

Legislative Assembly of Alberta

Title: **Tuesday, March 26, 1991**

2:30 p.m.

Date: 91/03/26

[Mr. Speaker in the Chair]

head:

Prayers

MR. SPEAKER: Let us pray.

Our divine Father, keep us mindful of the special and unique opportunity we have to work for our constituents and our province, and in that work give us both strength and wisdom.

Amen.

head:

Presenting Petitions

MR. PASHAK: Mr. Speaker, I'd like to present a petition signed by 990 Calgarians calling upon the government of Alberta to immediately stop eliminating Alberta Liquor Control Board jobs in Calgary by transferring the work to the city of St. Albert.

head:

Notices of Motions

MR. HORSMAN: Mr. Speaker, I wish to give oral notice that tomorrow I will move

that the report of the special committee appointed March 14, 1991, pursuant to Standing Order 49 be now received and concurred in and that the committees recommended therein be hereby appointed.

head:

Introduction of Bills

Bill 234

Freedom of Information and Personal Privacy Act

MR. PASHAK: Mr. Speaker, I beg leave to introduce Bill 234, the Freedom of Information and Personal Privacy Act.

This Bill has been introduced on previous occasions by Grant Notley and the current Leader of the Opposition. It calls upon the government to provide access to information under the control of the government and to protect the privacy of individuals with respect to private information or records held by the government.

[Leave granted; Bill 234 read a first time]

Bill 22

Wild Rose Foundation Amendment Act, 1991

MR. KOWALSKI: Mr. Speaker, I request leave to introduce Bill 22, the Wild Rose Foundation Amendment Act, 1991. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

This Bill, Mr. Speaker, will enhance, promote, and foster the role of volunteerism and the volunteer in the province of Alberta.

[Leave granted; Bill 22 read a first time]

head:

Tabling Returns and Reports

MR. ANDERSON: Mr. Speaker, I'm pleased to table the annual report of the Department of Consumer and Corporate Affairs for the year ended March 31, 1990, and as well the reports of the Securities Commission for the years ended March 31, 1989, and March 31, 1990.

MR. JOHNSTON: Mr. Speaker, I'm pleased to table the March 31, 1990, report of the Land Purchase Fund and as well the annual report for the department of Treasury, March 31, 1990.

MR. SPEAKER: Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker. I'd like to table a report of the Official Opposition Leader's Task Force on Children and Youth, dealing with poverty.

MR. KOWALSKI: Mr. Speaker, I'd like to table today the 1990-91 annual report of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

MR. MAIN: Mr. Speaker, I'm tabling the 1989-1990 annual report for the Alberta Foundation for the Literary Arts.

DR. ELLIOTT: Mr. Speaker, I'm tabling the annual report for the Northern Alberta Development Council for the year 1989-1990.

MR. DECORE: Mr. Speaker, I rise to table four copies of a resolution passed by the Canadian Association of Journalists requesting that the Alberta government enact legislation for freedom of information.

head:

Introduction of Special Guests

MR. MOORE: Mr. Speaker, it's a pleasure today to introduce to you and through you to members of the Assembly here 10 students from Lacombe composite high school. They're accompanied today by two teachers, Edson Phipps and Brenda Voight. They're seated in the members' gallery, and I ask them now to rise and receive the traditional welcome of the Assembly.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to the Assembly 14 students from the English as a Second Language class at the Alberta Vocational Centre, Winnifred Stewart campus, in my riding. They're accompanied by their teacher Yuri Drohomirecki. I would request that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Hon. members, today marks the 16th anniversary for six members of this House, members who were first elected March 26, 1975: Cypress-Redcliff, Lethbridge-West, Pincher Creek-Crowsnest, Taber-Warner, Lethbridge-East, Medicine Hat. Let's welcome all those members again.

head:

Oral Question Period

Native Criminal Justice

MR. MARTIN: The Cawsey report, as we know, has just been issued, and I want to first of all congratulate the task force members for producing a fine piece of work and for laying out firm suggestions for what needs to be done to address the serious problems facing natives in our justice system, now and in the future. But I think it is undebatable that 338 recommendations speak volumes about how deeply this government has failed Alberta natives in the past, from one scathing indictment of this government to another. My question is: will the Premier admit now that the sheer number, 338, of recommendations in

this report is a clear message that his government has utterly failed natives in our province?

MR. GETTY: Well, Mr. Speaker, the hon. Leader of the Opposition obviously hasn't read the report, because that is not the way the commissioner has presented his report at all. Also, I should just remind the Leader of the Opposition that this is a commission that was set up by the government in our desire to see if there's fairness in the justice system for the native and Metis people. My colleague the Attorney General worked to establish the terms of reference, and he may well want to augment my comments. The number of recommendations are a help and will be gone into in detail by the government. We appreciate the efforts of the commissioner and the staff who worked with him.

MR. MARTIN: Mr. Speaker, the Premier can interpret it however he wants, but I think most people in Alberta know how to look at it.

The fact is that problems facing natives are not merely cultural; they are economic. Natives in jail is a symptom, with chronic and deep poverty the underlying cause. Our task force found an appalling amount of child poverty in this province. One out of six children live in poverty in Alberta, and according to a Senate standing committee the figure is one out of two for native children. Clearly some initiatives are needed, not just reports. My question to the Premier is this: what is the Premier prepared to do for poor kids in this province, many of whom are native?

2:40

MR. ROSTAD: Mr. Speaker, in response to the Leader of the Opposition, this government has done yeoman's service with the natives. As the Premier just said, in these specific reports, whether it's policing or whether it's the justice system broadly, we worked with the Indian community in putting the terms of reference. In fact, they were participants in these particular reports. We worked with them to see how we might work together to enhance the justice system in its broad spectrum, not just the court system but policing and its interrelationship with various agencies that work with natives. I think also I could take this time to remind the hon. Leader of the Opposition of the many, many advances that we've made in addressing the needs of the natives, in ensuring that they have land base, ensuring that they have money so they can work with their infrastructure and form a model of self-determination, so they can stand on their own feet and not be dependent on government and can be participants within Alberta.

