Legislative Assembly of Alberta

Title: Tuesday, March 19, 1991 8:00 p.m.

Date: 91/03/19

[Mr. Speaker in the Chair]

head: Government Bills and Orders head: Second Reading

Bill 16 Appropriation (Interim Supply) Act, 1991

MR. JOHNSTON: Mr. Speaker, I will simply confine my comments to Bill 16 – and Bills 17 and 18, I suppose – by saying that we've had a fairly broad and far-reaching debate already on what it is that these Bills do, the information that's included in them, and the responsibility which we as legislators have to see that the supply is provided to the government to allow it to operate through to some time in the middle of July. Accordingly, I will limit my comments on second reading because the principles are clear to all who follow the parliamentary system, who believe that government bills must be paid, and who understand that this process is clearly accepted in the parliamentary tradition.

Mr. Speaker, I move second reading of Bill 16.

MR. SPEAKER: Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. Yes, we had a bit of a far-ranging debate last night all right. The opposition said quite a number of things, but nobody on the other side said very much, except the Treasurer who got up and said that we didn't know what we were talking about, as he usually tries to claim. The fact of the matter is that we do know what we're talking about. The Treasurer is coming before the House and asking for money without adequately giving us the information that we need to be able to make a decision as to whether or not we should give it to him.

One of the comments that he made yesterday - and I want to start out on this point - is that the first quarter and the last quarter of the year are the heavy parts of the year. Now, he used that for justification for saying that he needed about a third of the budget, we assume, to get us through to June or July. And I quite understand that, because in many cases they have to send off some of the grants to some of the municipalities for education or municipal things or to hospitals for health care, that sort of thing. So I understand why the first quarter is a heavy quarter, but I don't quite understand why the last quarter of the year is a heavy quarter. I can speculate a little bit, and the Treasurer, of course, is quite welcome to stand up and correct me if there are some other reasons. I would speculate that it's because he, generally speaking, underestimates his budget, so at the end of the year he then has to start passing out special warrants in order to make up enough authorization to spend the extra dollars that are needed.

Of course, that's to make his budget look good at the start of the year. What we have to understand in this province is that the Treasurer doesn't bring in a budget to inform people what's going on; he brings in a budget to make things look good and to try to make the government look good. So he makes the deficit look as small as he possibly can, makes the revenues look as good as he possibly can, and underestimates the expenditures so that the deficit doesn't look too big. Last year was perhaps the classic example. It's most interesting that nowhere along the line in this whole year, in spite of the fact that he got some extra

money out of oil, did he give us any kind of an update yet. We're still going to have to wait for the budget on April 4 to get the first forecast, the first indication as to whether or not his budget last year was accurate.

Now, we know on this side of the House that it was not accurate in a number of specific instances, and I'll just confine myself to one point. The debt servicing costs were clearly a fiction of this Treasurer's intention to make sure that the people of Alberta thought he was getting closer to a balanced budget so he could get all the way to a balanced budget this year. I mean, he tried to claim that the debt servicing costs were only going to go up by \$90 million from the year before when we all know that the debt the year before was an increase of over \$2 billion. Obviously the increase was going to be much more than \$90 million. That is the one point that he finally did admit somewhere in the fall of the year, after having sworn to me when I asked him specifically near the end of the session last spring, "Are you still sticking by this \$90 million increase?" Oh yes, he was. But two or three months later he admitted that the figures that I had given were much closer to being the truth.

So, Mr. Speaker, there is no real reason why the Treasurer should expect us on this side of the House to just play dead and accept the interim supply Bill without asking a lot of questions and pointing out a number of things, the timing for instance. There is no reason that we should start the session this late in the year. We could be further along in the process of passing the budget. We might still need some interim supply Bill, but this government is getting more slack every year in terms of when they start the session. It gets later and later and later, and it's because I think they're just getting lazier and lazier and more contemptuous of the political process, of the people of the province, and of this Legislature. So the year gets moved back further and further until we need a bigger interim supply Bill every year to cover for the early part of the year while we pass the budget.

But the thing that upsets us most is this lack of information. It shows no respect for the taxpayers of this province, who foot the bills. It shows no respect for the legislative process and the role of this House in scrutinizing the budget. There's not enough information in this Bill about the expenditures. We went through some of those last night. I asked a lot of questions last night, specific questions about different departments. Most of the ministers weren't even here to answer the questions, and the Treasurer was obviously not briefed so that he could answer them. All he did was get up and tell us, "Well, you've got to pass it, because we need it." That's not acceptable, Mr. Speaker.

When you're in a system like we are now, where the Treasurer brings in a budget and a year later gives us a forecast as to how accurate that budget was, or at least he admits to some of the fictions in the original budget, and we don't see the public accounts until another year later . . . It would seem to me that a government that respected the taxpayers of this province would, on occasion, give us information more updated than the public accounts. In this case, we don't even get the public accounts.

Two years have gone by since we've had any figures for public accounts in this province. I mean, the last public accounts we had were for March 31, 1989, and here we are approaching March 31, 1991. The last figures we have are for two years ago, and they, of course, cover the year before that, so some of the figures even in that are three years out of date. We have no new numbers, yet this Treasurer has the gall to come before this Assembly and say: "Here are some dollars we need, like \$4.2 billion. Pass it, please, or else we won't be able to pay the

public employees, and we won't be able to give money to education and health care and so on. We don't really need to explain to you what we're doing here. Just give us the money." Then he wonders why we on this side of the House take a little time and say: "Well, just a minute, Mr. Treasurer. Here are some problems we have."

In terms of not giving us the information through public accounts, that's bad enough, but we get into situations like NovAtel or Gainers or some of these kinds of fiascos. A government that respected the taxpayers of this province and respected this Assembly and freedom of information and the right to information . . . We know what we get wheelbarrows full of from this government. We know what they're filled with, and it isn't information. What we need is the information on what happens with things like Alberta-Pacific Terminals, Alberta Intermodal Services, NovAtel, what's happened with Gainers. Those are the kind of things that we need to know, and we need to know them before two or three years are up. But, no, we don't get them, Mr. Speaker.

The other thing that is most disturbing in each of these Bills is these large numbers – just one or two or three or up to four or five points under some of these categories – with no real explanations and nobody to answer for them. Mr. Speaker, I don't really see any reason why we on this side of the House shouldn't make a protest and say, "No, we're not agreeing to these Bills." We'll make the government railroad them through on their own so that they have to take sole responsibility for getting themselves into this kind of a bind.

Now, if you just look back at last year's budget, the Treasurer tried to say that he was only going to have a billion dollar deficit. We pointed out to him a number of potential errors in that. We still haven't had an update, yet here we are now still waiting for more information about what the government is going to do for the next year. He's just starting that same old cycle of giving the people of Alberta the runaround again, and I, for one, Mr. Speaker, do not believe that he deserves the support of this House on this Bill.

8:10

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question. [interjections] Well, the Chair hasn't recognized anyone yet, hon. member. I did see Calgary-Buffalo.

MR. CHUMIR: I'll cede.

MR. SPEAKER: Thank you. All right. The Leader of the Opposition. Thank you.

MR. MARTIN: I won't go on too long.

Mr. Speaker, it seems so important, I think, to talk briefly about the whole budgeting process. We're asked here to trust the Treasurer, that great money manipulator, the person that's always dead on in his budget. I'm sure when the budget comes that he predicted the Persian Gulf war and therefore knew all about the price of oil.

MR. JOHNSTON: Let's just compare predictions, Ray.

MR. MARTIN: I'll go back to that particular argument, and we'll get the truth out.

MR. JOHNSTON: Ten-dollar Ray over there.

MR. MARTIN: I will bring that back, and you'll read the *Hansard* correctly.

Now he wants just a measly \$4,422,000,000. "Trust me; this will take us up to July," I believe he says. I'm just reading the *Hansard* from last night. He says, "That is not any magic number." Well, coming from Magic Johnston, I find that hard to believe. He says:

The people in Treasury who made this recommendation to us made the best estimate that they had in terms of dollars required for the important funds that are being operated.

Well, that's scary, knowing their previous record, if they're the same ones advising him on his budget.

The point that I want to make here – and I won't be long, Mr. Speaker, because I know all these backbenchers want to get up and talk about the budget and do their job here that they're paid for. The reality is that the whole budgeting process has become a joke. It doesn't matter what you put down on paper here. It doesn't matter whether it's interim supply or eventually the budget on April 4, because I know that he will have a balanced budget on paper so they can go into their convention and say: "Look what great money managers we are. See; here it is. Our budget. It's balanced on paper." Then they'll be able to say to their right-wing flank, the Reform Party having their meeting at the same time in Saskatoon, "You can really trust us after all, because we can balance the books." We know the exercise.

I was rather amused when I heard on the radio today that the Treasurer said that the only reason we're having it on April 4 is so that he can give me all day Friday to debate it. Well, that would have been the case no matter when, Mr. Speaker.

The reality is that this doesn't make any sense. I will go through how they overestimated revenues in the past and underestimated expenditures. It's all done for the hype of budget day. Then they have no intention of following it anyhow, Mr. Speaker. I'm talking, of course, about the special warrants.

