Albertans to pay just a bit more to carry the cost of the deficit and to pay a bit more in utilities to absorb this responsibility. It's not going to be a large impact. We don't think rates are going to increase to the level the Member for Calgary-Buffalo suggests. In fact, it's far below what he suggests.

MR. CHUMIR: So the answer is yes. I'm wondering whether the Provincial Treasurer can tell us how he justifies this \$95 million regressive tax on all Albertans regardless of ability to pay without consideration for low-income Albertans and without that targeting he just bragged about a few moments ago.

MR. JOHNSTON: Well, Mr. Speaker, I'm not too sure what the member is asking or saying, which is not unusual, by the way. Let's remember that utility rates are set by an independent

quasi-judicial board. They examine the kinds of rate structures which are necessary given the costs of operation, and that board will set the rates. We expect that the rates will be modest through this period. The minister responsible may want to supplement what I'm saying, but we think at this point that the impact on individual Albertans will not be all that much.

As to its regressivity, Mr. Speaker, let me point out that in particular senior citizens, which I talked about earlier as a targeted group – we provide to senior citizens \$100 a year rebate on their utility costs across the board without any means test. If you're a senior citizen, you qualify for it. So the regressivity on that side is not there. It just isn't there. Moreover, the member is misleading the House as well with respect to the rate impact.

MR. ORMAN: Mr. Speaker, if I could answer the specific question for the Member for Calgary-Buffalo. The impact on the utility bills for all utility customers will be 4.5 percent across the board. Albertans pay \$1.5 billion in utilities bills. We believe that Albertans are willing to share in our drive for a balanced budget, and 4.5 percent is not an unreasonable request.

MR. SPEAKER: Calgary-Fish Creek.

Municipal Transportation Funding

MR. PAYNE: Thank you, Mr. Speaker. My question this morning is to the minister of transportation. The mayor of Calgary in recent months has been complaining that our transportation capital funding programs for such capital needs as road construction are too inflexible and that the minister should loosen the rules so that those capital dollars can in fact be rerouted to other areas. Would the minister explain to the Assembly today why he's not, in fact, prepared to give to Mayor Duerr that much needed funding flexibility?

MR. ADAIR: Well, Mr. Speaker, all of the cities in the province of Alberta receive a basic capital grant, \$65 per capita, and they can use that for any capital program they wish. In the discussion I had with the mayor recently, one of the issues was whether they could use it to purchase buses. That has always been in place. The mayor understands that. The media hasn't at this point in time, because there have been a number of articles suggesting that we should change that. It's not there to be changed. It's been an eligibility aspect of the program for a number of years now. So in that respect on that particular issue they are eligible. My understanding is they're looking at the purchase of some buses, I believe in late 1990, 1991, and if there was an application made by the city of Calgary or any of the cities that had buses or LRT coaches, they would be eligible.

MR. PAYNE: I wonder, Mr. Speaker, if I could direct the supplementary, perhaps, to the Provincial Treasurer. I welcome the answer from the minister of transportation. What we have in Calgary, and I suspect in other cities, is that we get near the end of the fiscal year, and there may be some funds that are excess or surplus to their needs in that particular account, and what they'd like to do is be able to reroute those to areas of real need rather than spend where it doesn't need to be spent. Would the Provincial Treasurer be prepared to consider extending to our major city mayors in particular that kind of additional flexibility so we could get dollars spent exactly where they're needed, not necessarily where we the province think they

have to be spent?

MR. JOHNSTON: Mr. Speaker, let me say that this province, this government, over the course of the last 10 years or so has moved essentially in the direction the Member for Calgary-Fish Creek suggests: provide to elected representatives at the municipal level the right to spend the money in unconditional ways; that is, in areas without strings attached to it. You saw two years ago the then Minister of Municipal Affairs form the partnership arrangement with the local authorities, allowing them to have more flexibility in directing the funds. I can assure you, Mr. Speaker, we're not out there policing the judgment of local politicians. We think they serve the same constituency, they have the same responsibility, and to date they've proved themselves as good managers. I know my colleague the minister of transportation may want to add more details as to that so-called year-end bulge, but in a general nature that's how we've handled those transfers.

MR. ADAIR: Mr. Speaker, a couple of years ago when we entered into the new three-year program for the cities, one of the issues we discussed with all of the municipal authorities was sitting down with them in advance and then getting an idea of what it is they would be applying for, and that would be what we approached the Provincial Treasurer for. We would get away from the previous method where we provided the total money. I believe it came to around \$50 million. I would present a cheque to the city of Calgary. It would go into the bank. They would use some of it; some of it would carry over. In order to get a better hold on that, we in co-operation with the municipal authorities moved to this method that I talked about just a moment ago where, in fact, if they recognized that their 25 percent was such, they would apply for that much money plus the 75 percent from us. That would be what they would be eligible for, and that's what we would apply to the Provincial Treasurer for. It's clearer. It's on the table. It's better for everybody.

MR. SPEAKER: Thank you.
Edmonton-Kingsway.

Provincial Deficit

MR. McEACHERN: Thank you, Mr. Speaker. It's no wonder that the Leader of the Official Opposition questioned the validity of the Treasurer's revenue projections for the coming fiscal year. In the last four years the Treasurer has miscalculated the combined deficit by 48 percent, 45 percent, 127 percent, and 22 percent respectively. The truth is either the Treasurer just doesn't have a clear picture of the province's finances or else he insists on reworking the books to serve this government's political needs. Why should Albertans believe the Treasurer when he claims that the deficit will be under a billion dollars this year, when last year he racked up a \$2 billion consolidated deficit and he hasn't proven to be straight once in the four years since he's been Treasurer?

MR. JOHNSTON: There must be a new sense of co-operation among the Liberal and the ND parties here. Mr. Speaker, I've tried to deal with that question already. I'd be glad to put on the table just what it is, how our plan works. For the benefit of the member we've actually provided visual displays so it would be easier for him to understand.

MR. McEACHERN: Mr. Speaker, the only thing going down is the Tory fortunes, not the deficit. Obviously, the way the Treasurer is reporting the province's deficit, he's trying to confuse Albertans and keep the real financial books secret. Well, no matter how the Treasurer twists and turns it, the fact is that the consolidated deficit will be over a billion dollars this coming fiscal year, and the accumulated debt will be \$11 billion or a little more than that. Will the Treasurer admit that given that his revenue projections are inflated, he will need drastic cuts in programs to people or to sell off this province's assets, like AGT, to meet his 1992 balanced budget deadline?

MR. JOHNSTON: Well, Mr. Speaker, where do I start? Let me think here. Let me indicate to you that the messages are very clear to Albertans, and Albertans will be able to understand them fully over the course of the next few days. Let me just recite them for you. First of all, the deficit this year is cut by \$1 billion. Now, Albertans don't mistake that message. They know that we're slashing the deficit, that we're moving cautiously and carefully to that balanced budget by '91-92. We're not doing it by reducing those fundamental costs, education and health. In fact, there are enrichments in those programs, and we have maintained that over the past five-year period, remembering full well that a large portion of our budget is transfers to local authorities, as the Member for Calgary-Fish Creek just pointed out: extremely important. [interjections]

Mr. Speaker, as well, the member points out . . .

MR. SPEAKER: Order in the back rows, please. We're not having a discussion.

MR. JOHNSTON: Yeah. Come on.

Mr. Speaker, our estimates here on revenues – and I've indicated already we have more predictability on revenues – is, I think, a fair prediction. We have done our best on the expenditure side. Our expenditures have been controlled to expand only by 1.8 percent on average since '85-86, and that's a very good message. We know we can balance the budget by '91-92 without unloading additional personal income taxes on Albertans.

But the member does touch an interesting note here. This budget does not reflect anything on privatization. Now, I know they expected us to say we're going to solve the deficit problem by privatization. Guess what? Nothing in this budget about privatization. We're doing this on an even-handed and fair basis, using the management plan that we initiated in '85-86. I would note that should we generate a dollar from the sale of some particular asset, that's pure surplus to us. But this budget does not call for any privatization.

MR. SPEAKER: Thank you.

MR. FOX: Hey, you've been called to order three times in one question period. You're out of here.

MR. SPEAKER: Sounds like we have a new candidate for Speaker in the House.

The Member for Edmonton-Centre, followed by Edmonton-Gold Bar. And let's pick up the pace a bit, please.

Hospital Funding

REV. ROBERTS: Thank you, Mr. Speaker. Last night's

budget for acute care hospitals gives only one page of some very deceptive information about the expenditure of \$1.8 billion for hospitals in the province. Worse, in comparison to last year's figure, this year they actually cut the rate of increase to hospitals by over 4 percent. Now, given that the United Nurses of Alberta and the Alberta Hospital Association have successfully completed a 19 percent increase for nurses over the next two years, when will the Minister of Health stop burying her head in the sand and tell the Provincial Treasurer over here that the hospital boards this year will need another \$73 million just to pay for the nurses' increase for their negotiated settlement?

MRS. BETKOWSKI: Well, Mr. Speaker, this is an odd question coming from the party that purports to respect labour negotiations, which are ongoing. We've got two equal parties that have got to the point where one of those parties can recommend to its members that there be a settlement. I have to await, as Minister of Health, the results of that vote, and I will await the results of that vote. As I've said publicly on many occasions, the government will review any negotiated settlement that's presented to us. To this point it hasn't.

Let me answer one other question that was thrown in there. I'll be happy to be dealing with the hon. member during my estimates. In the area of acute care in the budget \$100 million is provided, which is part of a \$178 million increase that's referred to in the budget. Fifty million dollars of that will go to the 3 percent grant increases on base budgets for hospitals, and \$50 million will go for general activity increases in acute care hospitals. I don't know what the hon. member's talking about.