MR. MARTIN: Mr. Speaker, you wouldn't have had to have a report with 338 recommendations if you were doing as well as you thought. That's the point.

I was asking specifically about poverty as one of the major causes of people ending up in jail: one in two are native people. I want to ask the Premier, who is, I suppose, the leader of this government, to come back. Doesn't the Premier realize that his approach in dealing with the poor is shortsighted both economically and socially? You're going to pay money in the future to build more jails, to put more on welfare, to have more social breakdown. Don't you realize your policies are doing that?

MR. GETTY: Well, Mr. Speaker, the hon. Leader of the Opposition surely must know that one of the ways in which you help poor people the most is to allow them to have a job. This

government over the last five years has the best record of providing jobs to the people of Alberta of any province in Canada. There's no question that there will always be people who fall below the poverty level, and the government helps in every way it can: in our social services, in our training and retraining in order that they can participate in the full opportunities that are available within this province, in our very special, selective tax system, where some 500,000 Albertans had their taxes either canceled totally or dropped.

Of course, we have the situation where we have worked out an absolutely historic opportunity with the Metis people, unmatched anywhere in Canada, where they are now able to have land, to have a transition period where they are able with pride and dignity to build their communities and fully participate in the opportunities in this province as well. We have signed settlements with native bands in our province. We've worked to make sure that they fully become a part of the tremendous future of this province, and we're going to continue to do it. It's not perfect, but we're going to keep working at it and try to do it.

MR. MARTIN: Growing poverty. The Premier refuses to admit it. That's the reality, and that's what happening in this province for many people.

Pension Liability

MR. MARTIN: To move from there over to the Treasurer, Mr. Speaker, as I pointed out yesterday, the government continues to ignore the Auditor General and refuses to deal with our province's \$9 billion unfunded pension liability. This is growing at over \$500 million a year. It's a financial time bomb for this province. The federal government is dealing with this problem, and Ontario is dealing with this problem. We estimate that reducing the financial time bomb over a 40-year period, as Ontario is doing, would require an expenditure of some \$400 million a year. That's how serious it is. Will the Treasurer admit that the real reason this government refuses to deal responsibly with this problem is because he knows full well that the required spending would make an absolute mockery of his so-called balanced budget?

MR. JOHNSTON: Mr. Speaker, I won't comment on the "so-called balanced budget." There will be adequate time to look at that on April 4, and we will not be anticipating the results of the budget.

With respect to the very important concern of pension reform and the pension liability that the member refers to, which in fact was covered by the Auditor General and which, as I said yesterday, was fully disclosed by this government in the public accounts, which we filed on Thursday, it is a matter of record that the unfunded liability, while it has increased, is offset to some extent by assets which total about 3 and a half billion to 4 billion dollars . . .

MR. DECORE: It's still \$9 billion.

MR. JOHNSTON: . . . so that the total liability is not as the Member for Edmonton-Norwood, or for that matter the chirper, reports.

What we will do, as I have said before, is: together with other colleagues in caucus and cabinet, I will make some proposals in the near term which will deal in a broad way with the kinds of pension changes that are necessary not only in response to the

liability side but also in response to the changing needs of pensions in this contemporary society.

MR. MARTIN: Well, we've been hearing this for a long period of time, that we're going to deal with it, Mr. Speaker. They're so interested in misleading the public about a balanced budget that they're letting a serious problem get worse. My question to the Treasurer is simply this: doesn't the Treasurer realize that every year that nothing is done about the unfunded pension liability, it will cost another \$40 million?

MR. JOHNSTON: Well, Mr. Speaker, I don't think anyone would doubt that this government is aware of the financial implications of the pension obligations. This government takes seriously the responsibility to ensure that those people now in the plans and those people now receiving benefits in fact have adequate protection for their retirement income. That has been our commitment, and that is what we have done. I think I have referred to the policy and confirmed that policy repeatedly over the past year.

It is true that some parts of the pension liabilities in fact have been incurred as a result of the generosity of this government in providing COLA adjustments, cost of living adjustments, to all those people receiving pension benefits. That was not paid for by the people in the plan at the time, and therefore there is obviously an increase in the unfunded liability.

What I can say, Mr. Speaker, is that we'll continue to meet our commitment to those pensioners. Their payments are secure. And let me underscore that, because some of the comments from Edmonton-Norwood and others tend to unsettle those people receiving pension benefits: their payments are secure. We will bring forward a comprehensive review of the pension legislation, as I said, in the near term, and in that we will deal with all the consequences and changes that are necessary.

MR. SPEAKER: Final.

MR. MARTIN: Yes. Mr. Speaker, the reality is that we do not have adequate controls and knowledge about our spending. Now, yesterday the Premier bragged about how proud he was that his government followed parliamentary tradition and appointed an Official Opposition Chair to the Public Accounts. He also stated in one quote that the Public Accounts Committee "can go into every possible thing that the government does financially." As a former Chair, I found that Public Accounts was hopeless.

MR. SPEAKER: Thank you, hon. member. You're now up to almost 45 seconds. Let's have the question, please.

MR. MARTIN: Yes, Mr. Speaker. I didn't know we timed it. Good timing.

My question is to the Chair of Public Accounts. Is it true that the Public Accounts Committee "can go into every possible thing that the government does financially"?

MR. PASHAK: Well, Mr. Speaker, I have a somewhat different perspective on this question than the Premier has. I would like to have the opportunity, as the Premier suggested, to look into every aspect of government spending, but as a matter of fact the committee is limited by decisions that are made by a majority of its members. So, in fact, we're only able in a given year to look at approximately six or seven of the 24 departments,

and certainly we're not able to look into the affairs of Crown-controlled corporations, for example. That's why I've introduced a Bill that would call for enhanced powers for the Public Accounts Committee.

MR. DECORE: Mr. Speaker, that was a neat trick. I think that's called "self-serving evidence." [interjection] Not for you.