I understand the purpose for special warrants. They are for a reasonable purpose. There could be an emergency, a bigger emergency than we expected. To use the example the Premier did the other day, forest fires. But, my God, the amount of things that are going through here: infrastructure for Al-Pac, this party, that party, everything. They don't care about the budget, because they can go behind closed doors, behind the cabinet, and pass whatever they want anyhow. So this is a bit of a charade, the \$4 billion. You might as well have picked it out of the air. Maybe they did, his great advisors. Then it doesn't matter anyhow, because if you don't like what you've passed in the budget, what we've spent time on in here, we'll just go behind closed doors and pass special warrants.

Let me just point out to the Treasurer that this is becoming a practice that is frightening. Maybe there are some more coming; the end of the year is not here yet. In 1990-91 the government spent \$600 million more than it said it would in its 1990 budget. Now, maybe it's like C.D. Howe, where he said: what's a million? Maybe what's \$600 million to this government and this Treasurer. Well, if I kept spending that amount on special warrants, I'm sure anybody could balance the books on budget day. Then you go out and spend half a billion dollars extra anyhow. So what's the point of this whole exercise?

It's a trend that is getting more serious. If we go back just in the last number of years, the government spent \$188 million by special warrant in 1986, it jumps up to \$286 million in 1987, \$369 million in 1988, \$392 million in 1989, and now over \$600 million in 1990. You add up the figures, and keep in mind the deficit that we have. That adds up to \$1.835 billion; \$1.835 billion that

didn't come through the Legislature, that came through special warrants passed by the cabinet behind closed doors. No wonder they don't worry too much about the budget. They could say that they're balancing it. They can say whatever they want come budget day, because they can just go, as I say, behind closed doors and pass whatever they want.

Now, this is wrong for two or three major reasons. Number one, it's undemocratic. This Legislature is supposed to control the purse strings. We're supposed to have a thorough debate, we're supposed to know what each department is doing, and then government departments are supposed to live within that budget, other than for an extenuating circumstance or an emergency. But that's not the case, Mr. Speaker.

Going to over half a billion dollars in special warrants is wrong for another reason: it is just very, very sloppy. If government departments know that they don't have to live within the budget that the Treasurer set down, then they're going to be much more eager to overspend. "Okay; I need a few bucks here, a few bucks there, everywhere a few bucks. I'll just go back to my cabinet colleagues, and the friendly Treasurer will hand out, and the Premier will sign a special warrant." And they'll get the money that they wanted.

So I suggest to you, Mr. Speaker, that besides being undemocratic, it has clearly led to a higher deficit than needs to be. It's fundamentally wrong. I would hope that this Treasurer, if he's serious about saying that he's going to have a balanced budget, makes sure that these special warrants are stopped in the next budget year, because you can bet that we'll be watching it very, very closely. Now, as I said, if it's used for an emergency, I accept that. But the Treasurer has to admit that the things that have passed in special warrants were not emergencies, that they should have been handled by the regular budgeting process.

I just wanted to make those comments. I'm sure the Treasurer will hear them again from me – maybe again and again and again – but it is an important matter, Mr. Speaker. We don't want the government to shut down and people to be punished for this government's incompetence. They'll certainly get their interim supply Bill, but I think they really have to go back to stage 1 in terms of how we budget in this province. As I say, \$1.835 billion through special warrants in the last few years is not chicken feed. That is a serious matter. It's a serious bleeding of our budget in this province. Thank you.

 $MR.\ SPEAKER:\ Calgary-Buffalo.$

MR. CHUMIR: Thank you, Mr. Speaker. I gave my comments on the substantive issues and the principle raised by this Bill last evening in committee, and there's no need to repeat those. However, I would like to raise a matter, and that is that last night the minister stated, and I quote page 47 of *Hansard*, the wonderful sentence of the Provincial Treasurer:

I would be willing, insofar as is possible, to deal with the notion of the expenditures, provide whatever additional information I can within the context of not providing full information about the budget, and to ask and call upon my colleagues, the various ministers who may be here, to answer other questions which may attend to the various expenditures, if necessary.

Well, I'm wondering, Mr. Speaker, whether or not in that wonderfully convoluted sentence, which I'm sure appears in Cargill on English somewhere in some context . . .

8:20

MR. JOHNSTON: You're dating yourself. That's '50s, Sheldon.

MR. SPEAKER: Order, Provincial Treasurer.

MR. CHUMIR: . . . whether or not the Treasurer is saying that he is going to answer questions with respect to this interim supply issue, or is he saying on the other hand that he would approach questions, and I quote, "within the context of not providing full information," which is his usual approach, not to mention that of the government generally. Well, I think that in fact we have evidence. We have written evidence in Hansard last night that, in fact, the latter is indeed the situation, in a case of refreshing honesty; cynically refreshing albeit but honesty nevertheless. As I reviewed the debate, there were in excess of 300 questions asked last night on very substantive issues, good questions such as: the crisis in our courts, declining services in health care, the needs of immigrants, waste through government giveaways to Mr. Pocklington and others, inaccessibility in our education system, and on and on and on. And what answers do we have at the end of the day? We have a pitiful, puny paragraph indeed on each of the questions of individual telephone line service and women's shelters, and the rest totally glossed off, dismissed, and I quote, "within the context of not providing full information."

Then we have government members, Mr. Speaker, having the temerity to ask why we in the opposition allowed the debate to end at 10:40 last night, implying that we should repeat the futile gesture of endlessly asking questions which are ignored, and I quote, "within the context of not providing full information." So I end my comments on this debate by asking: how about some answers, Mr. Provincial Treasurer, before we vote on this pittance of \$4 billion-plus, which probably won't last this government out of April, I suspect.

Speaker's Ruling Decorum

MR. SPEAKER: The Chair would like to point out that one hon. member is being observed reading a newspaper in the House. It's not the tradition of the House to bring newspapers in. It really is a matter of having xeroxed certain articles that have been clipped, please.

Debate Continued

MR. SPEAKER: The Member for Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. I, too, want to add a few comments about the process of passing the interim supply Bill. No doubt my leader went through a number of issues that he found to have some difficulty with, but I, too, have some difficulty with the way the presentation is made. We have the government coming before the Assembly at this point in time with an interim supply request of over \$4 billion. We're told today that we'll have the opportunity to see the budget on April 4. Soon enough, I suppose, but there are number of programs in the departments that I try and follow, that we know are going to have some extensive changes. Now, I wonder if this process has just become a bit of a joke, a bit of a charade.

We see the minister of Career Development and Employment has sent out a number of documents on the proposed apprenticeship and industry training Act. That involves some kind of an expenditure. Has that decision already been made? If it has, this Legislature has not had the opportunity to debate the expenditure of funds for those programs. What the minister is obviously asking us to do is give a blank cheque so that the change in the programs can go ahead without having any legislative approval. Mr. Speaker, that's just not good enough.

What if, in the event that some members of the government party decided that they were going to have that free vote that the leader of the Liberal Party speaks so often of? What if a certain program were to have failed?

MR. WICKMAN: Smart man, Tom.

MR. SIGURDSON: Well, we don't know.

What if the possibility were to come about that there were to be some program changes and the start of funding has already been approved and expended? For the Treasurer to come forward every year and this year request that a third of the budget be approved is really a slap in the face to the democratic process.

I look at the Department of Labour, the other area that I stand up here during estimate debate for, and I see that some of the votes are pretty much right on one-third of the vote of the previous year. Fine, but there are some examples of work and safety standards. In vote 2 of the previous year what's proposed in Bill 16 doesn't match one-third of the previous year's expenditure. Now, I want to know what changes there have been to the work and safety standards. We're about to approve \$1.2 million for this program, yet I have no idea where the changes are. It's not that I would probably expect to get an awful lot of answers in the opportunity to debate with the Minister of Labour. I'm not sure that I would get the answers then, but the fact of the matter is that there's a significant change going on in that department. At least I see a significant change going on in that department, and we can't get any response.

Mr. Speaker, if this government which professes to be open and honest and democratic and responsive to the needs and the will of all Albertans is truly wanting to be open and honest, then maybe the thing to do would be to call the Legislature back a little earlier and make sure that we have a budget introduced in late February or early March, so that we can get on with debate of the budget, so that the budget can be passed prior to the end of the fiscal year and all Albertans will have known where the money is at least supposed to be going.

MR. SPEAKER: Thank you.

The Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. I would like to address a few words on second reading of Bill 16. I think we have to wonder . . . [interjection] You'll get your turn if you stand up and talk, hon. member.

It was no wonder very few of us could recall the exact procedure whereby we go through this Committee of Supply and into the budget Bills, because we haven't done it before. This is a unique situation in which the government wants an expenditure of some \$4.4 billion ahead of the introduction of the budget. You don't have to go back as far as the Member for Calgary-Buffalo to recall a day when \$4.4 billion would equal the entire budget of the province of Alberta. That's easily within the living memory of every member of this Assembly. It's not so very long ago.

What we're talking about is a minibudget of sorts, but we're not getting the information, getting a budget, for a reason. I'm quoting the words of the Treasurer here. Last night he said, "to protect the heart of the real budget." Well, if there is a real budget that has a beating heart out there that needs to be protected, I guess I'm for that, but I think we have to ask: what's the reason for the delay? It's not anything more or less than to play into the timing of the charade that we'll see around

the April 5 and 6 weekend in which the thundering hordes of the Progressive Conservative Party will get together and vote on the proposal that all of the members of the party will vote on who's going to be the leader of the party.