REV. ROBERTS: Mr. Speaker, what I'm talking about is that even last year, without the nurses' settlement, they increased it by 11 percent. This year it's only 5.9 percent. We know they've misled Albertans again. What's going to happen is that we'll have either hospital care funding by special warrant or closed beds or hospital deficits or increased waiting lists for patients throughout the province, all to help Deficit Dick cook the books like last night. So I want to ask this minister why she did not lay on the table for all Albertans before these cooked books came out last night what she is expecting out of this negotiated settlement, even a close ballpark figure – isn't it \$73 million this year? – and why she instead helped the Treasurer cook the books just to make him look good.

MRS. BETKOWSKI: Well, Mr. Speaker, no, no, no, no, no. No, no, no. I'm sorry. There's been a misunderstanding, obviously, on the part of the hon. member. This year we increased the global budgets to hospitals by over 7 percent in order that each hospital could have at least a 5 percent grant increase. Now, if we move into the year referred to by the Provincial Treasurer when he read out his budget last night, those increases will be 3 percent on base budgets and then increases for operating. There have been no special warrants provided in 1989-90 for the issues that the hon. member indicates. It's simply not true.

MR. SPEAKER: Edmonton-Gold Bar.

The time for question period has expired. However, the Chair had recognized Edmonton-Gold Bar. Might we have unanimous consent for this series of questions?

HON. MEMBERS: Agreed.

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

Health Care Premiums
(continued)

MRS. HEWES: Thank you, Mr. Speaker. The increase yesterday to health care premiums proves to me that this government is operating in terms of an ideology, and they're not really reflecting in any way the wishes of Albertans. We see this in terms of the Hyndman report and this parallel move by the government. The people of Alberta have never said they want to go in this direction. This is an Americanizing, a move towards two-tier health care in Alberta. Everyone else in Canada is going another way regarding health care. We're going on our own toward a Thatcher-style head tax that penalizes the people who can least afford it. My question to the minister is: who on earth advised this move? What's it based on besides a Conservative mind-set that blames people for being sick and a grab for money? What's it based on?

MRS. BETKOWSKI: Well, Mr. Speaker, if anybody is under the delusion that others don't pay for their health system, I would ask them to simply look at the budgets of those other provinces. While their buddies in Ontario may have removed the premiums, what they did instead was put on a payroll tax, which puts all the cost of that health care system onto the employers. We believe Albertans want a share in the health system that they treasure. That's why there was a Premier's commission, in part. It was to assess how important health is in this province. Asking Albertans to pay an additional \$3.25 per month for coverage on that plan is a move that we believe is appropriate and reasonable.

MRS. HEWES: Mr. Speaker, we haven't even debated the Premier's commission report. How on earth are we going to be protected against this regressive head tax? It's all very well for us in this House. What about the people who can't afford it, who are less fortunate, with a pitiful subsidy? The question is: will the minister now increase the subsidy level, which is at \$5,500 for singles and \$10,000 for families, to protect people against this regressive head tax?

MRS. BETKOWSKI: Again, Mr. Speaker, this is not a tax nor is it regressive. We have about a quarter of the people in this province either paying no premiums at all or a protected rate of premium. We can get into the issue when we move into the budget, but the scare tactics the member of the opposition is using when they start throwing out that this is two tiered health care is simply not the case. We are paying a premium which we believe yes, philosophically it's important to pay as part of our insurance plan for health care. We're going to continue to levy them, because it, in fact, links an awareness directly into a health care plan, into a specific fund, not general revenue, in order that Albertans have an understanding of how precious yet how growing and costly this system is. It's an appropriate move.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: **Introduction of Special Guests**
(reversion)

MR. SPEAKER: The Minister of Advanced Education, followed by the Minister of Economic Development and Trade.

MR. GOGO: Thank you, Mr. Speaker. I am very pleased to introduce to you, sir, and to members of the Assembly Mr. Terry Cavanagh, the former mayor of this great capital city, who is now teaching a class of journalism students at Grant MacEwan College here in the city. He has, as I understand, 40 of his journalism students with him. They are seated in the public gallery, and I would ask that they rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Economic Development and Trade, followed by Edmonton-Avonmore.

MR. ELZINGA: Mr. Speaker, it's my pleasure, sir, to introduce to you and through you to Members of the Legislative Assembly a group of students from the Pine Street school in Sherwood Park. They're joined by their teacher Mr. David Harvey and another couple of dear friends Mrs. Jan Bradley and Mr. Don Chapman. I would ask if they would all rise and receive the warm welcome of this Legislative Assembly.

MR. SPEAKER: Edmonton-Avonmore would like to try again.

MS M. LAING: Thank you, Mr. Speaker. It is my pleasure once again to introduce to you and through you to the members of this Assembly 10 students from the Heritage school, which is in the constituency of Edmonton-Avonmore. They are accompanied by their teacher Mr. George Hawryluk and a program aide, Jane Woodbury. I would ask that they please rise and accept the warm welcome of this Assembly.

head: **Orders of the Day**

head: **Government Motions**

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

[Adjourned debate March 22: Mr. Martin]

MR. MARTIN: Thank you, Mr. Speaker. It's always a privilege to reply to the hon. Treasurer's budget speech. I always want to be positive at the start. In tradition, I always do like to compliment him on his reading. He is a very, very good reader; there is absolutely no doubt about that. Being in the complimentary fashion, last night as the Treasurer was reading so well, even the backbenchers thumped their desks adequately at most of the right times when he stopped, so I also give them credit.

But I would like, if I may, before I talk specifically about the budget, to look at a history of what I would call mismanagement by this government over a period of years, which leads us to the problems we're having and what I believe has been done in terms of the books, as they've been cooked slightly, Mr. Speaker, to put the best light on it. Now, this government is a so-called business government, a Conservative government. They've told everybody: "We may not be particularly good in health care, and maybe we're not good in people programs, but, by George, we

sure know how to look after the finances of the provinces. Because, after all, we're the best politicians the corporation sector can buy. They donate to our campaigns. They buy us off. Therefore, we must understand business."

So we're told time and time again that Conservative governments know how to manage. Well, I say, Mr. Speaker, it would take a fair amount of deliberate mismanagement to do worse than they've done in terms of managing our finances. I'm going to go back, if I may – because it's the same government – perhaps before this minister was Treasurer, and admit that some of these problems led up to it. Let's take a look over the last 10 years of Conservative government in this province. I'm talking about 1980-81. They talk about spending. I've heard them say "spend, spend, spend" over there. Well, here's what they had. In 1980-81 they spent \$7,158,000,000. But by 1988-89 it had gone up to \$9,189,000,000. Of course, the projected in this year's budget – they're usually right about spending, Mr. Speaker – is \$12,199,000,000.

Now, they said, "Boy, are we doing a good job," because they went back just the last three or four years when they knew they had a problem and said, "We've had only a 1.8 percent increase." But they didn't tell the whole story, Mr. Speaker. If you go back 10 years – and that's what has caused the problems – if I look at my figures, that would be almost a 59 percent increase in spending. So don't let them mislead us and tell us that they're good stewards of the finances of the province. A 59 percent increase. If that was a Liberal government or an NDP government, and them sitting across the way, if they had a 59 percent increase in spending, I can just imagine the reaction coming from this group that says they know how to manage the economy.

But, Mr. Speaker, it's curious. Why did they spend this money? Where did it go? I mean, that's a reasonable question, I think, to ask: where did it go? Well, one could say, as they often do, that they're so generous to the programs, you know, like health care, advanced education, and education. But let's look at what's happened just since 1986-87 in real dollars in those areas, because everybody knows it's not just a matter of increase, that there is an inflation level on it. And in dealing with institutions, everybody also knows that institutional inflation runs higher than personal inflation.

Well, we've gone back and taken a look at what's been happening, say, in advanced education. In real dollars – and I'm only using the consumer price index. I'm giving them the benefit of the doubt here, because I'm sure institutional inflation would be a percent or two higher, and I think the Treasurer would probably agree with me on that. In real dollars during the last five years, in advanced education we've had an 8.8 percent decline. That's creating chaos and problems, as we know from the demonstration at the U of A yesterday. Education: a little better; they've only lost 7.3 percent in real dollars.

What about health, Mr. Speaker? Well, when we look at hospitals and nursing homes, a 5.2 percent decline in real dollars. Local health units: it's worse; up to 8.8 percent. And municipal grants to our local governments: a 10.3 percent decline in real dollars.

Now, the point that I give, besides the obvious problems that are in those areas and a gradual deterioration of services, is this: this is going down; their spending's going up. What were they spending it on? That's the question: what were they spending it on, that 59 percent increase?

Well, I've mentioned this before, but I think it's important to put this on the record, and I'll come back to it. Between 1982

and 1986 over \$12 billion went to the oil industry. And I'll tell you, as I said before, we did not get \$12 billion worth of performance. That's why, Mr. Speaker, we have this huge deficit, and let them not mislead us about that. Now, I guess I could say some performance. Some performance. But that, and we've talked about this in this Legislature before, is really only part of the picture, because as the Auditor General has said, at least we should come clean and not cook the books and lay out how the finances of the province really are. Of course, I'm talking specifically about the unfunded liability. Now, I recognize, as the Treasurer would say, that this doesn't all have to be paid back tomorrow; I recognize that. We can debate whether the unfunded liability is too much or too little. It's starting to grow, I think, more than most people in the insurance industry would feel comfortable with. But the point is that it is part of the debt we have to pay at some point in this province, and it is serious, especially when we know that we have an aging population. So that's also part of the picture that we have to talk about, Mr. Speaker, when we talk about the \$11 billion consolidated debt. It's important to keep all those things in mind.