2:50

Native Criminal Justice

(continued)

MR. DECORE: Mr. Speaker, in 1978 this same government established the Kirby commission to look at, amongst other things, the relationship of the native community to the legal system. A number of excellent recommendations were made. Many of those recommendations are very similar to the recommendations that are set out in the Cawsey task force. The sad part is that in 12 years we have seen little or no improvement in the plight of the natives in our province. Government has failed to deal with this most serious of areas. My first question to the minister responsible for native affairs is this: given that this is now the second time around, Mr. Minister, and given that the government failed for 12 years to deal with the problems of natives, what will the government do this time to assure success and not simply repeat failure?

MR. FOWLER: Mr. Speaker, I don't believe it's correct nor is it fair if the facts were known to indicate that nothing was done on the Kirby commission. There has been a significant reduction in the percentage of incarcerated natives in this province from the time Kirby was tabled to the time we started the Cawsey report. So to presume that nothing has happened is entirely incorrect. We have a great report now from Mr. Justice Cawsey, put together by a group of very prominent, committed people, and in there are 338 recommendations, which will be dealt with by the government. I can say that well over 100 of those recommendations are already being acted upon and have been for the past two years. So what we are seeing in those recommendations is a repeat of that which we are already doing.

We will consult very closely with the natives over the next couple of months to devise an appropriate implementation plan. We will implement that plan, but it will be implemented in complete agreement with the natives of this province, as we are long past the time when the nonnative community, or the white community, if you will, are going to impose upon the native community those solutions that the whites think best.

MR. DECORE: Mr. Speaker, if 3 or 4 percent is the minister's idea of improvement, then we've got many decades to look forward to seeing what should be the kind of improvement that we need for the native community.

My second question is to the minister responsible for legal aid. Mr. Speaker, with one stroke of the pen . . .

Speaker's Ruling

Referring to Members in Debate

MR. SPEAKER: We don't have one of those.

MR. DECORE: No pen?

MR. SPEAKER: If you don't have a pen, you also don't have a minister responsible for legal aid.

MR. DECORE: Mr. Speaker, I know you don't, but I know the minister does.

MR. SPEAKER: Well, thank you, hon. member. That's enough. Take your place. Ministers are entitled to be addressed by their proper designation in the House. That's all that this exchange is about. So let's get on with it. I know who the minister is.

Native Criminal Justice

(continued)

MR. DECORE: Mr. Speaker, I direct this question to the hon. Attorney General. With one stroke of the pen, he can add assistance to the legal aid program to give the kind of help that the Cawsey report and Kirby report talk about. I think this could ensure that natives wouldn't be put into jails today or tomorrow or the day after. Will the minister give that commitment that extra funding will be given to legal aid to give support . . .

MR. SPEAKER: Thank you, hon. member. You've taken too long.

MR. ROSTAD: Mr. Speaker, the money that is spent through legal aid is through an appropriation of this Assembly. The hon. Treasurer has indicated that on April 4 we will have the budget tabled before the Assembly. At that time, I would be delighted to discuss my particular elements with the leader of the Liberal Party.

We had a dialogue ongoing with the Law Society, which is a partner in the legal aid system in Alberta, to try and deliver a better system so that people who are in need get assistance and those who aren't in need don't, and to augment not only criminal legal aid but civil legal aid. I'd be delighted to have the native community that requires that help get that help.

MR. DECORE: Mr. Speaker, given that the Premier has been talking about drug abuse for two years now – and I think he's forgotten what it is that has to be done in this area – what specifics, Mr. Premier, will be brought forward to deal with this most chronic and this most sad of issues affecting and afflicting the native community?

MR. GETTY: Mr. Speaker, I guess it's not a surprise that the hon. leader of the Liberal Party has already forgotten what's in the throne speech. In that throne speech we talk about AADAC, one of the most respected organizations in North America in dealing with alcohol and drug abuse, and the family life and drug abuse commission, which is a new initiative. Some \$200 million is committed to this area of drug abuse and assisting people with their problems.

We also, of course, will treat our native people with respect and with dignity. We will help them with education and health care and social services, and we will provide opportunities within our province. This is the key: we will provide opportunities for people to participate in future growth in the province. And they can do it, because they are responsible and they're prepared to stand on their feet and, with opportunities, be able to grow within this province. We won't come up with some harebrained scheme of imposing a quota in the Legislature, where people will be pushed into the Legislature, as the Liberals are proposing. We will let them get voted in as our members are: proud, solid members of this Legislature.

Economic Development

MR. PAYNE: Mr. Speaker, a number of my constituents have expressed concerns about such major projects as the Daishowa

mill and the biprovincial upgrader. But these are not environmental concerns; rather, they are concerns that the economic benefits associated with engineering, construction, and manufacturing services are flowing beyond Alberta's borders and off shore. I'm wondering: can the minister of economic development clarify to what extent such benefits are in fact flowing to Alberta-based firms?

MR. ELZINGA: Mr. Speaker, it is because of the competitive nature of the Alberta companies that they have been so successful in bidding on the billions of dollars worth of projects that are presently taking place within the province of Alberta. It's of note, too, that we as a government are committed to working hand in hand with Alberta industry in making sure that there is a strong Alberta content on the projects that are taking place. Daishowa is a fine example of that, whereby in excess of 57 percent of their project costs were taken up by Alberta companies. The benefits are spread on a provincewide basis: it benefits rural Albertans, it benefits Calgary, and it benefits Edmonton. We're delighted that it has benefited such a cross section of the Alberta population.

MR. PAYNE: Mr. Speaker, I'm wondering if the minister of economic development can make the very same Alberta content assurances for the Al-Pac project and other major projects that are now on the drawing boards.

MR. ELZINGA: Mr. Speaker, it is because we can make that commitment that we are presently enjoying the strongest economy of any province in Canada, and it is because this diversification has been spearheaded by our Premier that we continue to enjoy that positive growth. I'm happy to leave the hon. member with the assurance that with Al-Pac we will see the same circumstances develop. In fact, we have a procurement policy taking place right now whereby there will be a seminar for Alberta companies, those that are interested in taking advantage of some of the construction and the other service sector involvements. We are going to have a procurement seminar for them so that they can take advantage of the Alberta-Pacific project itself.

MR. SPEAKER: Calgary-Mountain View, followed by Westlock-Sturgeon.