Now, I understand the proposal being put forward is that all you have to do is sign up and you get a ballot to pick the leader of your choice. That's an interesting approach. Then you go down to the local legion hall or whatever to do that. I understand they want to talk about something other than leadership that weekend, so I guess that's the reason we have to wait to see what the fiscal plan is. What's the plan? Where are we you going with this government?

The Treasurer said last night that he couldn't answer all of our questions because he wanted us to trust him this far, that what we're being asked to do is "to make some reasonable transfers to keep the government operating." Well, what kind of an operation is it that we're supporting? That's the question we're asking. What kind of a government is it? What's it going to look like next year?

There are funds here, for example, for the office of the Chief Electoral Officer. That's a very important office. Is that office going to be allowed to do what they're required to do under their legislation, which is to enumerate the voters of the province on the second anniversary of the previous general election? I don't know; that question isn't answered today. All we know is that there's \$200,000 to support some type of an operation somewhere in the year.

8:30

There is within the Department of the Environment, one which I look at very closely, a budget allocation of \$15 million for Environmental Protection, Enhancement, and Research. Now, that sounds like a good category expenditure, but we have to ask ourselves: in light of the fact that the Al-Pac decision shows that the government ignores environmental impact assessments, that it substitutes its political view of things for the conclusion of an environmental impact assessment process, we need to know what it is that the environmental protection, enhancement, and research division is doing. In fact, I would like to ask why it is that the taxpayers of the province of Alberta pay for these bogus environmental impact assessments which don't influence the final decision in any case, because if this is being done as window dressing in support of a licence or permit, it's really nothing more than part of the cost of processing an application for a government permit.

Now, with most of the government permits that are issued from this government, the person or corporation who gets the permit pays the cost of processing the permit. I mean, you go down to register your motor vehicle, and I believe that's \$50 a crack now. That's what you pay for the processing and licensing of a motor vehicle. But if you're operating an oil sands plant or a pulp mill or a sour gas plant or whatever, you don't pay a nickel for the cost of processing that application, yet the taxpayers are being asked on this occasion to put \$15.4 million forward in support of the operation of that department. Is it to create more environmental reviews which will again fall on deaf cabinet ears while they make the opposite decision anyways? I don't know.

What about the \$8.7 million budget for the Special Waste Management Corporation? That's an interesting one. We've got a figure that's penciled in there. We've got a government that says out of one side of its mouth that we're going to expand that plant and triple the capacity at Swan Hills, and the other side of its mouth says no decision's been made on whether we're

going to import toxic and hazardous waste into the province of Alberta in support of that operation. The people at the Special Waste Management Corporation tell me that the government refuses to give them policy direction in terms of whether we will be importing waste in the province of Alberta and tells them that they have to go and meet with Albertans to discuss the environmental impact of that project without being able to inform them one way or the other whether there will be toxic and hazardous wastes imported in the province of Alberta. That's a policy decision, and it must be reflected somehow in the expenditure of \$8.7 million, but \$8.7 million for what? More subsidy on the existing operation for arrangements to import hazardous wastes from other provinces in Canada into the province of Alberta?

What about the long-awaited waste reduction and recycling program for the province of Alberta? I talked to some people in the Grande Prairie area earlier today who are dealing with the question of where do they site the new regional landfill, and I said, "Well, you tell those people on the county board that Ralph Klein's going to come in with a policy on waste reduction and recycling, and they should wait to make their decision until they see that policy because that's going to have an important effect on how you process waste." And they said: "Well, we've been waiting for that policy for the last two years. If we keep waiting that way, we're going to end up like Edmonton is. It has no landfill whatsoever." I can't find anything here in the information provided to us about the fate of the waste reduction and recycling strategy. One hopes that somewhere in the \$4.4 billion expenditure there is something there for waste reduction and recycling. After two years of hype there's got to be something, you know, but unless it was printed on the other side of these sheets and accidentally my copy didn't get them, there's no such information here at all.

Moving along to the Natural Resources Conservation item in the budget, I believe that falls under Executive Council in these estimates. Many, many questions need to be answered. The government put forward the idea of the Natural Resources Conservation Board as the solution to the uncertainty over environmental assessment in the province of Alberta in the throne speech a year ago. We didn't see legislation for several months, and that was delayed several months further before the Assembly was finally able to deal with it. Today we don't know what projects are going before the Natural Resources Conservation Board and what projects aren't. We don't know when the legislation will be proclaimed. We don't know, for example, whether the Swan Hills expansion is going to go before the Natural Resources Conservation Board. A major decision about an environmentally sensitive matter, the disposition and destruction of toxic waste material, the question of incineration versus other means of disposal, the question of the absolute scandal over the choice of technology that has failed to function for the purpose for which it was designed: all of that should be heard in an open public forum for the Natural Resources Conservation Board. Yet I asked the minister the other day for a commitment that the Swan Hills expansion would go to the NRCB. He refused to answer the question. Maybe there is no answer to the question, but we do have a request here to spend \$738,000. Somewhere there's got to be some information about where that's going to be spent.

We move on to Forestry, Lands and Wildlife. The expenditure there is not totaled, but it looks like \$70 million, more or less. Now Forestry, Lands and Wildlife, as we discussed earlier today, has become a tremendous drain on the taxpayers of the province of Alberta. What that department does primarily is

administer forestry management agreements, related tenures such as forest licenses and so forth, and looks after our fish and wildlife resources. Now, on the forestry side alone they're spending way over twice as many dollars than is brought in on the business of managing the exploitation of a public resource. Now, if the Energy department operated that way, I daresay we'd be looking for a new Energy minister. The Energy ministry understands that their job is to collect the rent on a public resource like that, but we have no indication here that this \$70 million is going to be balanced finally against revenue. It looks like it may continue to be a drain on the taxpayers. So, you know, these are questions that make it difficult for us, for the sake of protecting what the Treasurer calls the heart of the budget – what is actually the political timetable of the government – to accept this \$4.4 billion Bill.

Now, there are a lot of bills that need to be financed through the government which are not even covered by these spending estimates, and I'm curious to know how they're covered. All of these business failures and bailouts from the province. There was one announced today dealing with Alberta Terminals, the NovAtel business, Myrias Research, Climate Master, General Systems Research, Gainers, the Olympia & York business, BioTechnica Canada, Clarepine Industries, Nanton Spring Water, Meunier Forest Products, Whitewood, Ski-Free Marine, Interwest Publications - that's an interesting one, a \$4 million loss on that one - Alert Disaster Control Inc. That's something the government would invest in. I can see now that they would need disaster control rather badly. If somebody comes along offering to bring disaster control in the province of Alberta, I can see that would be a tempting investment for this government because there's always a disaster that needs controlling. Oil Patch Industries, Teknica Resource Developments, Norstar Recreation Emblems, Juniper Emblems, Presentation Pins awfully big on emblems and pins, aren't they, Mr. Speaker? World Blitz Chess Tournament, Stetson Land and Cattle Company. There's \$256 million right there in business failures and bailouts involving the loss of taxpayers' money. How is that provided for in terms of this interim supply measure? What's the plan to pay off these bad loans, Mr. Speaker?

Then we go to the area of regulatory failure, a story that's very difficult to repeat in detail, but nonetheless: the \$150 million lost in the Principal Group collapse, \$186 million in credit unions, \$100 million in North West Trust, and \$28.4 million in Rocky Mountain Life. There's another \$480 million.

So we've got a lot of expenditures that are not quite explained in the presentation before us today. I think before we run off and approve the transfer of \$4.4 billion to pay to keep the government operating, we have to ask ourselves what kind of government we are operating. Why is it that over a thousand hospital beds have been closed in the last six months around the province of Alberta? People can't get in there when the time comes. Why is it that we don't have schools sufficient to meet the needs of our population in the face of these kind of expenditures and this type of waste? Questions that constituents ask me every day and I think we have a right to answers from the government.

8:40

MR. SPEAKER: Thank you. Additional? Call for the question.

SOME HON. MEMBERS: Question.

MR. SPEAKER: There is a call for the question. Does the hon. Provincial Treasurer wish to close debate? Thank you.

[Motion carried; Bill 16 read a second time]

Bill 17 Appropriation (Alberta Capital Fund) Interim Supply Act, 1991

MR. JOHNSTON: Mr. Speaker, I move second reading of Bill 17, Appropriation (Alberta Capital Fund) Interim Supply Act, 1991.

MR. SPEAKER: Thank you. Bill 17, Edmonton-Kingsway.

MR. McEACHERN: Yes. Thank you, Mr. Speaker. I want to make a few remarks about Bill 17. I can't help but comment that the answer we got this time to our questions was probably more intelligent than the one we got last night and probably said just as much in the debate about the budget part.

The Capital Fund estimates are asking for \$119.7 million. The usual amount of expenditure – I'm looking at last year's budget – indicates that the government usually runs around \$300 million total expenditures, so I guess we're into about a third, or a little more than a third perhaps, of the planned expenditure for the Capital Fund.