I take it now that they're weaning hope away from their friends. We've certainly had enough mismanagement; just recently with GSR, where we're probably going to lose \$30 million. We have, of course, the \$55 million or \$67 million or perhaps more we lost with Peter Pocklington when we finally see what happens there, and hopefully the Treasurer will let us know at some point. And, of course, we know what happened with Principal. But, Mr. Speaker, we also have to take into consideration that we have a lot of other loan guarantees out, especially if we get into outdated kraft pulp mills. We're taking the risk. We're certainly not sharing in the profits if profits are made, but we're taking the risk there. I think if you look through it, there's another \$2 billion out there that is at least somewhat at risk. I hope not, but I think we have to take that into consideration.

Now, I guess the question is – and I've alluded to this in the past, but I think it's worth briefly mentioning – what happened that led us to this dismal financial situation we're in in this province? I know the Treasurer likes to remain optimistic, and I guess that's partly his job, to remain optimistic. I'll give him credit for that. It takes a real optimist to look at this budget and give us the flowery speeches that he does, Mr. Speaker, but I don't think he's fooling anybody, and I think Albertans are worried about it. But why do we have this huge debt and dismal financial picture in the province? Well, in the '70s and early '80s we were the big spenders; there's no doubt about it. Nothing was too good for Alberta. The money was rolling in. Sheikhs were driving the price of oil up. I remember they were clinking glasses and talking about \$40 or \$50 a barrel; you know, spending money.

I can remember the Minister of Municipal Affairs over there – it's interesting how things change; he's sitting there now – criticizing them, going after them. At that time he was a smart man, Mr. Speaker. I don't know what's happened to him since then. But I remember him very cogently having graphs at the time, talking about spending. I remember the visual aids when he was speaking; doing an excellent job, if I might say so. Now, how he could go over there and do that, Mr. Speaker, I don't know.

Their uncontrolled spending went on, as we well know. There was very little diversification. In a triumph of ideology over common sense, we wanted the world price; we got it. When the price of oil was going down, we jumped into it, shrewd business

government that we are, and of course we perpetuate an unfair taxation system. Now, those are the things that led it, but the Treasurer and I have been through that before. I won't spend much time on it, Mr. Speaker.

[Mr. Deputy Speaker in the Chair]

Now we have some other problems though. We have now a federal Conservative government, and I believe the Treasurer still agrees with me on this: it's hurting Alberta badly. We talked about the recent budget, Mr. Treasurer, and that is hurting us. Of course, we can get into the GST, and I'll have something to say about that in a few minutes, Mr. Speaker. But I say to this government that you've been very weak-kneed in taking them on. And I say to the Treasurer – and I mentioned this in, I think, the first question period – please, don't negotiate anymore with Michael Wilson. Why you would go to New York – that was in part where you got these nice, rosy-coloured projections, I take it, on the price of oil. But I read in the paper, and I couldn't believe it, that Mr. Johnston came back and said, "Oh, the Alberta economy is excellent, great, wonderful," as the Treasurer does. "Alberta's the best; we're leading; no problems here at all." The usual flowery rhetoric, Mr. Speaker. And he said, "If the federal budget's going to come and cut back on EPF, Alberta could stand it." Well, if I were Michael Wilson looking at covering up their mismanagement, the Treasurer here certainly gave him the opening. No doubt, as we know, he took that opening, and that created some of our problems. He did cut our EPF funding. He went further; he cut our Canada Assistance Plan, Mr. Speaker. That's probably, over the next two or three years, \$256 million or so, maybe up to \$300 million. And we know they backed off OSLO, which was another \$650 million to Alberta.

In that budget – and this is why I want to talk about again the rose-coloured projections – the federal budget admits that unemployment is going to go up in this country. Even if you take their figures and only take the 10 percent, I suggest to you the budget and the GST hits Alberta worse than in other provinces, and the Treasurer did agree with me, if he had anything right on this, at one time. Mr. Speaker, even from that budget, over the next couple of years there'll be 15,000 to 20,000 jobs lost in Alberta. That's from the federal government's own projections. I ask the Treasurer to think, now using those figures, how again he can be so rosy in his projections about what's going to happen next year in terms of jobs, in terms of income tax, corporate taxes, income tax coming into the province. I'd like him to think about that.

Mr. Speaker, let me just go from there to lay it out into this budget, the 1990 Budget Address that the Treasurer so ably read. Well, we've had this discussion in question period, but it is worth repeating. I don't care what you want to call things. You can call them whatever you want – you can call it a duck, but it doesn't necessarily make it a rabbit just because you call it that – this is a taxing budget. It's a regressive, unfair budget, Mr. Speaker. The government likes to talk about the family, we love the family – lip service; rhetoric – and then they deliberately bring in taxation policies that attack middle and lower income families through a variety of taxes. They maybe like to call them other names, but they're taxes.

Let's just go through a few of them. Medicare premiums: it was already mentioned that other provinces know this is a regressive, unfair tax. There are only two in the country, Vander Zalm and Getty, that still have health taxes, Mr. Speaker. But

instead of saying, well, we can maybe hold the line on them because we need the money, or we can begin to cut back and look for other sources of revenue, this government's going to move ahead and increase them. As I said earlier on, they've gone from roughly \$352 in 1987 for a family to over \$500. And as health care costs go up, now we have this tax going up over the next three years to cover 50 percent. The Treasurer may think that's just a couple of beers to somebody. But I can assure him – and come into my riding – that's a lot of money, Mr. Speaker. It's a lot of money. And it is a tax, and a regressive one.

The other tax is the Blue Cross premium. They can call it the Blue Cross premium; if the money's coming out of their pocket, people don't care what you call it. It's all the same to them; it's still money coming out of their pocket. So Blue Cross is going up. And I couldn't believe my eyes when I took a look and saw that even long-term care resident fees in hospitals and nursing homes are going to go up. Mr. Speaker, how punitive can you get? The people least able to protect themselves: that's who we're going after in terms of tax hikes. We don't know how much that's going to be yet; it hasn't been announced. We'll certainly watch and look for that one with interest.

I expected the sin taxes, Mr. Speaker. They're always easy; you know, liquor and tobacco taxes. But again there may be a need to want, through prevention and all the rest of it, to get people not to smoke cigarettes and not to drink liquor, or not to drink as much or whatever, for health reasons, but one must remember that these are again regressive taxes, Mr. Speaker. So I'd say that they're coming at it from the wrong end.

Motor vehicles. Still a tax, Mr. Treasurer, still a tax. It's going to cost more to drive a car if you're going to work. If you're a man or a woman having to drive to work, you're going to pay more for that.

The taxes on small business. I certainly think that big business can pay more. The Treasurer's well aware of that, and I'll talk about that. I'm not sure that this was a very smart move on small businesses. The ones in my riding are struggling very hard to stay alive. There are two things, Mr. Speaker: any extra in their profit motive and they may not be there, or if they are, they're going to pass it on to the consumer, which again will be a regressive tax.

So the point that I'm making to the Treasurer – I know he's trying to protect the hide of the Premier who said there would be no taxes when he was in the midst of election. So now they've tried to put the best light on it. It won't be income tax, but let's not kid ourselves. There are a lot of serious regressive taxes in this budget, Mr. Speaker. Let's not kid ourselves about that.

Now, the other part of the budget that the Treasurer and I talked to . . . And I'm still trying to find out where he quoted me from the budget, because I've got the '89 one here, Mr. Speaker. Is he talking about the '89 speech? Because I will want to check this out through *Hansard*. I don't see it in here, so you might want to check that out. I went and got it because I was interested in it. I know it was a cute manoeuvre in question period, but I really want to know where it came from, Mr. Speaker.

Now, the financial shape of the province we've already talked about: disastrous. As I say, if it had been any other government and these guys had been across the way – if it had been a Liberal or NDP government, my God, I can hear the howls now as the deficit and the debt went up, Mr. Speaker. But they say they're going to cut a billion dollars. I have to say I do ap-

preciate the Treasurer though, his sense of humour, and it's always good to have a debate with the Treasurer. But he says we're going to cut a billion dollars out. I noticed he chuckled a couple of times during his speech yesterday, Mr. Speaker, because I'm sure that he knew what he was doing. Remember last year I called him Magic Johnston? He was going to increase services, cut the debt, pay the deficit, and all the rest of it.

Well, we know that this year he was wrong again. Our deficit went up \$336 million higher than predicted, Mr. Speaker. As my colleague talked about before, his projections have been rather interesting – what was it? – 48 percent out one year, 45 percent out one year, 127 percent out one year. He did well this year though: only 22 percent out this year. The Treasurer's getting a little better, but I worry about next year's projections, Mr. Speaker.

Let me go back over the question period in a more serious way, to point out why I think these are overestimated. As I said yesterday, I think he's dreaming in technicolour. I believe that they're hoping, crossing their fingers again. Can OPEC save us again? Can we all of a sudden get increased gas sales to the United States, ship it away quickly, but ship more away so they can make me look better? Again it's the same old idea that we're going to hope for the best, Mr. Speaker. That's what this budget's all about: hope for the best.