Native Criminal Justice

(continued)

MR. HAWKESWORTH: Thank you, Mr. Speaker. The Cawsey task force report took nearly 80 pages to point out that since 1967 there have been 24 major reports on aboriginal people and the criminal justice system in this country. Counting the recommendations made in the two reports tabled yesterday, there are well over a thousand recommendations made in those 24 reports, few of which have been acted upon. I'd like to ask the Premier if he would assure us today that his government will implement the recommendation of the Cawsey task force to immediately establish a task force monitoring committee which would report to the Assembly in order to ensure that the many excellent recommendations in these reports are acted upon instead of sitting on a shelf gathering dust.

3:00

MR. GETTY: Mr. Speaker, to some extent this has been discussed already in the House. The hon. Solicitor General is

responsible for the Cawsey report. I'd ask him to respond to the hon. member.

MR. FOWLER: Well, Mr. Speaker, one week before the report was tabled in the House, on the basis of a draft report received within the department, which I did not see but my departmental people did, there was the implementation and bringing together of a monitoring committee, which we will continue to put together in conjunction with consultations with the native society of this province, to do precisely as the report indicates, but in all probability we will not be reporting directly to the Legislature but through myself to the House.

MR. HAWKESWORTH: Mr. Speaker, the Cawsey task force saw a need for a permanent aboriginal justice commission and to create a new position called an aboriginal advocate. They wanted this commission to report directly to the Legislature, not through an individual minister as the Solicitor General has indicated he's going to set up. The Rolf report also suggests a commission with an even broader mandate, perhaps similar to the office of the Indian Commission of Ontario. I'd like to ask the Premier: would he commit his government to establish not just a short-term, ad hoc monitoring and implementation committee, but will he opt for the aboriginal commission called for by both the Cawsey and the Rolf reports and which would report to this Legislature?

MR. FOWLER: Mr. Speaker, it's the intention of this monitoring committee and my department, together with people in the Attorney General's department and the native population of this province, to determine which of those recommendations will be acted upon and to what extent they will in fact be acted upon. It is not a decision that will be made within my department alone, nor within government. It will be made in consultation with the natives and Metis of this province.

MR. SPEAKER: Westlock-Sturgeon.

Native Issues in Education

MR. TAYLOR: Thank you, Mr. Speaker. This is to the Minister of Education. There's one thread that underlies the Rolf and Cawsey reports. It's the underlying thread that the nonaboriginal cultures just do not understand enough about native culture; we're not sensitized enough to it. A survey of some of the schools has indicated to me that there's some knowledge imparted on native culture in grade 4 and sometimes maybe one other time in their 12 years. Could the minister undertake to tell the House that he will inform his curriculum committee to at least maybe triple the number of hours in those 12 years that the schoolchildren of Alberta are studying aboriginal culture?

MR. DINNING: The hon. member makes a very good point in that the education system has an important role in fostering awareness and understanding of natives by other Albertans and vice versa. I'm very proud, Mr. Speaker, of the efforts of the Department of Education, indeed of all native people in the province, in preparing a number of curriculum materials, including a number of books, as part of the native education project. I think we're headed in the right direction, but I appreciate the input by the hon. member.

MR. SPEAKER: Supplementary, Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. The minister seems to be well intended, but this is really a nonpolitical issue, and I hope he will really get out and check it and push it a little harder.

My second question, Mr. Speaker, has to do with the funding of native students that come back into our public school system. Presently if any student is 19 or over, they are not included in the foundation plan of grants from the provincial government. Since quite often 55 to 65 percent of the students over 19 in our system are natives, yet they are not being funded, would the Minister of Education look at the foundation plan to make some effort to see if we can fund educating older aboriginal students that come back into the public school system?

MR. DINNING: Mr. Speaker, the public school system is home primarily to those students between the ages of five and 19 years as of September 1. If they are in the education system and they are 19 years of age as of September 1 of a given year, then they receive full funding as nontreaty Indian students in our school. If they are beyond that age, we are finding that they are not likely to attend a public school and instead are finding their education at the likes of the Alberta Vocational College or other colleges like that around the province.

MR. SPEAKER: Lesser Slave Lake.

Native Criminal Justice

(continued)

MS CALAHASEN: Thank you, Mr. Speaker. First of all, I'd like to set the record straight. I think a very important point relative to what Edmonton-Norwood has stated is that we native people are not a problem. Yes, we have problems, but we certainly are not a problem. I'm very thankful that we have opposition members concerned. However, it is interesting to note that the only three individuals of native descent are on this side of the House.

To the Solicitor General: can the minister ensure that this Assembly won't have another study to study the studies of the studies that have occurred for years as is being suggested from people on the other side?

MR. FOWLER: When we have completed implementation of 338 recommendations, we will then wonder if we need another study, but not until then.

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

MR. SPEAKER: Thank you.

MS CALAHASEN: I think we get tired of being studied, and I'm glad that some of the members have brought that up. However, how will the native people, particularly the grass roots, be involved in the process you outlined previous to some of the questions that have been brought forward?

MR. FOWLER: Mr. Speaker, it is, I think, our duty and intention to consult with the native leadership. Each of the bands on the reserves have a council. I think we have to consult with these people. The Indian Association of Alberta will be consulted, and the Metis Association of Alberta of course will be consulted. I would hope that they would ascertain a way in which they can involve the grass roots of their community so that the input from the grass roots does in fact reach us.

MR. SPEAKER: Edmonton-Beverly.

Mortgage and Housing Corporation

MR. EWASIUK: Thank you, Mr. Speaker. The Auditor General reported that the Alberta Mortgage and Housing Corporation has already lost \$187 million because of write-downs and that there are 300 CHIP and MAP mortgages in arrears and the files are without legal documentation. My question is to the Minister of Municipal Affairs. What is the minister doing to ensure that these developers are being pursued to repay what they owe to the province so that Albertans are not left with a mess of some \$640 million debt?

MR. R. SPEAKER: Mr. Speaker, the government is taking a very responsible stand with regards to this matter. In November 1989 we established a process in government by which we would review all of the responsibilities of the Alberta Mortgage and Housing Corporation. In that process we have divested ourselves of some \$780 million in mortgages and have reduced the responsibilities of that organization by nearly a billion dollars and returned that money to the Heritage Savings Trust Fund.