The Capital Fund is an intriguing sort of section. I kind of agree with the Treasurer on the idea of setting up a Capital Fund separate from the budget, but it is interesting to note that a few years back we didn't do that. I believe it was 1984-85 when the government introduced the idea of separating the Capital Fund from the budget. They had a balanced budget that year, or even a surplus if I recall correctly, but it has turned out to be quite convenient to have them separated, I guess, is what I'd like to say. It's another one of the little subtleties that the Treasurer uses to play with numbers so people in the province who don't know all the ins and outs of how the budget works have a hard time keeping track of him and pinning him down on just what's going on.

I remember a conversation between him and a reporter. I think it was last year shortly after the budget had been brought in. The reporter said something about a \$780 million deficit. For some reason the Treasurer wanted to imply that it was a little bigger than that, so he quickly said, "Oh, but if you add on the Capital Fund, it'll be about a billion dollars." By separating the two, it's one of those little places where the Treasurer can use whichever number is more convenient. If he wants to play down the size of the deficit, he can just quote the budget deficit itself, but if he wants to play up the size of it, then he can throw in the Capital Fund.

Looking at last year, the numbers actually came out to \$979 billion, so that was about the \$1 billion that I mentioned. Actually, the context in which that was done – I remember it quite distinctly – was the Treasurer asking for a \$2 billion increase in the net borrowing power of the province. He wanted to raise the power to borrow from \$9.5 billion to \$11.5 billion. We were sort of saying, "Well, why do you need a \$2 billion increase in this when your budget is only going to be \$780 million in deficit?" Of course then, "Oh, but there is this other Capital Fund" bit. So it's very convenient to have the budget split up in a number of ways. The heritage trust fund is now also separated – and I'll talk about that under the next Bill – so

that you can use whichever number is most convenient to accentuate whichever point you want to make politically.

I just want to say that again we're very short in the way of detailed information. In fact, we've had no update on those figures that I was just talking about for the Capital Fund and the deficit figures all year round. We're almost into the new fiscal year, and we've still had no update by this Treasurer on the changes. It's really interesting to hear the members on the other side of the House when we ask for information. The ministers and the Premier love to do it; they did it twice today in question period. "Well, if you would just put it on the Order Paper, then of course we'll get it for you." Of course, if you put it on the Order Paper . . . The government is getting sloppier and sloppier about even answering those questions. At least at the end of the session they used to make a real effort to answer all of the questions in the Assembly and do written answers for the remaining questions and motions for returns and send those out to us within a short time of the end of the session. This last year they outdid themselves; they didn't bother until the other day. They started off the session by giving us answers to some of the things that we asked last year. Well, that makes those answers as slow as the waiting for the public accounts. I mean, the public accounts are always at least one year out of date, and basically right now we're two years out of date on getting answers to the questions about what's going on with the budget.

Again, I see no reason why we should be supporting the Treasurer for his request. When he doesn't co-operate with us, I see no reason why we should co-operate with him.

MR. SPEAKER: Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. The Capital Fund was established, I believe, in 1986. The effect of having a Capital Fund is to reduce the reported budgetary deficit of the government by means of converting what would be reported as current expenditures to capital expenditures, which are thereupon amortized over, I believe, a 35-year period. I understand that the government of Alberta is the only government in the nation which uses a Capital Fund and does not report expenses of this nature on a current basis.

What we find, Mr. Speaker, is that the government then proceeds in its annual budget documents to compare its pre-1986 expenditures, which include all expenses, with the expenditures in later years, of which part has been converted to capital, and thereby claim an increase in spending which is lower than the actual expenditures but which are very clearly, and I quote, "within the context of not providing full information." Go figure what the rationale is as to why some capital expenditures are included in the capital account and other expenditures which are of a capital nature are included in the current account. Maybe the minister knows, but if he does, he isn't saying.

Now, the minister's practice, of course, is an encouragement to the government to fund through debt. Having an account of this nature makes it easier in reporting to taxpayers, and indeed this is the Minister of Debt. He may even love debt. As we speak, he's probably busy working on putting the generally accepted accounting principles on a procrustean bed: stretching a principle here, chopping another principle there, massaging and twisting so that one day, like a modern-day Houdini, he'll present us with a budget in which we find that all expenses in excess of revenue are treated as part of the Capital Fund and in effect abolishing deficits. That of course is one of the purposes for which this Capital Fund was established, Mr. Speaker, and

it's certainly one of the uses of the heritage fund in which expenditures are not included as part of the current deficit.

8:50

Let me say that I do understand the distinction between the capital and current expenditures, and I can understand, perhaps, the budgetary rationale for establishing a separate Capital Fund. But what concerns the members of this party is the manner in which it is done: the lack of consistency in accounting for what are, what are not capital amounts; the use of different bases for comparing percentage increases and expenditures. All of these factors and others which militate towards the conclusion that the government has established this fund for political purposes rather than for sound budgetary purposes should be of concern to every taxpayer in this province, Mr. Speaker.

MR. SPEAKER: Additional comment? Edmonton-Jasper Place.

MR. McINNIS: Yes, Mr. Speaker. I agree with the Member for Calgary-Buffalo that capital funds can be used to shift around expenditures and to complicate the financial picture. I would have to say that there was no greater master of that game than the late W.A.C. Bennett. I know that the Member for Smoky River is greatly interested in the province of British Columbia, so he would well understand the analogy that's being drawn.

I have some very specific questions about this which I would like either the Treasurer or the ministers responsible to deal with, because \$120 million may not seem like much to the government, but it means a lot to the people who find that they can't get a hospital bed when they want it or an appropriate educational opportunity for their children.

I think an explanation is needed for the expansion of the construction of the special wastes facilities, which I believe represents the government's share of the cost of the expansion of the Swan Hills facility. I'm assuming that everything still goes 60-40, according to the original sweetheart deal, but I think now is the time for the government to answer for two things in particular.

One is whether this facility is going to be used to process hazardous waste from other provinces. The Minister of the Environment did say so to an outside body. He also said that he'd send somebody to the province of Quebec to negotiate receipt of some materials following completion of the expansion project. Now, there is no expansion project. There is no approval for that project. There is no permit in place at the present time. It's interesting that the government of Quebec is apparently not aware that they were in receipt of an emissary from the province of Alberta to negotiate such a deal. I think the government has to come clean and say what this expansion is for before we start voting money to do it.

Secondly, before we start voting money to expand the plant, we have to find out whether there will be a formal review of the environmental impact assessment or not. We're in a hybrid situation today. The company, the Special Waste Management Corporation, and Chem-Security in a joint venture are holding public meetings throughout the province on the basis of a draft EIA document. People who go to those meetings don't know whether they're involved in a review process, except that they go to the meeting and whatever happens happens. But what status does it have? People have to know whether this project will be sent before the Natural Resources Conservation Board. That's what that legislation was there for. This government has been

saying to people for a year now that it's set up a process to independently review those environmental impact assessments. This is just such a project that's right up the alley. There is no rationale extant that I can see that would allow for it to slip through the cracks and to be pushed ahead, under the wire, before that body is put in place.

Two very important questions and there is an appropriation of 2 and a half million dollars which hangs in the balance. I think somebody's got to address that right here, right now, this evening.

Secondly, we have construction of economic development infrastructure. I'm assuming that a big chunk of that is probably for the Alberta-Pacific project, because there is a \$75 million bill for infrastructure, which we the taxpayers and the taxpayers we represent are being required to pay. Now, there are many questions related to Al-Pac, but I think it would be very helpful if someone in the government would provide the information of what the components of that \$17 million are towards the Al-Pac project so that we can get at it.

Those are a couple of points that I think need to be addressed before this Bill passes second reading.

[Motion carried; Bill 17 read a second time]

Bill 18

Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1991-92

MR. JOHNSTON: Mr. Speaker, I move second reading of Bill 18, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1991-92.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. Of course, we're carrying on with the same game that we've just been through for two other Bills, but I think there's a couple of other points to be made.

I'd like to add the manipulation of the heritage trust fund budget as part of the manipulation that goes along with the Capital Fund and the budgetary deficit that the Treasurer likes to use. It was a different year this time. Instead of the Capital Fund, which was introduced in '84-85 or else '85-86, this one was introduced somewhat later. When we were first elected in '86, we found that the Treasurer had a section in the budget where he combined the heritage trust fund expenditures out of the capital projects division with the budget. That went on for two or three years. Then I think it was in the spring of '89 when all of a sudden the heritage trust fund totally shifted to one side and there was no combined deficit, as he used to like to call it. Of course, that threw us all for a bit of a loop and meant that the deficit that he was projecting looked a little lower than what it had been projected as in other years under the same kind of circumstances. In fact, he said the deficit would be \$1.49 billion. and I remember being particularly disappointed because I had done a rough budget for the Treasurer and had assumed by his numbers that his deficit was going to be \$1.7 billion. Then when I looked at the heritage trust fund and realized he hadn't included it, that made the deficit \$1.63 billion, so it wasn't a bad guess after all. It just shows that the Treasurer's patterns are so well established that with looking at patterns you can predict what he's going to do and what he's going to say, except that he

keeps finding new and more innovative ways of making the deficit look better when he wants to.

Now, of course that deficit – we still haven't seen the public accounts on it yet. We're still waiting for them. But I gather he did tell some Tories at a meeting here in Edmonton a while back that that deficit – budgetary deficit I assume he meant – would be \$2.3 billion, in which case then you have to throw in the heritage trust fund on top of that and the Capital Fund on top of that. Now, you could subtract some commercial investments that may have made a little money that would be thrown into the consolidated statement as well, so it might not be a great deal more than the \$1.3 billion that he owned up to at that stage, maybe about \$2.5 billion.