I'm not an expert, and I said last year, Mr. Speaker, that I recognize how hard it is when you have a nondiversified economy to try to predict gas and oil with any certainty. It seems to change every three or four months, depending on which economist or oilman that you're talking to. They seem to have different views, and I'm sure that's true in your own department. So again I recognize the problem. But it seems to me that I would, if I were Treasurer, try to take the lowest, I think it would be, to go that direction rather than the other way. Then if it comes in at more because of circumstances in the Middle East or whatever, it's all the better for us, but at least we know the bottom line then, Mr. Speaker. That's how I would look at it. I'm just going by that we're predicting \$534 million more in nonrenewable resource revenues. As the Treasurer is well aware, we didn't make the revenues there in that area last year, Mr. Speaker. We were closer than we were the years before. But \$534 million, over half a billion dollars, is a lot of money. I look at the Nickels reports from people in the oil industry that we respect in these projections, and they say – the Treasurer is well aware of it – that this is not realistic, the \$21 a barrel. They don't expect this. Again I'm not going to try to predict it, but they're saying, as you know, anywhere from \$19 to \$20. I mean, we can have that debate, but as I say, if anything, Mr. Speaker, on the rosy side again. They're also saying the same thing about gas sales. The Treasurer is expecting more gas sales to the United States, although in the three of them that we talked about today, he said that that wouldn't be the case. So I doubt, but we can't say with certainty, that \$534 million more will be there.

Then we look at the stabilization. Well, I'm not denying that maybe they owe this money. I'm certainly no lover of Michael Wilson and Brian Mulroney, I can assure you. Get every cent you can out of them, and if you want me to come down with you, I will. But what we are talking about is being realistic with our budget. Now, last year, as I pointed out, we had \$195 million in our budget, but the federal budget didn't have it in theirs. Now, it seems curious to me. If they're planning to spend the money, they should have it in their budget, especially when they're preoccupied with the deficit that they've created.

As the Treasurer is well aware, we got \$75 million; \$120 million out. Now, the point that I make . . . [interjection] I couldn't quite hear you but . . .

MR. JOHNSTON: That's the deficit, the provincial deficit. You're just explaining yourself . . .

MR. MARTIN: Well, it's still your projections. You were wrong. You were wrong in revenues, and you're wrong there. Okay; \$336 million of being wrong. I'll show you how.

But, Mr. Speaker, I'd go after them and try to get every single penny that is owed us. But when I see the federal government that hasn't lived up to that bargain before, that now, worried about their own deficit, has cut back in EPF funding, has cut back in the Canada Assistance Plan, has cut back in OSLO, I think that again we're dreaming if we think they're going to give it this year. It may well end up in the courts for a long period of time, but why put it here as a definite, Mr. Speaker? That's the point that I'm trying to make: not that the Treasurer shouldn't go after it, but why put it in the budget? Again, Mr. Speaker, I say to you, to the Treasurer, that that puts an overly optimistic view on the finances. That's \$250 million that we probably won't get in this budget year.

And then, Mr. Speaker, the third area that I want to briefly look at again from question period is the GST. Now, I recognize that the GST doesn't come in until January 1. So we're only dealing with three months, and I think that was the answer the Treasurer was trying to give me. But I say to you, and I've heard the Treasurer say it before, there is already a psychological impact, dealing with the GST. I think one of the reasons we're having housing prices is that people are trying to get in before this tax comes in, but that's another story. But in terms of the budget, then, and the amount of money – I believe if you use corporate taxes and income taxes, the Treasurer's looking at over \$300 million in revenues. I say again that I do not believe that much will come in. The GST will start to have an impact towards the end of the year, and it'll certainly have an impact on three months of that budget year.

If I may just quote the government's own document – you can't have it both ways, as I said – *Protecting Alberta's Future: Why We Oppose the Federal Goods and Services Tax*. I want to make the point here about this budget. It says that

Alberta consumers, who spend more per capita than other Canadians, will be hard hit by the new federal consumption tax. Well, I say to you that's going to start towards the end of this year, and it's certainly going to continue in three. So how can you be so optimistic about the budget, Mr. Speaker?

Then it says:

The GST will increase Alberta's budget deficit.

Under the GST, Alberta faces the prospect of substantial losses of revenue and increased pressures on expenditures due to slower economic growth and higher inflation.

Well, I agree with that. It's one of the reasons why I'm fighting the GST, Mr. Speaker. But again, why so optimistic? It's going to be there three months, and people are going to be psychologically impacted towards the end of the year at least.

A couple of other quotes in here, Mr. Speaker, that are relevant. It says:

Employment losses will be particularly severe, with about 19,000 fewer jobs in 1992 and 1993.

Now, Mr. Speaker, surely that's going to start when the GST comes in though, that there are going to be losses of jobs in the first three months of 1991. It's not just going to happen like that. And that

... lower real wages combine to reduce real disposable income by about \$750 million in 1991.

Well, give me the best benefit of the doubt there, Mr. Speaker. There's three months of this budget in 1991, so some of that money is surely going to come from there. Again I ask the Treasurer: how can you have it both ways? How can you say in one document that we have real problems with the GST and what it's going to do to our economy and job losses and loss of disposable income, adding to our deficit and all the rest of it, and then in the budget that goes into there say, "My God, jobs are going to increase, more money coming in, more corporate taxes, income taxes over \$300 million." As I say, Mr. Speaker, you can't have it both ways.

So I say to the Treasurer, Mr. Speaker, that frankly I hope that he's right, because when we take over, we don't want to take over this mess. But I expect again, because of the reasons I just gave, that he's wrong. [interjection] That's what the Social Credit used to say, too, before you guys took over. Ask Ray Speaker about that.

Now, Mr. Speaker, let us just conclude by suggesting again some of the things that could be done to deal specifically with the deficit and the debt. Well, in fairness, some cuts I agree with in the budget; not all of them. I certainly agree with the token amount that we're going to take from capital financial institutions, I believe some \$40 million, one small inch towards a yard, Mr. Speaker, to what we should be doing. And I think that we should be cutting the silly, the frivolous, and the unnecessary – I believe there's waste, much more waste than we're dealing with – in this government without affecting the serious people programs; i.e., education, advanced education, health care, et cetera, et cetera.

But we have to set an example. And I'd say to the Treasurer: maybe talk to the Premier. He can't do this. With all due respect, we don't need 27 of you over there. Other provinces are getting by with 18 or 20. We save those salaries, but not only that, the little bureaucracy that's set up there to spend money too. That would show an example, again, to the people.

We don't need agents general all over the world – agents generally, or whatever the heck they do, Mr. Speaker, because I haven't been able to figure it out. You've got a good economic development department; they should be doing those jobs. You certainly don't need – and there are other examples – a 20 percent increase in the Premier's office when you're saying this is a tough budget, because people are going to notice that. That's a symbol that's going to go out right away to people. They're telling us that we need all these taxes, these regressive taxes. They're telling us that we need these cuts. All of a sudden the Premier's office goes up 20 percent. If you're an Alberta resident, you're going to notice that. You're sending a message there. So I believe – and we can go through it – that there's a lot of waste, a lot of things we could cut back in this budget, and we should do that. I just gave a few examples.

But on the revenue side we have to begin to bring in a fair taxation system. People are getting upset right across this province and across this country about regressive taxes and an unfair taxation system. I said to the Treasurer before and I say again that in '87, the last time we have published data, there were 600 wealthy Albertans that did not pay a single penny and there was \$50 million collected from people making less than \$15,000. Of the amount of money coming in during that year, 93 percent was coming from individual taxpayers and 7 percent from corporations. Now, I'm talking about the provincial tax, not the federal tax. That's unacceptable, it's unfair, and people

are not going to put up with it. They're just not, and they're talking about it.

There are things we can do. You don't have to do it all overnight, and nobody's suggesting we make the taxes so onerous on big business that they wouldn't be around. But even a minimum tax – and I mentioned this last year – which Ronald Reagan did in the United States, of 20 percent, a minimum tax they'd have to pay, would bring in another \$230 million right there. That would help. I doubt they'd all move out – if they did, we'd bring some other people in – because they're paying taxes in the other provinces, I can guarantee you. So that's what has to be done.

I just conclude, Mr. Speaker, by saying that people are telling me that enough is enough with this government. I'll tell you that if the Treasurer gets around about his budget, not just to the people in the Petroleum Club and some of the other ones but gets out and talks to average people and average families that they say they stand up for, he's going to hear a message about his budget, a message he's not going to like very well at all. I don't know how long it is until the next election, but I guarantee you this: the people are saying it's time for a change. He knows it. If they think budgets like this are going to turn their political fortunes around, on the contrary. On the contrary. But I would hope there'll be another budget next year. We'll go through this exercise of the estimates and that. I know we don't have the numbers to bring down the government, so I expect the Treasurer will be around for another budget, and he will read it well again next year. The only point I really and truly hope is that he will learn and bring in a budget next time that really does realistically tell us about the finances of the province, does cut the silly, the frivolous, and the unnecessary and, above all, brings in fair taxation instead of regressive taxation. If you do that, I'll stand up and compliment you for more than just reading the budget.

Thank you.

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

MR. PAYNE: Thank you, Mr. Speaker. As always, there's some very clear thinking in the remarks of the Leader of the Opposition. I've been asking myself what useful suggestion I could make to him in light of his comments in the House during question period and now during his response to the Budget Address. In a generosity of spirit, I would like to suggest to the leader that he first of all go out the front door and stand on the front steps, then look skyward at the clear blue sky out there today, that bright, warm sunshine, smell the fresh air, feel the vibrancy of our economy, and try to get his warped view of Alberta's economy straightened out. I suggest to him that he take a look at reality out there. While I have his attention, I wonder if he might read my lips: Alberta is the place to be in the 1990s.

Now, Mr. Speaker, I was . . .