On the other side of the responsibility is a matter of mortgages in two portfolios called CHIP and MAP. We have established a body called Mortgage Properties Inc., a special body that is to do work-outs and work towards divesting the government of those mortgages and putting them in proper order in a very responsible manner. The initial process will be done during the next year. It will take up to three to five years to complete the process, and it will be done.

3:10

MR. SPEAKER: Supplementary, Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. These mortgages, unfortunately, are dealt with in secret. What's already known is the government's inclination of setting up public companies that are not accountable to the taxpayers and that the Alberta Mortgage and Housing Corporation systems of MAP and CHIP have been the target of criticism for a number of years now. My question is: will the minister guarantee to make this Assembly aware and make a disclosure of the relevant numbers of the MAP and CHIP mortgages and that Mortgage Properties Inc. won't just be another way of hiding facts and figures from this Assembly?

MR. R. SPEAKER: Mr. Speaker, the responsibility of Mortgage Properties Inc. is to take its public responsibility and deal with each and every one of these mortgages in an open and forthright manner that stands the test of public scrutiny. The Auditor examines each and every one of them, has access to them, and will be reporting on those activities over the next period of time. That report will come to the Legislature and will be before this Assembly to be scrutinized as well.

Workers' Compensation Board

MR. GIBEAULT: Mr. Speaker, my questions are to the minister responsible for the Workers' Compensation Board. In the Auditor General's report he criticized inefficiencies at the WCB charging, and I quote, that

the high rate of successful appeals is to some extent due to incomplete or misunderstood information in claims files, and ineffective communications between claimants and adjudicators.

Now, this means not only that a lot of resources are wasted going through the appeal process, if they'd been followed properly in the first place, but it also forces injured workers to go through a lot of unnecessary red tape through the appeal process, taking years in some cases and a great deal of frustration just to get what they're rightly entitled to. So I'd like to ask the minister: when can Alberta workers expect to see the changes that were recommended by the Auditor General so that the pointless waste and delays that are now common in the adjudication and appeal process will be eliminated?

MR. TRYNCHY: Mr. Speaker, the Millard report addressed that issue in the last report, which is just a few years old. The Workers' Compensation Board has moved dramatically in that respect. I might suggest that in just the last two years, since I've taken over the portfolio, I have communicated with over 3,000 injured Albertans in my office, and there isn't any one that we haven't resolved to the satisfaction either of the Workers' Compensation Board or the injured worker.

If there is some issue that the hon. member has in respect to a constituent, I would like to hear it. I look at what's been offered to both caucuses, the Liberal caucus and the NDP caucus, just recently by Workers' Compensation Board: to sit down with them and go through the policies of WCB. They've refused to sit down with the WCB to understand what it is.

MR. GIBEAULT: So he's going to ignore the Auditor General's recommendations. Well, that's unfortunate.

Mr. Speaker, I'd like to ask this supplementary question: given that the Auditor General also recommended that it's about time the Workers' Compensation Board paid for all the hospitalization costs associated with injured workers and not shuffle some off to the Alberta health care plan, will this minister now try and deal with that recommendation to ensure that the costs associated with injured workers are entirely paid for by the employers of this province through the WCB and not shuffled off to the individual taxpayers through the health care plan?

MR. TRYNCHY: Mr. Speaker, again the hon. member doesn't understand workers' compensation. Health care bills the WCB for every case of compensation, and in turn the Workers' Compensation Board pays back the health care system of Alberta for injured workers.

Mr. Speaker, we're moving very, very quickly with the recommendations of the Auditor General. As a matter of fact, if you read the Auditor General's report, the Auditor commends the WCB on moving on some of the things and says, ". . . continue to improve." We continue to improve in that respect and in the payments to injured workers in the province.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Point of order, first, Mr. Speaker.

Municipal Government Expenditure Control

MR. WICKMAN: Mr. Speaker, according to the minutes of a recent county of Strathcona council meeting, which I have and am prepared to file in the Assembly, a resolution was approved supporting the attendance of the reeve, deputy reeve, and three other councillors to an upcoming convention of a political party. This means that their registration plus the possibility of a \$300 per diem each will be paid for by taxpayers. My question to

the Minister of Municipal Affairs: does the minister find this practice acceptable?

MR. R. SPEAKER: Mr. Speaker, under the Municipal Government Act the local government has the responsibility of making a decision in terms of allocation of funding for various purposes. If the council of that local government sees fit to sponsor the representation of a group to a certain convention, then they are able to make that decision. So I think the decision rests there, and the accountability certainly rests with the local government; in this case, the one that is mentioned.

MR. WICKMAN: Mr. Speaker, the minister's office is presently reviewing the Municipal Government Act as it applies to elected municipal representatives. He's made public reference to that. I would ask the minister: in his current review of the Municipal Government Act is the minister prepared to advocate legislative changes that would stop this type of abuse of taxpayers' dollars?

[Mr. Deputy Speaker in the Chair]

MR. R. SPEAKER: Mr. Speaker, I said very clearly to the Alberta municipal districts and counties convention today that the responsibility for legislation that controls local government certainly rests with the initiative of those local governments. If they as a group and a body wish to look at this type of an amendment, then as a government we are certainly prepared to look at it as well. To take that on as a cause at this time whereby we as a government or I as a minister are making a judgment for those local governments, I'm not prepared to do so.

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

Eastern Slopes Snowpack

MR. EVANS: Thank you very much, Mr. Speaker. My question today is to the Minister of Municipal Affairs, the minister responsible for public safety services in the province of Alberta. The calendar tells us that it's springtime, but Mother Nature seems to have other ideas up in the Rocky Mountains in the Banff-Cochrane constituency. Last year we saw in the springtime considerable flooding due to snowpack, and accordingly my question to the minister is: could he provide this Assembly with an update as to the status of the snowpack in the Rocky Mountains?