Maybe that will get the Treasurer to stand up and tell me whether I'm right or wrong. We might actually get him on his feet and get him to say something, although I can't help thinking after the performance last night that probably saying nothing is just about as effective or maybe better. He certainly didn't answer any of our questions either way. Whether he sits in silence and even when he does talk, you don't get the answers. No other minister seems to be prepared to talk, to give us any answers.

9:00

The main point I wanted to make about the heritage trust fund estimates at this stage is that they should not be separate from the budget, from Bill 16. The heritage trust fund estimates, these expenditures under the capital projects division, are just a way for the government to tap into the heritage trust fund without owning up to the people of Alberta that they're actually spending money, particularly now that we're setting it off to one side and not including it in what he used to call the combined deficit.

The Treasurer claims that there's \$15.3 billion in the heritage trust fund. So each year he can spend around \$150 million, and because it's part of the capital projects division, he then calls them the deemed assets. Even though the money has been spent and we're not going to get it back, he can then still say that the \$15.3 hasn't changed. That's true; the \$15.3 hasn't changed since 1987 when they capped the fund and haven't put any more money in it. Of course, it has changed in terms of its value. Inflation has eroded it, and he has spent around \$150 million of it each year for the last three or four years. So the actual real assets of the fund have eroded. But he likes to keep this fiction up that there's this \$15.3 billion there and that nothing has changed even though he spends money out of it.

So having a separate heritage trust fund capital projects division expenditure like this is a way to spend money and bring in programs so that they can say to the people of Alberta, "Look what we're doing." Yet on his balance sheet it doesn't show any different when you look at the heritage trust fund. That still has the \$15.3 billion. Of course, for those of us that know and start looking into the consolidated statements, and the Auditor General doesn't let him get away with that, he includes the heritage trust fund expenditures into the consolidated statement, so we can dig out the right numbers.

Again, it's just part of the smoke and mirrors that the Treasurer has set up so that when people ask him about the budget, he can dash numbers off the top of his head, often inaccurate quite frankly. I tend to remember the numbers better than he does. On a number of occasions he's come up with the wrong number for different things. Nonetheless, he's very good at dashing off the right number to make it look like he knows what he's talking about, and he picks whichever number he

wants, either the budget deficit by itself or the budget deficit combined with the heritage trust fund deficit or the budget deficit combined with the heritage trust fund and the capital projects division. So he plays these little games. He hardly ever talks about the consolidated deficit, which of course is the number that he should really use if you're talking about the deficit in this province.

Mr. Speaker, I don't see any reason why we should agree to these expenditures. I mentioned yesterday about the individual line service, and they've indicated that it is winding down now. I still resent putting money into a telephone system that we've now sold to some shareholders so they can make the profits on the taxpayers' dollars. I think one of the stipulations that should have been made in the sale of AGT is that the shareholders should have had to pay back to the taxpayers all the money that we put into the individual line service over the last four or five years. The program was a good one. It was a good idea. What was a stupid idea was selling AGT in the first place and handing that benefit of all those years of people of Alberta paying monthly telephone bills and then these last few years of paying taxpayers' dollars into the individual line service over to less than 6 percent of the population so they can make a profit while the monthly telephone rates start to rise. It's quite ridiculous, and it's interesting that the government would decide that they had to use the heritage trust fund to sort of help bolster that package, so they could sell better to the shareholders and make it more attractive.

I for one, Mr. Speaker, don't intend to support the Treasurer on his heritage trust fund capital projects division. They should bring them into the regular part of the budget where they belong. They're just expenditures like any other expenditures, and they should be accounted for in the same way and debated under the same kind of budgetary time frames.

MR. SPEAKER: Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. One of the most interesting aspects of the expenditures under the Heritage Savings Trust Fund capital projects division is that they are not at all included as part of our budgetary expenditures, so the result is that no part of them appears as a part of the budgetary deficit. The fact is that they used to be accounted for in that manner until just a few years ago, when lo and behold one budget day the budget document was opened and they had disappeared without any announcement. To what end, we may well speculate, Mr. Speaker.

Most of these expenditures should be, under any reasonable accounting procedure, included either in the General Revenue Fund or, to accept the practices of this Provincial Treasurer at the very least, within a capital fund. The result of treating them in this manner, of course, is that they reduce the stated expenditures for budgetary purposes, are not reported within the budget process as if they had not happened and were not part of the expenditure of the provincial government. On top of this we have the conundrum that there appears to be no rationale as to why certain expenditure is made out of the heritage trust fund capital projects division, why other expenditures are out of the Capital Fund, and why other expenditures are done through the General Revenue Fund. The bottom line with respect to the way in which our accounts are kept is that they are misleading.

Now, Mr. Speaker, I would ask the Treasurer and members of this House whether anybody feels that Albertans are better informed or better served in any way by having this separate pot of expenditure, and if so how are they better served. Perhaps I may be considered to be naive in suggesting that service to the public, better government, should be the goal of whatever we do, including the manner in which we establish our accounting policies. I don't know; perhaps there are some members on the opposite side who still believe this, and if that is the case, I wonder why it is they're allowing this type of cheap accounting practice to take place and whether or not they're raising it in their caucuses and suggesting to the Provincial Treasurer that he end this legerdemain. I think the members on the government side would be amazed to find how much more effective a little bit of honesty in accounting practices carried beyond that would be in buffing up their public image far beyond recent suggestions that they change their name in order to distance themselves from the fading federal party.

Thank you.

MR. SPEAKER: The Provincial Treasurer, in summation.

MR. JOHNSTON: Mr. Speaker, we now have completed second reading of Bill 18, and as well Bills 16 and 17. Specifically, we've now had an opportunity to run through the interim supply appropriations at second reading, which in principle detail why it is that this government is requesting of the Legislative Assembly dollars to operate the government's expenditure program roughly from April 1 through to sometime in July. It's a reasonable request, Mr. Speaker. It's one which has been by convention traditionally requested of all democratic systems. As I said earlier, the Parliament in London in fact has three or four different supplementary and interim estimates where it presents the fundamental, the spring and the fall or winter estimates which continue to update the spending requirements of the government. They are disclosed, of course, as we will disclose the total expenditures at some point after the public accounts are completed. More specifically, as I said yesterday, we will in fact present a budget on April 4 at 8 p.m., which will detail in the fullest possible way the elements and the new programs that the expenditure requirements for the full budget will request.

Tonight we've seen discourse of unusual limits embracing everything under the sun, talking quite extravagantly about unusual expectations, and of course taking the very narrow political advantage that is typical of the opposition parties. When, in fact, they have nothing to talk about, they make things up to fill in the time. We've heard that time and time again with these people across the way, Mr. Speaker. So it's not unusual that you would see the elaborate conclusions, the misstatement of facts, the simple glossing over of reality, and the kinds of false statements that are typical of these two parties.

9:10

MR. MARTIN: You waited until the last one, eh?

MR. JOHNSTON: He who speaks last, speaks last.

MR. SPEAKER: And briefly.

MR. JOHNSTON: Well, Mr. Speaker, I think it is traditional that I can sum up on Bill 18, and I'm only asking the House's permission to do just that.

Mr. Speaker, we've seen here today – and I must say that the Leader of the Opposition is back here finally to get the facts straight, to have an update as to what reality really looks like, and to have a brief explanation of what it is to be in government, because it's only by explanation that he will ever know what it is like to be in government. He will never have the real

opportunity to be here, and that's obvious by the misdirection and, of course, the misunderstanding and the lack of concept that frames his point of view. That was particularly vividly exampled this evening when he talked about the special warrants. Here in special warrants we found the very gross exaggeration. Arbitrarily he went through and added up the special warrants and said this totals 1 a half billion dollars. What he failed to say, Mr. Speaker, is that that only is about 2 percent of the total expenditures that were touched on by the total year's budget that were there.

Point of Order Relevance

MR. MARTIN: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order.

MR. MARTIN: I didn't know the special warrants had to do with the heritage trust fund, Mr. Speaker. I think he missed his opportunity back in that Bill.

MR. SPEAKER: Well, since the hon. member hasn't cited relevance . . .

MR. JOHNSTON: That's a rude interruption, Mr. Speaker.

Debate Continued

MR. JOHNSTON: Mr. Speaker, I want to simply say that this kind of necessity for special warrants cuts across all government expenditures whether it's Capital Fund or in the General Revenue Fund. What we have seen here in terms of the special warrants is a necessity for this government to meet some substantial obligations, and these were not anticipated when, in fact, the budget was put together. All governments have to have this flexibility. It isn't sub rosa; it isn't government by secret; it isn't government by the back doors. It's reality. It's responding to the kinds of changing situations which a dynamic government has to do, and that would include, for example, such things as nurses' settlements: unexpected, done by special warrant. That would include forest fires. Now, if the member knows how to predict forest fires and put the money in there, I'd welcome him to give me the number.