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

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

MR. SIGURDSON: Yes, thank you, Mr. Speaker. I'd just point out to the hon. Member for Calgary-Fish Creek . . .

AN HON. MEMBER: Citation.

MR. SIGURDSON: It's 515. . . . that it's below zero. It's not warm sunshine outside, and that's the reality, Mr. Speaker. Thank you.

MR. PAYNE: Such a typical New Democrat response to a blue sky and warm sunshine.

Now, Mr. Speaker, in a mode of trying to be helpful, I would like to thank the hon. leader for his, I suppose, quite deserved comment to the Provincial Treasurer that he read his Budget Address well last night. Now, I'm very reluctant to take away from the Provincial Treasurer's demonstrated capabilities. But I don't know that the Leader of the Opposition should really have told the Provincial Treasurer that he read that speech all that well, because frankly there is so much in that Budget Address that's a source of real pride and real confidence, how could it be read in any other way?

Now, there were several turns of phrase that were used by the Leader of the Opposition. [interjections]

MR. DEPUTY SPEAKER: Order.

MR. PAYNE: There were several phrases used by the Leader of the Opposition today, Mr. Speaker, that I feel need response and further dialogue in the Assembly and elsewhere. The first was his use of the phrase – what was it now? – history of mismanagement. Mr. Speaker, I'd like to ask all the members in the House today and your good self: what has been the management history of the NDP and other socialist governments in Canada and around the world? Take a good look across Canada. Not one single New Democrat government. Why is that? I give credit to the people of Canada; they sure can recognize mismanagement. When Howard Pawley and the last New Democrat government fell in Canada, the people of Canada told us exactly who can be trusted with the management of their economies and who cannot. Need I refer the hon. members and the hon. leader to the judgments being made by the people across the country and around the world on their capability at managing economies? [interjections]

MR. DEPUTY SPEAKER: Order.

MR. PAYNE: I do hope some subsequent comments I make might be read in *Hansard* by the leader, Mr. Speaker, because there are one or two things I feel very seriously about, not the least of which was his reference to the 1982-86 period, in which he said that \$12 billion went to the oil industry and we didn't get a \$12 billion performance. If I interpret that to mean he is blaming in part that industry for the recession of the early '80s, that makes me bloody furious. Surely he understands that the national energy program endorsed by his federal New Democrat cousins raped our province and, coupled with falling oil prices, bled the lifeblood right out of the industry that's done so much for our province. [interjections]

MR. DEPUTY SPEAKER: Order please. [interjections]

MR. McEACHERN: We did not . . .

MR. DEPUTY SPEAKER: Order please, hon. member. It is not in order for the hon. Member for Edmonton-Kingsway to get up to argue with the hon. Member for Calgary-Fish Creek.

If you have something to say about his remarks, there's plenty of opportunity for you to rebut him in due course. This is not an orderly way to do it.

The hon. Member for Calgary-Fish Creek.

MR. PAYNE: Well, at the risk of sounding like the hon. Member for Edmonton-Centre, could I say: thank God we helped the industry; that \$12 billion was a humane, smart, and sound investment. Why do I say that? Just take a look at our budget revenues. One quarter of our revenues in this budget comes from our nonrenewable resource sector – nearly \$3 billion from that sector into our General Revenue Fund account to build our roads, our hospitals, our social services, and all those good things for the people of our province.

Now, Mr. Speaker, I'd like to simmer down somewhat. But there was one other interesting turn of phrase from the hon. leader, and that was "rose-coloured projections," implying of course that our projections should be viewed through – what? New Democratic gray and black glasses? Now, for the hon. leader and others in the House who feel that these projections are inappropriately or needlessly rose-coloured, could I simply refer them to the little economic outlook summary of this highly readable little pamphlet entitled 1990 Budget Highlights. There are eight points that I submit, Mr. Speaker, completely justify our very optimistic view of Alberta: Alberta has the "fastest growing" provincial economy; Alberta has "reached a new employment record with over 1.2 million people working"; the unemployment rate, 7.2 percent, "the second lowest rate in Canada"; "diversification is working"; business investment in the non oil and gas sector has climbed by about 65 percent; "investments in tourism, forestry, petrochemicals, advanced technology and research are leading to broadly based growth" ahead; "energy market fundamentals are moving in our favour"; and finally, "17,000 new businesses were started in 1989," the largest number in almost a decade. Mr. Speaker, if I may be permitted a rhetorical question: is it any wonder our budget is such an encouraging and optimistic document?

Now, Mr. Speaker, I said earlier, and it was a truthful comment, that I listened very carefully to the Leader of the Opposition. As I did so, I was puzzled as to his response to the budget in general, the optimistic tone, the very positive and bullish outlook, and I knew there had to be a rational reason. You know, earlier in question period I believe it was the Provincial Treasurer who quite properly referred for the benefit of members of the Assembly this interesting document entitled Alberta at a Glance. Now, we may make jokes about the fact that it doesn't have very many words and it's really a story told in pictures. As I looked at that and I listened to the remarks of the hon. leader, I found the answer to his problem: he was reading it upside down. Yes, in this publication all the bars are up, but he thought they were all going down. I trust the members of the Assembly won't be bored with this repetitive recitation of this graphical information, but could I once again indicate to the leader and others who aren't entirely clear what's happening to this government's deficit: it's on the way down, most certainly not on the way up.

MR. TAYLOR: Had your morning coffee, haven't you?

MR. PAYNE: We've now heard the morning quip from the Member for Westlock-Sturgeon, but even he, in a sombre or humorous mood, can understand that curve, which says that a 65 percent increase in investment is coming now not from the oil

and gas sector but from the other bases of our economy. That tells an important story.

Manufacturing investment bars: look at them hon. members; they're on the way up. Now, it is true there is one graph on the way down. Maybe the hon. leader reversed his book again – I'm not sure – but look at the unemployment rate, and where are the bars? They're all going down.

Well, I realize I'm almost debasing the intellect of the members by trying to articulate such simplistic diagrams, but if I can be permitted, Mr. Speaker, just two more. Take a look at those curves, hon. members; they're all going up. Those are housing starts, and what a great gauge of our positive, growing economy. Finally, of course, there are a great many other graphic illustrations of what's happening in Alberta, and I won't bore the members of the Assembly further, except to suggest . . .

AN HON. MEMBER: Do it for us. Give us some more. Give them more word pictures.

MR. PAYNE: Well, there's been all sorts of talk in the Assembly about regressive tax and the tax burdens of our people, and I begin to wonder: am I really in Alberta today? I mean, if there was a place in that speech where the words were so out of sync with Alberta, could I refer the hon. members to the last graph, the comparison of provincial taxes payable? There is a message there. This is a fantastic tax regime, and in terms of taxes payable our families in Alberta are better off than families anywhere else in Canada.

Now, Mr. Speaker, I'd like to conclude with reference to another turn of phrase by the hon. leader, but it's an expression he did not use in the House. I have to admit it was used last night when he accused the hon. Provincial Treasurer of "dreaming in technicolour." Well, if the Provincial Treasurer with this budget is dreaming in technicolour, then I'd like to suggest that the Leader of the Opposition in his reply today is nightmarizing in black and gray, and I tell him to wake up from his nightmare and discover that Alberta is indeed the place to be in the 1990s.

MR. DECORE: Mr. Speaker, I rise to speak to the budget speech. I think there are some facts and figures that are important for members to know, particularly members like the hon. Member for Calgary-Fish Creek, that tend to show and prove and corroborate that the myth that a Conservative government brings good fiscal leadership is incorrect. Some facts: Alberta spends at this point 15 percent more per capita than the average of all the other provinces; Alberta spends 28 percent more per capita than the province of Ontario. Here's the statistic that I find really, really bad, and I wish you had shown a graph on this one, hon. member. According to *Policy Options*, a prestigious publication in Canada, we have one civil servant for every 33 Albertans, the average in Canada is one civil servant for every 52, and in Ontario the average is one civil servant for every 73 Ontarians.

The Treasurer had the gall to put into the Budget Address the fact that some 2,500 civil servants have left since 1985. I noticed one of the members introducing the former mayor of the city of Edmonton. That particular mayor was part of an administration that downsized a city administration from 12,000 to 10,000 people in one year, and most municipalities in Alberta did similar downsizing exercises. I'm not sure about Calgary, hon. member, but certainly most other municipalities did. The city of Edmonton, Mr. Speaker, reduced its management by some 20

percent. The expression "getting rid of managers who manage managers" was well used and well followed in the city of Edmonton, so to take credit in the budget speech, as the Treasurer has, for reducing the civil service by some 2,500 isn't very impressive.

The hon. Member for Calgary-Fish Creek talked about the success of diversification. As I understand it and as we understand it as Albertans, diversification was supposed to take us into other areas of involvement that would take us away from the overly high dependence on revenues derived from resources in Alberta. When approximately 25 percent of your revenues come from resources, the desire of the leader of his party at that time was to diversify, to get more involved particularly in the manufacturing sector. Well, the figures aren't very good there either. In 1973, 9.6 percent of the labour force of our province was involved in manufacturing – perhaps you'd like to graph this one as well, hon. member – but in 1989 only 8 percent of our labour force was involved in manufacturing, and this is after billions of dollars were poured into the attempts to diversify.

We all know the Pocklington stories. I think it's important to just refresh some memories on that particular issue. In an attempt to diversify and without any kind of cost/benefit analysis beforehand, an agreement was signed – that agreement still won't be tabled by the government, to show exactly what the mess is – that was supposed to give us a hog processing plant in southern Alberta, create jobs in southern Alberta. A town, Picture Butte, relied on that; it built up a certain infrastructure. It received some of the moneys back from the provincial government but still is holding the tab for moneys it put into infrastructure that it can't get back.