MR. R. SPEAKER: Mr. Speaker, to the hon. member. A number of constituents and people that are resident in the area of the Bow corridor and downstream through Calgary are very concerned with regards to this issue and the potential of a flood if we have one week of intense hot weather. The snowpack condition at the present time is nearly 40 per cent over the average between the years 1972 and 1988, which is a very significant improvement in terms of the water flow that's possible for the prairie river system. So in answer to the hon. member, we are concerned about it. We're on watch at the present time in terms of what can happen, but there's both a good story and a bad story involved in that potential watershed area.

[Mr. Speaker in the Chair]

MR. EVANS: Mr. Speaker, given the extent of the snowpack and again remembering what happened last year, could the hon.

minister advise what kind of process and procedure he's anticipating to deal with a worst case scenario where we have the extensive snowpack as well as warm weather and the potential for considerable rainfall in May and June?

MR. R. SPEAKER: Mr. Speaker, our public safety services branch is on alert at the present time. All of those services would be made available to the people in the area in terms of flooding, in terms of damages, and we'd be able to move very quickly and act in support of the people and the residents that may have a concern.

MR. SPEAKER: Edmonton-Kingsway.

Alberta Intermodal Services Limited

MR. McEACHERN: Thank you, Mr. Speaker. My questions are to the Minister of Economic Development and Trade. Last December the minister allowed government-owned Alberta Intermodal Services to purchase 155 trailers from Towpich Express Lines. Since that time, my colleagues and I have had rather a chorus of complaints from the trucking industry people saying that Alberta Intermodal Services is using its in-house carrier to compete unfairly with other carriers. Given that Alberta Intermodal's objective was to reduce rail rates for shipments of Intermodal containers for export, why is the minister allowing Alberta Intermodal Services to use its virtual monopoly on the export industry to compete in the trucking industry within Alberta?

3:20

MR. ELZINGA: Mr. Speaker, I had occasion some time ago, and forgive me in that I cannot recollect the exact date, in which I met with the trucking industry. We had a very good discussion as it related to Alberta Intermodal Services. We indicated to them at that time that it was our position that we were going to privatize it now that it had met its objective of lowering traffic freight for our exporters from the province of Alberta. They've met that objective. We are in the process of privatizing it. There are a couple of loose ends to tie down yet before we submit the actual proposals to the private sector, but the trucking industry was very pleased with the meeting that we did have, and at that time they indicated to me no concern because they were delighted that we were going to privatize this Crown corporation.

MR. McEACHERN: That's true. You've announced that you're going to privatize it, but the question was: why could they use Intermodal Services export industry to compete in Alberta's trucking industry? So you didn't really answer the question.

However, if Alberta Intermodal Services must be privatized, will this minister promise that when he puts it up for bidding, it will be in an open public tender rather than a sweetheart deal for some government friends?

MR. ELZINGA: Mr. Speaker, I realize it's the tradition of the New Democratic Party to play favourites with their friends. We're not going to follow their tradition. We're going to make sure that it is open and available to all of those that are interested. We've had a number of expressions of interest. We're going to make sure that all those individuals who do have an interest will have an opportunity to participate in a very open and free way. I'm more than happy to leave the hon. member with a commitment that I'm sure he himself would not give.

MR. SPEAKER: Calgary-North West. [interjection] I'm sorry. Calgary-North West was in the House earlier in the day before the other one. Calgary-North West is recognized.

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

MR. SPEAKER: Thank you very much. I'm glad to have another one.

Northern Steel Inc.

MR. BRUSEKER: Thank you, Mr. Speaker. On March 22 I posed a question also to the Minister of Economic Development and Trade regarding Northern Steel. The minister responded that the reason for the government involvement in this particular industry was to protect jobs and to "continue with the strong economic growth." Well, I would argue that this is not strong economic growth. This is government growth in private business, which is a place where government does not belong. My question to the minister is this: how can the minister justify involvement by government in this business when industry experts inform me that all jobs lost by the closure of Northern Steel would in fact be picked up and the business picked up, resulting in no net loss of jobs and no net loss of business. Why would you get involved?

MR. ELZINGA: Well, firstly, Mr. Speaker, I had occasion to meet with the same individuals, and they could not leave me with that same assurance. If the hon. member would be willing to have that assurance put in writing, then we would give full consideration to it. As I indicated to him, we are very concerned with job creation within the province of Alberta. If one examines the record, since 1986 there has been an increase of job creation within this province in excess of 90,000, and that's because of our involvement. We recognized that there was a downturn in the economy, and we involved ourselves to protect the employment possibilities of individual Albertans.

MR. BRUSEKER: Mr. Speaker, given that the government has owned Northern Steel for almost two years despite not having told Albertans about it and no one has come forward to purchase the company in those two years that the government has owned it, will the minister assure the House that no more loans or loan guarantees are going to be given to this company, which has already been loaned five times the amount of money that the company is worth?

MR. ELZINGA: Mr. Speaker, firstly, I should indicate to the hon. member that his figures are incorrect both as to what he's sharing with us today and also as to what he shared with us the other day. I'm happy to leave the hon. member with the assurance that no ad hoc loans or loan guarantees will be given to Northern Steel, but in the event that they can apply for one of our programs that is applicable to all companies, we're not about to disqualify Northern Steel from participation in a program that some other company could also participate in. That's exactly what they did do through our export loan guarantee program.

Let me also leave the hon. member with the assurance, as I did when he put questions to me the other day, that it is our desire, and I feel quite confident that we can accomplish this desire, to see this company, by year's end, in the hands of the private sector and not for one dollar like he's attempting to say. We're going to make sure that, as best we can, we recoup

whatever government involvement there is so that the private sector will take over this company and we as a government will see that our backstopping is removed from it.

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

HON. MEMBERS: Agreed.

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

head: Introduction of Special Guests (reversion)

MR. ISLEY: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of the Assembly 70 grade 6 students from Dr. Bernard Brosseau school in Bonnyville, Alberta. They're accompanied today by teachers Mrs. Pierrette Plume, Mrs. Carolyn Joly, Miss Val Pawluk, and Mrs. Jacqueline Goshawk, and four parents: Christine Roy, Fleurette Hamel, Elaine Hogg, and Mrs. Poirier. I believe they're all seated in the public gallery, and I'd ask that they stand and receive the welcome of the Assembly.