But what else does it include? Now, here's a fascination that the member doesn't even think about. It includes about \$140 million in matched money. If the member knew how the government system of expenditures operated, he would know, Mr. Speaker, that if the federal government is willing to give us dollars, a minister has to have a vote to spend it in. He doesn't generate it out of the midnight fumes that some of the people across the way must be inhaling; he has to have some place to vote it. So when the federal government in the case of agriculture, for example, gave us \$90 million, the Minister of Agriculture had to have a vote to spend it out of. So he got \$90 million on one hand, but all the Member for Edmonton-Norwood sees is the expenditure, and he goes on in this long rant, raving that we're simply wasting money. What we did is take advantage of an opportunity to get federal government dollars into our coffers and spend them in the Department of Agriculture. There's a long list of these, Mr. Speaker. One of the unique reasons that we had a large number of special warrants this year was, in fact, that we had a great deal of effort on behalf of ministers, the Minister of Federal and Intergovernmental Affairs and others, in generating federal government money for this province.

That's one of the reasons we have over \$140 million in special warrants: to allow the ministers to spend it.

Mr. Speaker, I want to tell the Member for Edmonton-Norwood that he's got to learn a little fundamental understanding of how the government operates. I know he'll never have an opportunity to be on this side of the House, and so this is a refreshing insight of how the real world of government operates.

Now, Mr. Speaker, I want to conclude on Bill 18, the heritage fund. This is one of the great opportunities of this government, one of the strong anchors to the fiscal plan, an opportunity to do unique spending right across this province in the areas in which the people of Alberta have asked, where sometimes funds aren't necessarily available but would provide unique and special opportunities which characterize the strength of this province, whether it's in agriculture, in irrigation, protection to the environment, or building very special health facilities. Who is it that would argue against those objectives? Who is it that would suggest that this is faulty analysis? Who is it that would suggest these should not be the aims and ambitions of all governments? The opposition, Mr. Speaker. That's who says they're the wrongheaded direction, and that's why they will always be in the opposition, because they don't know what it is the people of Alberta expect from a responsible government. They have to be creative. We have to find ways to do these special things to make Albertans proud, to make them secure in their future, and that's what the heritage fund does, but again here we are early in this debate with a philosophical position already developed by the opposition, one of despair, anguish, melancholy. That's what their characteristic is, Mr. Speaker. You saw it in the debate here tonight: lots of speakers but no listeners; lots of speakers but no public.

Thank you, Mr. Speaker.

HON. MEMBERS: Question.

[Motion carried; Bill 18 read a second time]

head: Consideration of His Honour head: the Lieutenant Governor's Speech

Moved by Mr. Paszkowski:

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

To His Honour the Honourable Gordon Towers, 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.

[Debate adjourned March 18: Mr. Day speaking]

MR. SPEAKER: The Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. I want to just take a few minutes to respond to some of the writings within that throne speech and just to make some comments on behalf of constituents in the glorious riding of Edmonton-Whitemud. I've always considered Edmonton-Whitemud to be a riding that is very, very reflective of the thinking of Albertans, a very enlightened group of people that I believe all members of this Assembly should listen to very, very carefully.

I want to start by saying right off the bat that when we talk in terms of a throne speech, we have to equate that to reform. We're going to sit here for a number of days, and we're going to be responding to a throne speech, probably one of the shortest in the history of Alberta. It's questionable as to just how productive that time we will be spending is going to be when we could instead be doing much more valuable things: debating particular issues, having some exchange, and trying to resolve some of the problems Albertans are facing at the present. They are facing many, many problems.

When we speak of parliamentary reform, Mr. Speaker, we have to look, of course, at more than just reform of the process of the throne speech. We have to look at reform as it relates to our next major area coming up within this session. That's the budget debate, the budget process where we in the opposition get the opportunity maybe to quiz cabinet ministers responsible for budgets of billions of dollars for maybe a two-hour period: no opportunity to question directly and get an immediate response or be guaranteed any response; no opportunity to sit down as a committee and try and rework a budget to make it a more viable budget, one to the liking of Albertans; no opportunity to question deputy ministers. The process is not a good process. It's not a meaningful process.

[Mr. Deputy Speaker in the Chair]

When we talk in terms of parliamentary reform, we have to talk in terms of reform of the system, the lack of all-party standing committees, the lack of that particular opportunity as it relates to the major items such as the budget that I just referred to earlier. We have to look at free votes, Mr. Speaker, something that the Tory government shies away from as we've experienced in our suggestions for the committee on public hearings for Canadian unity. I'm one of those who believe that elected representatives are accountable to their constituents to the degree that consideration for some type of provision for recall should be available to constituents for the four different levels of government including school board, municipal, provincial, and federal.

9:20

Mr. Speaker, our leader tried to highlight a particular point today by taking in a wheelbarrow to have that filled up with this promised flow of information that we keep hearing we're going to get from the Premier but we never do get because we do not have a freedom of information Bill. The people of Edmonton-Whitemud tell me that they expect several things from their politicians, from their elected representatives. They expect open government that is not afraid to file documents that are available to all Members of the Legislative Assembly, that are available to members of the public. They expect open, honest government: open, honest elected representatives who are there to protect their interests, the interests of the constituents, not the interests of the elected representatives.

There are a couple of points in the throne speech I can refer to that do have some promise. The references made to the Municipal Government Act could possibly address some of the problems we see when it comes to the tarnished image that more and more elected representatives are finding themselves with: that combined with the recommendations dealing with the report on the matter of conflict of interest. Voters are getting very, very uneasy with their elected representatives. I think it's one of the most difficult times in history that any of us have experienced when it comes to having the trust of the people we represent. That trust has diminished over the last couple of years at a very, very rapid pace, and it's not the fault of the electorate. It's the fault of elected representatives.

It's not just members of this particular Assembly that may be guilty; it's elected representatives throughout the entire democratic system. We've seen it, Mr. Speaker, at the federal level. We've seen it at provincial levels. We've seen it at municipal levels. I don't believe there is anything more precious than being held into elected office, being trusted, given that bond by a group of people that say, "We trust you to make decisions for us." It's very unfortunate when elected representatives abuse that trust and conduct themselves in a manner that is not worthy of the office they hold, and when they do face that situation that they're not prepared to come forward and lay their cards on the table but rather, in some cases, attempt to run away from it or hide it or not do the honourable thing and, when necessary, resign when they've disgraced themselves or disgraced the other elected representatives they may be associated with.

I think it's very, very important, Mr. Speaker, that all elected representatives address that from a personal point of view, because I think all of us are affected equally whether we talk of this party or that party. We're all viewed as elected representatives, and it's extremely important that we all work at preserving the dignity that the office is meant to have.

Mr. Speaker, I hear within Edmonton-Whitemud and in other parts of the province as I travel that there are a number of concerns that Albertans want addressed. They want the question of the deficit addressed. We don't know how this budget is going to come, and we don't know when there's going to be a plan put in place to tackle the accumulated deficit that is now in the neighbourhood of \$10 billion, \$11 billion. We're not sure at this particular point what the figure is. We don't see a plan to address the question of the unfunded pension liability. We saw a plan in place in the province of Ontario when the Liberal government was in power, but we haven't seen that type of initiative taking place here. Rather we see the Provincial Treasurer simply say there is not a problem. Albertans are saying that they want fiscal management of their resources. They want to see the type of fiscal management that they saw previously in the city of Edmonton when the leader of this particular party was running the city of Edmonton. [interjections] I'll remind members of the Assembly that over a fiveyear period of time . . .

MR. McINNIS: We got the Triple Five deal.

MR. DEPUTY SPEAKER: Order please, Edmonton-Jasper Place.

MR. McINNIS: We got West Edmonton Mall. I mean, give me a break.

MR. DEPUTY SPEAKER: Order please.

MR. WICKMAN: Over a five-year period of time . . . And to the member there . . .

MR. McINNIS: Sewers that go nowhere, sewers that go backwards.

MR. DEPUTY SPEAKER: Order please. Order.

MR. WICKMAN: To the Member for Edmonton-Jasper Place, Mr. Speaker, let me remind him that that was not supported by the more enlightened members of city council.

Mr. Speaker, in addition to the type of money management that we've seen, that I've made reference to, Albertans are

saying that they pay a good healthy amount of taxes, which they do. Let's face it. You do your income tax, you pay your federal, and you pay another 46.5 percent provincial tax. In addition, there's a surtax on top of that 46.5 percent, and that has increased considerably over a number of years. We look at the other taxes that the provincial government has thrown on, whether it's amusement tax, liquor tax, Alberta Health Care premiums being increased, hidden taxes: tons and tons of taxes. Albertans are becoming concerned about the amount of taxation that is taking place, and they're saying, "In exchange for taxation, the dollars that we give to the elected representatives to handle our particular dollars for us, we want to see a high level of service in three particular areas, the core services, which this government has failed to address."

We repeatedly hear of the difficulties, particularly at the level of advanced education. We hear that at the University of Alberta, where we have 625 education students, and 300 of them are being told, "No matter what your grades are, no matter what you have in the stanine, you will not advance to the third year, even though your average is seven out of nine, because we have a quota because of what the government has done to advanced education when it's come back to cutting funding." Mr. Speaker, we had a fellow in our caucus office this morning with a seven out of the stanine, which is a very, very decent mark. He was told that he will not go into his final year because of a quota system. He was virtually in tears. He was told to transfer to some other university. What other universities are there to transfer to? The youth of today are the leaders of tomorrow. If we can't provide them with the educational opportunities that they deserve, that they're entitled to, we're not only doing an injustice to them; we're doing an injustice to ourselves. If anything, the true measure of any type of good government is to have the ability to address those core

We see what's happened within the health care system, and that's been hammered away at repeatedly here in the last couple of years, where people are lying in hallways waiting for beds, where hospital beds are closed. There's still talk of some type of modified, freestanding children's hospital; we don't know if that's coming. We hear about hospitals in rural Alberta that have as little as one patient in them, one patient, and we talk in terms of efficiency of health care? Mr. Speaker, there are dollars being spent on health care, but it's questionable as to how those dollars are spent. Albertans are not satisfied with the level of health care. They're not satisfied with the level of education.