It was represented as part of that diversification strategy by the minister of economic development that there would be this hog processing plant, and when the media asked Mr. Pocklington, who was going to do this diversification, "Well, are you really going to build the plant?" he reported that the agreement called for him to build it, that he had to build it. He used the words "must build it." And then two weeks later when this matter was more thoroughly reviewed in this Legislature and when the media started to pursue it, the minister of economic development said, "Well, maybe Mr. Pocklington has a way out; maybe he doesn't have to build it." Then a short few weeks after that we learned that Mr. Pocklington was under no obligation. This diversification strategy, which has cost us billions of dollars, allowed Mr. Pocklington to put into his pocket \$6 million that was supposed to be for a hog processing plant in southern Alberta, and there was never even a spade turned on that plant. So don't talk about diversification and show figures and graphs and so on, because diversification, sir, has not worked.

Mr. Speaker, when you want to talk about downsizing civil servants, get serious and do something meaningful.

Mr. Speaker, with respect to health care, the expenditures on health care for Alberta are about the same as they are for Ontario. But experts will tell most people – most people who want to listen – that the services Ontarians are getting are superior to the services Albertans are getting. You need only look to the matter of heart surgery to be convinced of that. There are long waiting lists in the city of Edmonton, shorter ones in the city of Calgary, but almost nonexistent waiting lists in the province of Ontario.

I've had the misfortune of having an illness that takes me to the Cross Cancer clinic. The pressure that exists on that facility is an absolute disgrace. When you compare the pressure that

exists on that facility and look at what's happening in some of the other areas of our province, we need to smarten up. There is an acute care hospital near the town of Lac La Biche. A doctor who services that hospital told me there were but three patients in the hospital and they were senior citizens who really needed long-term care — three patients and a staff waiting for others to come that weren't coming in. Mr. Speaker, I can take members of this Assembly to many such hospitals. I grew up in Vegreville, and I can take you 12 miles away and show you a hospital that isn't being used in the same kind of way. It's nice to be able to say as an MLA, "Oh, I produced a hospital in my constituency." But when people have to pay for that, hon. members, it doesn't start to make very good sense, particularly when hospitals in Edmonton and Calgary, where 95 percent of the specialists are located, have to close whole floors down because they can't make their budgets meet. The W.W. Cross is two weeks behind in being able to do radiology on patients, and machinery is breaking down. I think a very important rationalization review has to take place in that whole health care area.

Mr. Speaker, I've advocated now for a year in this Assembly that the Assembly take up the idea, the concept, of an Auditor General who does efficiency audits, who gets rid of managers managing managers. Those Auditors General in Canada that do exist say they can save up to 10 percent by increasing the efficiency of certain departments. If you applied this 10 percent rule to a \$3.8 billion budget for health care alone, you can see the enormity of the savings that could accrue to Albertans.

AN HON. MEMBER: Get off it.

MR. DECORE: Somebody is yelling "Get off it," an hon. member from across the way. I guess there is no interest in having efficiency. I guess there is no efficiency in reducing that horrible ratio of civil servants to Albertans. I guess there's no desire to reduce the costs of government, because the hon. member still wants to continue spending. I think that's unfortunate.

Mr. Speaker, one of the things I am perturbed about with respect to this budget is the fact that our Premier assured Albertans there would be no tax increases to follow, a year now to follow, and now we're playing games by saying, "Well, I really meant the Premier said there would be no income tax increases." We have direct charges and levies against an average Alberta family by this budget of some \$250 a year. Utility payments will increase by some \$102 for that average family. Health care costs will increase by \$120 and fuel tax by \$35.

I'm informed by some of the people that have looked at this, some experts, that there may be a disparity in terms of the utility charges because the city of Edmonton has its own power company that does not have to pay any kind of taxes and therefore no rebates, as the same applies with the telephone company. So it's something I think should be looked at carefully, particularly by hon. members from southern Alberta, to see if rural Alberta in particular is going to get the full squeeze on this. This is a consumption tax and it does hurt people. It has similar kinds of conceptual thoughts to it as the GST.

Mr. Speaker, the taxes that have been levied are some \$480 million. There's \$30 million in new taxes to small business operators in Alberta, entrepreneurs. Who's going to pay for that? Do you think it's the generosity of the small businessmen and businesswomen in Alberta, that are going to take up this \$30

million and say, "Oh, we're not going to pass it down the line"? Of course not. It's Albertans that are going to have to pay that additional cost. Eighty-five million dollars will be paid by larger manufacturing businesses. Do you think they're going to absorb that \$85 million? Certainly not; they're going to pass it down. It is Albertans who are going to be paying more. It may not be precisely income taxes they're paying, but they're paying higher levies and charges and whatever and to a much greater extent.

Mr. Speaker, one of the myths of Conservative philosophy that now has been truly broken is the myth that there is good management of money. This is now the fourth year that we have a budget that is even greater than the Provincial Treasurer expected it to be. He's been some 90 percent out if all those five budgets are averaged, 90 percent out in his calculations on the deficit. This year alone the Treasurer is prophesying that the deficit will be some \$780 million. But as the hon. Leader of the Opposition has quite correctly pointed out, he's factoring out of the equation, and should factor in, the fiscal stabilization fund that likely is not going to be obtained by Albertans.

It used to be, some two years ago, that Capital Fund expenditures were added to the overall expenditures to either show an increase or whatever of the deficit. Because the deficit started to get out of control, two years ago the Treasurer changed the bookkeeping system to show a smaller deficit. If you used the same bookkeeping the government used some two years ago, the actual deficit for the province of Alberta for this year would be something over \$1 billion. Mr. Speaker, last year the projection for the deficit was \$1.5 billion. Last night the Provincial Treasurer had to fess up and state that, well, he was some \$300 million out. It was really \$1.8 billion, but again, using that trick bookkeeping that he changed some two years ago, if you factored in figures he had previously used, the real deficit would be some \$2.2 billion. The accumulated deficit for our province is now approaching \$10 billion, and that is truly disgraceful.

Mr. Speaker, the hon. Leader of the Opposition talked about unfunded pension liability. I want to address that issue as well. The Treasurer gave us to believe, in a response to questions put to him over the course of the last few days, that there was a plan in place that was ready to be put into action to deal with this serious problem: an unfunded pension liability of \$9 billion.

Now, I think it's important for hon. members to know something about what's happening in other parts of Canada. There is no other province, except for Ontario, that has this kind of a serious unfunded pension liability problem. But a year ago Ontario dealt with the problem. Their deficit was \$5.7 billion. They had a special task force that heard submissions from the stakeholders, those people who will be getting pensions and those people who are getting pensions, and from the public. That special task force made recommendations to the government, and in the last budget year the province of Ontario decided to pay down the unfunded pension liability of \$5.7 billion. They decided to pay it down over a period of 40 years. That means \$142 million a year of provincial expenditures are paid towards that unsatisfied liability. If we used the same kind of logic in Alberta, we would have to pay \$225 million each year for 40 years.

Here's the stickler. Mr. Speaker, the longer we keep this thing unattended, the longer we keep nonanswering the issue of how we deal with this unfunded pension liability, the bigger the liability grows. In 1981 that unfunded liability was \$3.7 billion; \$3.7 billion is now \$9 billion. In 10 years it is estimated that it will be \$14 billion, and I am disappointed that a plan wasn't

brought forward to deal with it. I think the results of not dealing with this serious issue, an issue that one of the rating agents that rates the province of Alberta says could easily affect our rate in borrowing money if we don't get it under control, is so serious that the matter must be attended to as soon as possible. The pressure is there to reduce benefits to the pensioners who are drawing from that pension fund.

The Treasurer spoke a few days ago about pension benefits keeping a fairly close alignment with the CPI in Canada. That isn't correct. If you look at what has been happening over the last five or six years in Alberta, we're the second lowest in Canada in terms of indexing to CPI. There is no plan. Ontario has a pegging of 75 percent of CPI. Other provinces appear to have a pattern or a plan. We just sort of willy-nilly go about it without any kind of a pattern or plan. We've got to do that because more and more and more pensioners are losing ground on their benefits. To make a big production that this is some great gift that the province of Alberta is giving pensioners is wrong, because all of Canada operates in this way, and the sooner we get that House in order the better.

Mr. Speaker, I think Albertans want a much stronger attempt, a much stronger action plan for fiscal responsibility, fiscal integrity. They want to see meaningful reductions in a Cadillac system in terms of civil servants to Albertans, because the services that they're now getting are not equal – certainly in the health care area; I talked about that – to other provinces in Canada. If it means a system of hurrying up retirements by some sort of a quicker pay down of benefits, so be it. In the long run, that will save Alberta money. That's what municipalities in Alberta were faced with in 1983 and '84 and '85, and that's what they did. They used those kinds of measures to get control over a system that got overly bloated. I think our system is overly bloated as well.

We need a plan. We need to be able to put that plan in front of us and say: here are the points in the time frame of this plan, the operation of this plan, where we're going to investigate to make sure we're on target. If we're not on target, we're going to have to readjust or do some sort of adjustment so that the conclusion of the plan is arrived at, the objective is achieved. We don't have that. We continue, Mr. Speaker, unfortunately, to believe that increases in oil prices, increases in gas production and royalties in that area, and somehow the forest industry resources are going to bail us out of this very serious problem. It will not. We have to do much, much better than we have.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Millican.