Point of Order Factual Accuracy

MR. SPEAKER: Point of order, Westlock-Sturgeon.

MR. TAYLOR: Yes, Mr. Speaker. It's under section 22 of the Standing Orders. It might be more of a point of information, but you have only point of order. The Member for Lesser Slave Lake referred to being the only one with native blood. Well, there's a number of us I think on all sides of the House, certainly my side, that have native blood also. Because we have blue eyes doesn't mean that we don't qualify just as closely as some others do. I'm getting to resent it after a while. I'll admit my ancestors married in with Irish and Scots, but they drew the line at the English. There's still no way we shouldn't be mentioned occasionally in the House.

MR. SPEAKER: Thank you for the information but, obviously, not a point of order.
Edmonton-Whitemud.

Point of Order Brevity in Oral Question Period

MR. WICKMAN: Thank you, Mr. Speaker. I refer to *Beauchesne* 417, in which it states: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate." I point out to the minister responsible for the Workers' Compensation Board that in his attempt to mislead the House, in which he said that neither caucus on this side chose . . .

Speaker's Ruling Imputing Motives

MR. SPEAKER: Whoa, hon. member. We've been through this many times before. You've been here long enough, hon. member. In question period there's some latitude allowed with respect to saying that the government in a generic sense misled, but the moment an hon. member makes the statement which the Member for Edmonton-Whitemud has just made, it then becomes a much more serious issue, because you, sir, have

directed it on an individual basis and not to the government as a whole. So I would request that you withdraw what you have just stated and put it a different way.

MR. WICKMAN: Mr. Speaker, I'll withdraw that portion, but I would still like to speak on the point of order. The point of order being . . .

MR. SPEAKER: Hon. member, the answer is: yes, continue. Thank you for having done the withdrawal. Now the Chair allows you to continue.

Point of Order Factual Accuracy

MR. WICKMAN: Thank you, Mr. Speaker. To follow up on my point of order, I point out that in the reply of the hon. member to the question raised by the Member for Edmonton-Mill Woods, it was pointed out that neither caucus on this side had chosen to participate in an opportunity to learn more about the management and policies of the Workers' Compensation Board. I must remind the minister, through you, Mr. Speaker, that it was his office that contacted myself, and that was arranged. We had a very, very enlightened hour and 15 minutes of discussion. It was very informative. In addition to that, on two other occasions this member and other members of our caucus attended the rehab centre and participated in discussions that involved policy. I would ask that that reference be withdrawn in that it does not reflect the facts.

MR. SPEAKER: Minister, briefly, to the second issue. The first issue of the point of order is dealing with briefness of answers. This is a long way from being that.

3:30

MR. TRYNCHY: Mr. Speaker, I stand to be corrected, and I welcome that. My office contacted the hon. member last year, and he advised our office that he didn't think the whole caucus would be interested. I did not know until today that they took advantage of that. Has he taken advantage of it? I applaud the Liberal caucus. I understand the NDP caucus still haven't accepted. I'd invite them . . .

MR. MARTIN: Yes, we have.

MR. TRYNCHY: You have?

MR. MARTIN: We met with them the other day, and they said they'd get around to it.

MR. TRYNCHY: Oh, good. Well, they've both done it, Mr. Speaker. I was wrong in suggesting they didn't take it. I'm glad they did, and I'd like to see them come back and do it again.

MR. SPEAKER: Thank you, hon. members, for the interesting discussion. I'm sure the whole province of Alberta is deeply interested in it.

Speaker's Ruling Brevity in Oral Question Period

MR. SPEAKER: With regard to the point of order, the Member for Edmonton-Whitemud was quoting *Beauchesne* 417 about brief answers. That's to be commended greatly. Again I've been keeping track, and I'm quite certain that we'll have briefer answers and we're going to have a lot briefer supplemen-

taries in particular from all members of the House. In the last few days we've not been getting quite as many people into question period, and that's unfortunate for the role of those who are in the upper, middle, and back benches. This again has been dealt with.

Now Calgary-Buffalo, please.

Point of Order Speaking Order

MR. CHUMIR: Thank you, Mr. Speaker. This is a point of order under Standing Order 13(2) relating to the failure of the Speaker to recognize myself in question period prior to Calgary-North West. The procedure which has been followed in this House during the past year or so is that the caucus forwards a list of questioners in the order of questioning to the Speaker. To my knowledge this is the order that the Speaker invariably follows in calling upon members of those caucuses.

We now see today an exception to that rule on a basis which I would like to raise as a point of order, Mr. Speaker. That exception is set out in a note by yourself to a member of our caucus which states that: your list received, your members need to be in the House on time or will dump lower on question period list. I'd like to suggest that the presence of a member here at the opening of the session is a totally irrelevant and unnecessary criterion with respect to whether or not members of the Legislature are permitted to do their duty to represent their constituents in the way in which they see best. Questions are not asked on behalf of the individual member of the Assembly. When I ask questions, I don't ask them on my behalf; I ask them on behalf of my constituents, in respect of those who have grievances. I don't think they would agree; I don't think they would feel that this Assembly was well served nor that they were well served by the democratic process being denied on an irrelevant and arbitrary basis: that the member was not in the House at the moment this Assembly commenced proceedings. [interjections] Standing Order 13(2): "Mr. Speaker shall explain the reasons for his decision upon the request of a member."

MR. SPEAKER: Well, thank you, hon. member. I'm glad you raised the issue. I'm also glad that you can do it in such a dispassionate manner, said he sarcastically.

The issue you raise, hon. member, is one which has concerned the Chair for some considerable length of time. Prior to your raising the matter in the last few moments, there has been no official knowledge written into the record that the Chair has been receiving lists from individual caucuses. Since the practice began, the Chair has been deeply concerned about it, because while that practice is in effect in large measure with respect to the House of Commons, it was not the practice in this House until about 18 months ago.

The Chair believes, and it is amply backed up in both *Beauchesne* and in *Ersine May*, that the Chair has the right to recognize individual members. The Chair has dealt with this matter on a daily basis, obviously, and will continue to do so, but I am here expressing my concern that the practice is one which I think strikes to some degree at the rights of individual members to be recognized, because the Chair has evidence that within certain caucuses some individual members in that caucus, including specifically the Liberal caucus, have not been able to get their name high enough up on the list to be able to participate in question period. So that's one of the ongoing concerns.