The third area of core services deals with social services, social programs. All of us, I believe, are prepared to recognize that there are disadvantaged people within our society and within our structure that at times do need some assistance. Most Albertans are saying, "We're prepared to see a reasonable amount of our dollars go towards providing that assistance," but they want good programs in place where people can live with a reasonable degree of dignity.

Again, we hear about food banks on university campuses. This government has failed in education; it has failed in health care; it has failed in providing social services: it has failed in the core services. The only passing grade it has, Mr. Speaker, is the ability to raise taxes.

9:30

Other areas that the electorate in Edmonton-Whitemud and throughout the province are telling me – and it is being addressed more and more on a universal basis. I'll give the Minister of the Environment some credit here. In fact, if he had

a free hand, I think we would see some remarkable advances that haven't taken place, but I believe his caucus is holding him back and he's not able to put in some of the protection that he would like to see.

Mr. Speaker, economic development as far as small business opportunities are concerned. We hear about the Peter Pocklingtons. We hear about the multimillion dollar grant programs that are structured for the major, major corporations, but the small businessperson does not have the opportunity to get even reasonable grants. When we talk in terms of economic development, I think we've got to remember that the backbone of a free enterprise system is the small businessperson, not the megacorporations.

The last point, Mr. Speaker, that I want to touch on is Canadian unity. We're all hearing it. The government has attempted to set up a process here which we've chosen not to participate in because they're very unfair: token representation where the government has laid down certain conditions that are not acceptable. Not even the right to file a minority report: totally unacceptable. To be part of a process that is going to be a farce does not make any sense to us. For that reason we'll get the input of Albertans, but we'll do it in a manner that is fair, that is meaningful, that has some rationale to it. But we are hearing that there is a great deal of concern about Canadian unity. People in this province want to see a unified Canada. They don't want to lose Quebec. At the same time they're saying that all provinces have to be treated equally and all provinces have to recognize fair play. That, of course, isn't happening at the present time.

Mr. Speaker, in conclusion, I would ask the provincial government to take greater strides, greater attempts in the area of providing those core services that Albertans are asking for. I would ask all of us to be more responsible when it comes to enhancing the image of the elected representative. I would ask that we take greater concern when it comes to watching those dollars that are spent so freely, whether it's spending warrants or deficit budgeting or unfunded liabilities.

On that note, Mr. Speaker, I'll conclude.

MR. DEPUTY SPEAKER: The hon. Minister of the Environment

MR. KLEIN: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to have this opportunity to address the Speech from the Throne. It was a comparatively short speech but probably one of the most meaningful speeches in recent history because it was a throne speech that presented to the people of Alberta a vision. It was a throne speech that certainly had a definite focus, and it's a throne speech that provides a realistic and attainable agenda for this government and, at the same time, addresses the needs and the desires of Albertans and fulfills their expectations.

First, Mr. Speaker, I guess we must all understand what a throne speech is all about. It's not intended to present specific legislative packages; it's designed to present to the people of Alberta a sense of government direction. Believe me, we are heading down the right road. We are heading in the right direction.

Mr. Speaker, the throne speech outlines very, very clearly the government's commitment to meet and address in a responsible way five key challenges: the fiscal challenge, the economic challenge, the environmental challenge, the social challenge, and the constitutional challenge. These are challenges that Albertans have told this government that they want the government to

meet and to face and to address in a realistic and an honest way. Well, let's look at how we intend to address those particular challenges.

First of all, the fiscal challenge. The fiscal challenge is a challenge that is probably the most difficult of all to meet, because if there is one reality in politics, that is the reality of people saying, "Don't spend money." Don't spend money, but at the same time spend more on programs that affect them directly. In other words, don't spend . . .

MR. CHUMIR: Lower taxes; more services.

MR. KLEIN: The opposition members across know what it's all about. I'm going to tell you later on, Mr. Speaker, how they play the game, and they play it very, very well. They play it very well.

The people say: "Don't spend a lot of money. Don't spend money, but please don't cut social programs and please don't cut health. Spend more on health and social programs and education and environment and recreation and parks and transportation and municipalities." The list goes on and on and on. At the same time, "Don't spend any more money." Well, the opposition knows what that's all about because they play the game very, very well indeed. But then they can afford to play games. They don't have to meet the challenges. They don't have to face up to the responsibilities. They like to portray themselves . . . There was an interesting article in Maclean's magazine not so long ago. I think it was entitled Media Watch, and it was right on the mark, because it portrayed the opposition for what the opposition really is, particularly and quite specifically as they sit in this legislative Chamber. opposition is portrayed as being unquestionably good, because the opposition likes to say that it doesn't matter what it costs; all social causes are unquestionably good. They could cost billions of dollars; they are unquestionably good. All the environmental causes in the world, it doesn't matter what they cost. It doesn't matter whether or not they're considered in the context of sustainable development; they are unquestionably good, absolutely. The opposition of course can talk at length about spending billions and billions of dollars without having to face the responsibility and the realistic challenges.

[Mr. Speaker in the Chair]

All prisoners in jail for whatever reasons, according to the opposition, are unquestionably good. No matter what it costs to keep them there, that is unquestionably good. That is the game that the opposition likes to play.

After they say, "Spend more on this and spend more on that and spend, spend, spend on these unquestionably good causes," they then have the audacity to tell the Provincial Treasurer to quit spending. This is typical, typical opposition hypocrisy.

MR. McINNIS: Is that your favourite line?

MR. KLEIN: Of course it's a favourite line, because I can't think of a better word to use to describe the opposition than hypocrisy, because that's what you represent.

Well, we have a fiscal plan in place, and it's a plan that will lead to a balanced budget. It's a plan that will meet the social, educational, health, and cultural needs of Albertans. It's a plan that will achieve increased government efficiency and productivity and create pride in the public service workplace. It's a plan that will spur on economic development and at the same time provide for environmental protection.

9.40

You know, we don't have to play games to meet these challenges. We don't have to play these childish games and wheel wheelbarrows through the halls of the Legislature to make a point. We make our points through solid programs and an honest commitment to deliver service to Albertans in a fiscally responsible manner. That's what this government is all about. That's what this is all about. [interjections]

MR. SPEAKER: Order.

MR. KLEIN: This leads me, Mr. Speaker, to the second challenge, and that's the challenge of economic development. It's been pointed out that where else in this country today is there the economic activity that is taking place in the province of Alberta? Nowhere. We have the lowest unemployment rate of any province in the country, we have people working, a highly trained work force, and we're committed to educating our young people so they can take the place of those who leave the work force and retire happily and in a healthy fashion, hopefully in the province of Alberta.

You know, when I was the mayor of Calgary and when times were tough, we had to say, "We can do it." I think we had a campaign. I'm just trying to remember what it was called. It was sponsored by the chamber of commerce. "Yes, we can" was the name of the campaign. We said that to ourselves as Calgarians, and I'm sure other people in Alberta and in Edmonton and in other cities in this province said the same thing, because we were in the midst of a very, very severe recession. In Calgary, much like the economic development people did within the province of Alberta, we hit the road. We hit the road, and we went to places within Canada and around the world, and we said, "You know, there is a lot to this province." And when we had the opportunity of selling, in my particular case the city of Calgary, and with respect to the economic development officers and the ministers of the day, when they had an opportunity, I'm sure they heard these words, because I certainly heard these words: people like this prov-

They like this province for a number of reasons in terms of economic development and economic opportunities. They like this province because it's a beautiful province. It has a nice climate. It has a great life-style. It has a tremendous work ethic. We have strong, committed people in this province with a tremendous work ethic. The other thing I found that was very, very interesting was that people like to come to this province because it is comparatively free of socialists – comparatively free. They said, "For that reason, we like to come to Alberta."

MR. SIGURDSON: What was your quote about those eastern folk, Ralph?

MR. KLEIN: Yes, but we didn't go after the bank robbers, and we didn't go after the kinds of people that the socialists like to spend money on. We went after people who wanted to make a real commitment to this province. [interjection] That's right.

Certainly the economic development policies of the past have served this province well: the policy to diversify into tourism, into forestry development, and into technological endeavours. At the same time, we've been able to maintain our tremendously strong position in agriculture and energy. The beautiful thing, I guess, about all this is that as a minister and having the opportunity to travel throughout Alberta, you hear Albertans talk about the economic opportunities in this province, the potential for not only their own futures but the futures of their

children and their grandchildren. It's so nice to travel to places like Mundare and Athabasca and Fort McMurray. We won't talk about Vulcan and Castor. I haven't been invited to Castor yet, but . . .

MR. McINNIS: What about Trochu?