MR. SHRAKE: Thank you, Mr. Speaker. First off, I'd like to congratulate the Provincial Treasurer on the budget. There's no increase in the income tax. Seeing that today's Friday, I guess, they've learned a new buzzword again. The new phrase is regressive tax. It seems they're a little confused between insurance premiums and taxes.

Then we hear the Member for Edmonton-Gold Bar start comparing us to the USA, the United States of America, and their medical plans and you think: holy smokers, I don't think the Member for Edmonton-Gold Bar has ever been down there and looked, seen, heard, or understands the difference between our medical plan and the plans in the United States. Here in Alberta we are \$23 for singles at this point. The average in the United States now is \$95 for a single person, and that only

covers 75 percent of your cost of an operation or medical care. Then it's \$46 for a family in this province. In the United States it's \$211, set all the way from Iowa to Texas to Timbuktu down there.

Down there if you're sick and you arrive at the hospital and you don't have a medical card, you don't have your insurance card with you, you don't get admitted. So don't ever, ever compare the medical system in this province with that in the United States. We've all heard the stories of the person who hurried to the hospital, didn't bring their identification with them, didn't have their billfold, didn't have their medical card and was turned away. Well, that's never happened in the province of Alberta, and I hope it never will.

But, anyway, I want to congratulate the Provincial Treasurer. He's cut the deficit in half. He shaved a billion dollars off the deficit. Hearing some of the speeches today reminds me that I saw a movie the other night, a strange movie: *1984* is the name of the movie by George Orwell. In this they had this strange system of government where the government controlled everything, regulated everything, regulated society. Then they had what they call doublespeak. In this doublespeak today they would have one philosophy, one policy, and then they'd immediately switch. The next day they'd have a different policy. Today I hear the Leader of the Official Opposition comment about: talk out of both sides of his face. I thought: who is he talking about? So I looked and I hear even the comments today criticizing the deficit but criticizing us for not giving more money to education, more money to municipalities. Then the House leader for that party: what are their comments there? It's not that many years ago, just looking at an old *Hansard*, that their comments were about a lot of you people approving this money year after year, and it doesn't get spent; you know, who gets caught in the contest between departments and who can underspend the most, criticizing provincial departments for underspending. All I can think of is a little bit of doublespeak.

The other comment today which gave me a lot of concern is very little diversification. I wondered: did they read this budget, or did they read one from a different province or something? If you look on page 8 and page 9, you get into the OSLO plant. We wanted that plant very badly. I heard some comments from the Leader of the Opposition expressing concern that the plant went down and concern for the jobs and the money lost, and I thought: well, that's strange. I've got an old paper here, A New Democratic Future, prepared by the Alberta New Democratic Party. What do they really think about these plants? Anyway, their white paper recommends:

The NDP is firmly opposed to government involvement in tar sands mega-[plants] which are tied to outmoded 1960's technology such as that employed at Syncrude.

And I think: what technology did they think was going to be taking place at OSLO? They will still be using the hot water system that they've perfected with the help of AOSTRA at the OSLO plant. They're against it, yet they say that they're very sad to see this go down. It seems to me that we have a little bit of doublespeak here today.

Then as we go into our budget, we look at the Husky upgrader. It's at last going ahead. I don't hear any comment there or congratulations or anything. They say very little diversification. That is a \$1.3 billion plant. That sounds like a lot of diversification to me. That's \$1.3 billion worth of jobs and money, and then at last we and the province of Saskatchewan can take our heavy oil, which right now our refineries cannot handle.

[Mr. Speaker in the Chair]

Now, we can take that heavy oil and process it. It becomes an oil, then, that can go out and become gasoline, naphtha, and all those good things. You get a great by-product, asphalt. If the Americans go into one of their big road building programs, we'll sell lot of asphalt. Alberta uses a lot of asphalt. A few years ago, surprisingly enough, we were running low on asphalt. In the city of Calgary we ended up using cement. But what are the feelings of the NDP on this? We got this strange little paper here. Goodness. They're against public involvement in the form of loans or subsidies or guarantees, and we shouldn't get into that type of thing. Yet that thing is going ahead now, and it would be beneficial to this province.

As you go over on page 9 of our budget, we've got some good things going here in the petrochemical industry. We've got the \$800 million ethylene plant in Fort Saskatchewan. We've already got over a billion dollar plant at Joffre. Because of that plant, we don't have to buy our plastic bags or our plastic sheeting and a lot of our plastic products from the U.S. or from eastern Canada. We produce them here and keep the dollars right here. But what was the policy of the NDP on this? Now, here we really get some doublespeak: "Alberta should not look to the petrochemical industry as a panacea for the province's desire for diversification." There again, we're against loan guarantees, almost against participation. Mind you, this was one old booklet. I got a strange one here. Now, this is a different one. It's a different booklet than the one here. A little doublespeak, I guess: the Alberta government should maximize job creation for Albertans in the petrochemical industry by the orderly development of ethylene, the ethylene components of natural gas, and so on and so forth. They're for it; they're against it. I don't think they are sure themselves.

As we talk of diversification, again, back to the opportunity beating on our door here, which we've got to address. That's the pulp and paper that has been, so far, hundreds and hundreds of millions of dollars coming into this province. What have we got from the opposition? It seems to me the only thing we have got so far have been efforts to sabotage or shoot down these plants. Nothing positive anywhere, anyhow. I'm waiting yet for them to come forth and try to assist and go ahead with this, solve these problems.

Anyway, I hear the Liberal leader talking about cutting the size of the staff of the province of Alberta. We have cut the staff. We've cut them by 2,300 people, but we did it in a fair and equitable way, a humane way. It's fine to say: "Let's go fire a bunch of people. Let's go lay them off." What do you do with a person who has given you 10 years of their life, 15 years of their life, worked for you? Do you up and fire him, run him off, pension him off? That's not a humane thing. At least the NDP has never suggested that tactic. We did it the fair and humane way: as people retired and positions became open, we moved them from one department to another. That way we don't have to fire these people or lay them off, destroy their lives, their careers, their future. I think we have handled it properly. We may scale down the size of the staff of the provincial government further, but we are not going to have wholesale layoffs and firings, as suggested by the Liberals.

Then I hear some very cute comments about Pocklington and Gainers again and a hospital not needed, and I think of the leader of the Liberal Party going on about things that are not needed. Maybe we should talk about something that's not needed. You've got a Genesee plant out here that's not needed,

\$600 million. A former city government – I won't mention any names and be nasty that way – went ahead and ordered beyond the point of being able to cancel the equipment. You've got about a \$600 million plant out there that's not needed.

We have the Sheerness plant. Everybody knew that phase 1 was going ahead, which is the big start-up cost. It's a massive plant. Then once that's in place, it's very cheap to put in phase 2. But no siree, the Genesee plant went ahead, a plant we do not need, did not need, and won't need for a while, and there's \$600 million that has to be plugged into the system now and paid for by somebody. Talk about regressive tax; this is going back on the users of electricity. Who are the users of electricity? All Albertans. All people who use electricity in this province are going to have to pay for this \$600 million mistake. It reflects badly. The rates will go up because of this. What else could we do? The previous city administration went ahead. We can't hang the city of Edmonton out to dry, even though it'd be a tempting thought. No, we don't operate that way. [interjections]

MR. SPEAKER: Order.

MR. SHRAKE: So I think I'll just close on congratulating the Provincial Treasurer on hanging in. There's no new income tax. Our economy is going ahead, and we're on plan. We're on schedule. I think we're a little ahead of schedule in bringing in a balanced budget in 1991. Congratulations, Mr. Provincial Treasurer. You've done a fine job.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Well, thank you, Mr. Speaker. I'd like to pick up from where the last member left off, telling us about some great fiscal plan which somewhere in the minds of the Conservative caucus must exist. I'm looking at the speech that was delivered last night by the Provincial Treasurer, but in vain; I've been unable to find what that plan might be, Mr. Speaker.

I think it's important in terms of reviewing this year's budget speech to maybe revisit last year what the Provincial Treasurer promised us in terms of this great fiscal track that they were on. It might even be worth going back to the election promises that were made by this government, telling people how taxes wouldn't increase because given their fiscal plan, everything was on track and there would be no tax increases for the people of Alberta.

Well, let's just take a look at what this government promised us a year ago in terms of resource revenue, as an example. The Provincial Treasurer earlier this morning said to the Leader of the Opposition that he was way off base. But when you look at the results, Mr. Speaker, who was on base with accurately predicting what this government would take in in the form of resource revenue? It certainly wasn't the Provincial Treasurer. He didn't meet his revenue projections even though we were telling him a year ago that his projections were optimistic. Even based on that, he hasn't learned his lesson from last year. He's still predicting, for example in crude oil royalties this year, it looks to me like well over a 12 percent increase and natural gas revenues well over a 15 percent increase. Look at the bonuses and sales of Crown leases, Mr. Speaker. It was the opposition last year that pointed out that he was wildly optimistic in his projections. Lo and behold, who was right? He failed to meet those projections. Yet despite failing to meet them, who is it that's projecting close to a 30 percent increase in this year's budget? Mr. Speaker, the Provincial Treasurer, despite his best

efforts, still hasn't got it right.

Now, one that really impresses me with its rashness has to be this whole area of receiving stabilization payments from the federal government. Last year the Provincial Treasurer told this Assembly and the people of Alberta that the government of Canada was going to come up with close to \$200 million under the stabilization request put in by the Alberta government. Now, how well was he able to predict what the federal government was going to do? We told him a year ago that he was wildly off base. What do we have here before us today in the Provincial Treasurer's own figures, in his budget? Seventy-five million dollars forecast to be received from the federal government. Now, I don't know whether the cheque's in the mail, whether it's been received and cashed. I don't know what the Provincial Treasurer can tell us about that \$75 million, but he got \$75 million in '88-89. Assuming that he's received the money in '89-90, another \$75 million. I would think that there's something in that in terms of a message from the federal government. Regardless, Mr. Speaker, whatever that message might be, the Provincial Treasurer is prepared to carry on with estimating an income from the federal government on the stabilization program of \$250 million.

We were criticized by the hon. Member for Calgary-Fish Creek: dreaming in technicolour is improper terminology to use in describing the Provincial Treasurer's estimate when he thinks he can get \$250 million from the federal government. I don't know what would be a more accurate description of what must be going on in the Provincial Treasurer's mind to think that we can get that money from the federal government if all we've been able to get so far is \$75 million in each of the last two years. I'm certainly hopeful. I'd love it if he could do it, but I think we have to be realistic in giving these budget projections. To say that we're going to get \$250 million, to my mind, is no basis on which to base a plan, certainly nothing to bank on. So if we take a look at the likelihood of the Provincial Treasurer meeting his budget deficit reduction target, we have no choice in my mind but to set aside \$250 million of it in the hopes that we can get it, but it's certainly not something that we should be able to bank on.

Now, Mr. Speaker, last year the Provincial Treasurer changed his accounting for the consolidated deficit of this province. He only wanted us, he said, to focus on the budgetary deficit of the General Revenue Fund. So last year for the first time he omitted to take into account spending on the Alberta heritage trust fund capital projects division. In so doing, he understated the more accurate consolidated deficit for the province of Alberta by close to \$140 million, and he's done the same thing this year by failing to admit or refer at all to the capital projects division spending of close to \$160 million. That has no reference whatsoever to anything that's stated in the Provincial Treasurer's speech regarding the deficit. If we were to add \$160 million on top of what he presented to us last night, if we were to lop off close to \$200 million from his projected budget revenue from the federal government, all of a sudden, Mr. Speaker, we're well over a billion dollar consolidated deficit for this year and not the \$780 million budget deficit the Provincial Treasurer alluded to last night.

It's all a disguise to not fairly convey the full financial picture of the province of Alberta. It's being very selective, and I guess that's probably what the Provincial Treasurer is paid to do: to put the best spin, to convey the best picture he possibly can to the people of Alberta. It's more, maybe, a selling job rather than accurately telling the people of Alberta what the true

financial picture of their provincial finances really is. But that's his job, and I guess I shouldn't be unfair in my criticism of his trying to disguise what's going on. I guess what's really important, though, is that people should know what's really going on in the province's financial accounting and its financial picture. Quite frankly, Mr. Speaker, if we look at the figures that are in the book, look at them critically, we have to come to a much different conclusion than the one which the Provincial Treasurer came to in his budget to us last night.

Now, Mr. Speaker, there's been some question raised about whether money out of the taxpayer's pocket is a tax or something else. The poor old taxpayer has lost some money. Whether the provincial government wishes to call it a tax, a user fee, a levy, or something else – I don't care what term they use – for the person who's paying the bill, it's still money out of their paycheck; it's still money out of their wallet; it's still money out of their pocket.

Mr. Speaker, the Premier went to some great pains in the provincial election just concluded a year ago in which he took ads out and said that taxes wouldn't be raised. Now, for people seeing that ad in the newspapers, they didn't say to themselves, "Does the provincial Premier mean income taxes and not fuel taxes?" When he says that the only direction taxes are going is down because of our financial plan, is the person reading that ad concluding to themselves: "Oh, yes, but the health care premiums, he doesn't say anything about that. They're going to go up." No. The people reading an ad like that in a newspaper conclude that the provincial government has a plan, and within that plan things are looking really good and really healthy. But, Mr. Speaker, they wake up this morning, and what do they find? Yet again more taxes, taxes on top of the taxes they brought in last year, whether it be for tobacco or alcohol. I'm not going to be particularly strong in my criticism of the Provincial Treasurer in doing that. But what do we find on top of the sin taxes? We find a fuel tax, for example, and we find increases in health care premiums. There are other ways in which this provincial budget takes money out of the pockets of ordinary Albertans. Whether it be in reduction of rebates, there's a whole host of initiatives in this government which take money out of the pockets of ordinary Albertans. The problem with the way this government has gone about it, Mr. Speaker, is the way they've taken money out of the pockets of Albertans.

MR. SPEAKER: Thank you, hon. member.

MR. HAWKESWORTH: Mr. Speaker, thank you very much.

head: **Consideration of Her Honour the Lieutenant Governor's Speech**

Moved by Ms Calahasen:

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

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

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

[Adjourned debate March 20: Mr. Main]

MR. SPEAKER: Under Standing Order 19(1)(c) with respect

to the throne speech debate we now must move to the vote on that. Does the Assembly agree with the motion as moved by the hon. Member for Lesser Slave Lake and seconded by the hon. Member for Banff-Cochrane? All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Adair	Gesell	Orman
Ady	Getty	Paszkowski
Betkowski	Gogo	Payne
Black	Horsman	Rostad
Bogle	Hyland	Schumacher
Brassard	Johnston	Severtson
Calahasen	Laing, B.	Shrake
Cardinal	Lund	Sparrow
Cherry	McClellan	Speaker, R.
Drobot	McCoy	Tannas
Elliott	Mirosh	Thurber
Elzinga	Moore	Trynchy
Fischer	Musgrove	Weiss
Fowler	Nelson	

Against the motion:

Bruseker	Hewes	Pashak
Doyle	Laing, M.	Sigurdson
Ewasiuk	Martin	Taylor
Gibeault	McEachern	Woloshyn
Hawkesworth	Mjolsness	

Totals: Ayes – 41 Noes – 14

[Motion carried]

MR. SPEAKER: Budget debate. Calgary-Mountain View.

head: **Government Motions**

(continued)

MR. HAWKESWORTH: Thank you, Mr. Speaker. The point that I'd like to leave with members of the Assembly this afternoon is that all of these increases – revenue increases, levy increases, and health care premium increases – are levied on Albertans regardless of their income or their ability to pay. That's what makes them particularly regressive and particularly counterproductive to a fair tax system.

Mr. Speaker, I heard in the answers earlier this morning in question period that a number of the ministers wanted us to look at what was going on in British Columbia and Ontario and other provinces across Canada. When we look at health care premiums, however, I didn't hear any of them drawing our attention to what was going on in other provinces, in that there is only one other province that funds its health care system

through health care premiums, that being British Columbia. We're going the opposite direction, the opposite trend from where other provinces in Canada are going. They use the taxation system to pay for their health care programs, whereas Alberta is making a greater and greater reliance on the premium route as a way of financing our health care system. It bears no relationship to what people can afford to pay.

I'm particularly concerned about the working poor, who have no means of subsidization and have to pay it out of their own pocket. A family making \$20,000 pays the same rate as somebody making \$150,000 or \$200,000 as their family income. It's the same rate, and it's not fair. It's contrary to a fair taxation system to be funding our basic health care services in this manner. This has been, in my mind, one of the main criticisms that we have had over the goods and services tax. In the same and like manner, it's a straight consumption tax. Everybody, regardless of their income, pays the same rate. Because of that it's also regressive. It seems to me wrong, Mr. Speaker, for the Provincial Treasurer to be using the same kind of flat regressive taxes in order to finance government operations. It's wrong for him to be critical of the federal government for using that kind of a tax when on the same hand, when it comes to the crunch of raising more revenues, he himself goes that same route.

My last point this afternoon, Mr. Speaker, is that if you look at the increases that hit Albertans today as a result of the speech last night, the estimate is that Albertans will be paying somewhere between \$300 and \$400 more per person as a result of these taxes. In fact, given the few hours that we've had to do a quick analysis or assessment of these increases, if we were to pick the taxes, the licence increases, and the premium increases, they would equate to something like an 8 and a half percent increase if those increases were financed through a personal income tax system. So because they're not financed through the somewhat more progressive income tax system and hit average, ordinary middle-income Albertans and poor Albertans much more emphatically than they would were they to be financed through the personal income tax system, they're unfair. I would say to the Provincial Treasurer that somewhere in this plan, assuming that you have a plan - I still haven't seen it after the last three or four years – next year will the Provincial Treasurer stop his disguised attack on ordinary Albertans, on the incomes of people in the middle-income and lower-income brackets, and start bringing more tax fairness to his system and to his plan?

Thank you, Mr. Speaker.

MR. NELSON: Mr. Speaker, I would ask to adjourn debate.

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

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion carries.

3. Moved by Mr. Getty:

Be it resolved that the address in reply to the Speech from the Throne be engrossed and presented to Her Honour the Honourable the Lieutenant Governor by such members of the Assembly as are members of the Executive Council.

[Motion carried]

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

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: **Introduction of Special Guests**
(*reversion*)

MR. ELZINGA: Mr. Speaker, might I have the pleasure of introducing to you, sir, an individual who is in Canada for Globe '90 and has come to Alberta to visit with us and individuals as

it relates to environmental matters. I would ask Mr. Brouwer to rise and receive the warm welcome of the Legislative Assembly. Joining with him is Mr. Al Rahmani, who is also with Envirocon, and I would ask him to rise also so that we could extend a very warm welcome.

MR. HORSMAN: Mr. Speaker, I've informed the House leaders as to the business next week. Monday afternoon will see us in Committee of Supply for the Department of Advanced Education and government business during the evening sitting Monday, including appropriation Bills for interim supply and debate on the budget.

[At 12:48 p.m. the House adjourned to Monday at 2:30 p.m.]