MR. KLEIN: Trochu. Yes, Trochu. As a matter of fact, I had an excellent meeting with the mayor of Trochu yesterday and also the mayor of Linden and the mayor of Beiseker and the mayor of Rocky Mountain House.

MR. WICKMAN: They're not happy campers, Ralph. They're not happy campers.

MR. KLEIN: No, no, to the contrary. They are happy. They are happy, and they're happy that we're listening to them and we're talking to them about their own economic development goals and objectives and dreams, and we're going to help them fulfill those goals and those objectives and those dreams. The beautiful thing about it is that they're Conservatives and they've vowed to stay Conservatives because they still like the style of this government.

I have the opportunity to hear about the beauty of this province and the economic development opportunities, and very much unlike the opposition, I don't have to sneak into a community and seek out some snitch whose only goal in this world is to cause some damage to the government, because that's all we hear from the opposition: "I went to this community and so and so" – without naming anyone – "told me this and told me that, and slipped me this leaked document." My God, you talk about a network of snitches. Well, these people, you know, have them all over the province. What a terrible way to live.

Yes, when I travel the province, it gives me the opportunity to set the record straight on the environment and tell of this government's commitment to environmental protection and how we propose to set an agenda that will address today's environmental realities and expectations and set an agenda, a set of goals for this decade and into the next century.

It also gives me an opportunity to talk a little bit about some of the people who come to this province really without any knowledge of what this government's record has been relative to environmental protection. Usually these people come to this province at the invitation of the opposition because they're invited to come to this province to say something nasty. I recall the environmental law professor from Oregon. I think he was invited by the NDP to come to this province to have a quick flip around and declare this province a polluter's paradise. You know, this fellow, this environmental guru from Oregon, where they have more belching, stinking, rotten, polluting pulp mills probably than any province in Canada - including NDP Ontario, you know, where they have a stinking, messy, smelly environmental hazard in the form of a hazardous waste dump. Can you believe it? A hazardous waste dump. Believe me, that's where the people in the Northwest Territories, who would much rather take their stuff to Swan Hills, have to now take their hazardous waste. Anyway, this guru comes here at the invitation of the NDP to talk about our environmental policies.

And the Liberals. Well, of course, there was a Liberal leadership convention on at that particular time, so they invite Paul Martin – right? – to kick off his campaign in Grande Prairie. Paul Martin. My God. And he sees this pulp mill and he says oh, how terrible. Paul Martin from Quebec, as if he had never seen a pulp mill in his life before. Then he calls this minister wishy-washy for allowing this pulp mill to go ahead, although it had been there since 1971. Well, I say, the last time I had anything to say about people from east of the Manitoba border was in 1982 when I was the mayor. Well, that got me into a little bit of trouble, but nonetheless.

Then they get this other Liberal leadership aspirant, Sheila Copps, who comes to Edmonton at the invitation of the Liberals, of course. She has a quick spin around. She tells everyone how Alberta is an environmental backwater, you know, and I say, Sheila Copps from Hamilton. Has anyone ever been to Hamilton? These people have no idea, no credibility relative to the environmental record of this province. If they knew what they were talking about, they would soon realize this was the first province to have a stand-alone Ministry of the Environment, the first province to put in something as simple but as effective as a deposit for return on beverage containers, the first province to keep those things out of the ditches and out of the landfills, the first province really to develop a recycling initiative relative to beverage containers, the first province to create and put in place a state of the art, world-class environmental research centre such as that that exists at Vegreville.

9:50

Yes, the first province and still the only province to have in place a special waste management facility: the only province to have such a facility in place. Yes, we have been asked by other jurisdictions if we will accept their waste. The policy right now is Alberta waste only. That policy has not been changed. That policy has not been changed. We have had requests from other jurisdictions to accept their hazardous waste. We have said to those jurisdictions that that will be a government decision and that decision will not be taken until there is full consultation with Albertans. In other words, Albertans will tell us whether or not they want us to accept hazardous waste from other jurisdictions. Yes, we are undergoing an expansion at the Swan Hills plant, but that is to accommodate, first and foremost, hazardous waste from the province of Alberta.

It might interest the opposition to know that not only are we the only rat-free province in this country, but we're the only province . . . [interjections] Oh, I'm sorry. Right. There are a few.

We are the only province free of liquid PCBs. We don't have the problems that they have in other jurisdictions in this country. We don't have the problems having to find places to store hazardous waste. We're going to see how the socialist government in Ontario deals with this one. You know, the previous government, the Liberal government there, already spent about \$100 million trying to site a hazardous waste management facility. They were unable to do it, and I'm sure the NDP government in Ontario, in keeping with the philosophy of taking large fortunes and making small fortunes out of them, will spend even more and more money trying to site one of these things.

Our environmental record, Mr. Speaker, has been an outstanding environmental record. Even today, as we deal with some of the complex issues that now are at the forefront of the environment, we are setting new standards. We have set new standards relative to pulp mill effluent, the highest achievable standards in the world. I'd be glad to provide – I don't have the charts with me right now – hon. members of this Assembly with charts showing that the bleached kraft mills now on stream in Alberta are meeting levels now below .1 AOX, absorbable organic halides; in other words, chlorinated organics. Although

some of them are licensed at 1.5 and some at 2 kilograms per air-dried tonne, all of them are below their licensed permit with the exception of Procter & Gamble, which is an old mill but has been ordered to refit. All the other mills, the chemithermomechanical pulp mills, are all operating below their licensed permits. All below.

AN HON. MEMBER: Don't make sweeping generalizations.

MR. SPEAKER: Order.

MR. KLEIN: I'll be glad to provide the hon. member with the charts that indicate exactly where these pulp mills are today in terms of their operations. Mr. Speaker, that comes about as a result of the tough, tough standards that we have established for pulp mill development and operation in this province.

It's not where we've been and the tremendous record that we've established as a government, and it's not how we're dealing with the complex environmental issues of today. It's where we're going in the future that makes it very, very exciting. It's clearly expressed in the throne speech that this government has a strong commitment to the protection of our environment and that we have a strong commitment to set an environmental agenda that will indeed allow us to address in a responsible fashion the environmental concerns of today and future concerns. In this legislative session new environmental legislation will be tabled, the environmental protection and enhancement Act, unless the name is changed. Nonetheless, it's an Act that will consolidate nine environmental laws, strengthen those laws, and at the same time introduce new aspects to environmental law, including enhanced environmental impact assessment legislation, legislation to dramatically increase fines for those who deliberately violate and degrade our environment, and legislation that proposes to hold the directors of companies personally liable for the actions of their corporations so they can't hide behind the corporate veil.

It's a government that has committed through the throne speech to a waste minimization and recycling policy. As much as I hate to say it again: stay tuned; this time for sure there will be an announcement. There will be a good, positive announcement that will allow this province to achieve an objective of reducing the amount of waste that now goes into landfill by 50 percent by the year 2000: I think a very ambitious goal but one that we're committed to along with other jurisdictions in this country.

We're committed to developing along with the Department and the Minister of Energy a clean air strategy for this province that will ensure that we will maintain the standards that we have set in the past relative to air emissions and again probably the highest standards, certainly in this country if not in the world relative to air emissions. It's the kind of commitment that's allowed us to go out into the community and to bring together people from a cross section of Alberta society to form the Round Table on Environment and Economy to hopefully develop for this province a firm and realistic policy of sustainable development so that economic endeavours can take place and, at the same time, be assured that strong environmental protection will prevail.

It's the kind of throne speech that has said that yes, the people of Alberta need to be involved and indeed have asked to be involved in the shaping of new policies relative to water management. Indeed, this summer the Water Resources Act will be taken out to Albertans for consultation that hopefully will lead to a rewrite of that Act that will reflect not only the

ownership of water, as the old Act has reflected, but will reflect the new realities of water management, and that is the quantity and quality of water and how water is conserved and managed wisely for our population now and for future Albertans.

10:00

Well, Mr. Speaker, that's the kind of agenda and the kind of framework the throne speech has laid down for this government and for all Albertans, and it's with a great deal of pride that I as Minister of the Environment go out to Albertans and explain the policy and talk about the policy and not be ashamed one iota. We have nothing to be ashamed of; we have everything to be tremendously proud of. When I talk about meeting the challenges of protecting the environment and sustaining the economy, I like to talk about that agenda. At the same time, I like to talk about the support my caucus and cabinet have given me in allowing me to participate in fulfilling this commitment and meeting this challenge of protecting and enhancing the environment. So to answer the hon. member's question, I do have the support of my caucus and my cabinet, and I'm proud to have that support.

Mr. Speaker, it's all in the throne speech. I'm going to leave it to the members of the opposition to read and read again relative to the two other very, very important issues. This is not meant to slight my hon. colleagues, but these are the issues of social challenge and constitutional challenge, tremendous commitments of this government to meet those two challenges.

If members of the opposition will take the throne speech and read it and read it again and study it and pay attention, they will finally come to the realization that they're dealing with a government that acts responsibly, that is acting wisely, that is always acting in the best interests of Albertans.

Thank you.

MR. SPEAKER: Additional? Question?

SOME HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question. The Member for Innisfail.

MR. SEVERTSON: Mr. Speaker, in light of the hour I move we adjourn debate on the Speech from the Throne.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries. Order please. We still have a bit of business.

[At 10:02 p.m. the Assembly adjourned to Wednesday at 2:30 p.m.]