To address the specific complaint from the hon. member as raised today, the Chair has on previous occasions informed all

caucuses that if the member is not in the House at the beginning of the day when the Chair is here to recognize the arms in the air, then that member is not going to be recognized until later in the list. That's indeed what transpired today, sir, and that's the way it's still going to continue. No point of order.

Orders of the Day.

CLERK: Written Questions.

MR. GOGO: Mr. Speaker . . .

Point of Order Speaking Order

MR. DECORE: Point of order.

MR. SPEAKER: Point of order.

MR. DECORE: Mr. Speaker, again using the same section, there is an inference that there are members of this caucus, our caucus, the Liberal caucus, that are somehow being deprived of the right to speak, and that's not known to me as the leader of the caucus.

MR. SPEAKER: Thank you. [interjection] Thank you. The Chair will listen attentively to see that this is indeed a different point of order.

MR. DECORE: Well, Mr. Speaker, the point of order is very simple. The inference you have left is that somehow there has been a suppression against a member or members of the Liberal caucus, and I know nothing of that. I'm the leader of this caucus, and I would ask that you name those people or tell me privately, because I'm not aware of this. If you use examples like that, sir, I think I am entitled to know and our caucus is entitled to know.

MR. SPEAKER: Thank you very much. You and I will deal with it in private. I've had the conversation with some member of your caucus.

Now we'll go back to where we were. The Deputy Government House Leader had been recognized.

head: **Orders of the Day**

head: **Written Questions**

MR. GOGO: Mr. Speaker, I move that the written questions appearing on today's Order Paper stand and retain their places on the Order Paper except for the following: 150, 163, 168, 175, and 182.

[Motion carried]

Goods and Services Tax

150. Mrs. Gagnon asked the government the following question: Has the government calculated what the impact of the federal goods and services tax will be on individual Alberta postsecondary institutions in dollars, and if so, what will this be?

MR. GOGO: The government accepts that question, Mr. Speaker.

Public Opinion Polls

163. Mr. Chumir asked the government the following question:

- (1) How much did the government spend on public opinion polling during the 1988-89 and 1989-90 fiscal years, and
- (2) how much did each government department spend on public opinion polling during the 1988-89 and 1989-90 fiscal years?

MR. GOGO: The government rejects that question, Mr. Speaker.

Payments to Former Deputy Minister

168. Mr. Bruseker asked the government the following question:

- (1) How much severance pay did the government pay George de Rappard when he announced that he was resigning as chief deputy minister of Economic Development and Trade,
- (2) has the government entered into any contract with George de Rappard which would allow him to act as a consultant to the Department of Economic Development and Trade, and if so, what is the estimated value of the contract per year to Mr. de Rappard, and
- (3) did the government provide George de Rappard with a retainer for any future consulting work he might undertake on behalf of the government, and if so, how much was the retainer?

MR. GOGO: The government rejects that question, Mr. Speaker.

MR. DECORE: What's new? Wheelbarrow.

MR. SPEAKER: Order.

Helicopter Use in Recreation Areas

175. Mr. Mitchell asked the government the following question: What is the government's policy concerning the use of helicopters to access provincial parks, natural areas, and wilderness areas for recreational use such as fishing, skiing, and walking?

MR. GOGO: The government will accept that question, Mr. Speaker.

Hail and Crop Insurance Corporation

182. Mr. Taylor asked the government the following question:

- (1) What salary was paid to Brian Downey, enhancement co-ordinator of Alberta Hail and Crop Insurance Corporation, in the 1990 calendar year, and
- (2) what was the last annual salary of the previous enhancement co-ordinator for the Alberta Hail and Crop Insurance Corporation, and for what year was that paid?

MR. GOGO: Mr. Speaker, the government rejects Question 182.

head: **Motions for Returns**

MR. SPEAKER: The Deputy Government House Leader.

MR. GOGO: Thank you, Mr. Speaker. I move that motions for returns appearing on today's Order Paper stand and retain their

places on the Order Paper except for the following: Motion for a Return 184 and Motion for a Return 189.

[Motion carried]

Alta-Can Telecom Inc. Investments

184. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents detailing the profit or loss associated to investments by Alta-Can Telecom Inc.

MR. STEWART: Mr. Speaker, I think this particular motion for a return illustrates better than any other way why the government in certain instances has to reject motions for returns or indeed written questions. The hon. member has put forward a motion for a return with respect to Alta-Can Telecom Inc. He knows full well that it is a private-sector corporation. It's a wholly-owned subsidiary of Telus Corporation which in turn is a publicly trading corporation. The information that he requires will have to be revealed in the normal course that a publicly trading corporation deals with matters of disclosure.

3:40

MR. SPEAKER: Thank you.
Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. The minister far oversimplifies it. This company is a subsidiary of AGT. AGT was owned by the Alberta government for many years. The motion does not specifically say what years. All you've got to do is look back a little bit.

AN HON. MEMBER: Then word it that way.

MR. McEACHERN: Well, it's up to the minister to interpret it, so he interprets it in the narrowest way possible. Furthermore, the government still owns 44 percent of AGT and is therefore totally in control of that company and could release the information if he wanted to. Just because he's promised not to do anything with AGT whatsoever – he's sold 56 percent of it. That 56 percent is widely dispersed among many shareholders. The government has 44 percent and is totally in control of AGT. They've put their friends in charge. They only thing they don't do is admit that they're in control of it.

They also refuse to back up AGT in what should be AGT's fight with the CRTC about the Unitel application. In other words, he's quite prepared to see the revenues from long-distance rates go down and the monthly rates go up, a process which he has already started.

The minister can't have it all ways. This company was wholly owned by the government of Alberta for most of its existence, and there is no reason in the world why the minister shouldn't release that information. He is still in control of the company that owns that subsidiary, and he could release the information. He can't sit there and say, "Oh, this is a private company, and we're not going to do it." That's just nonsense.

MR. SPEAKER: Thank you.
Calgary-North West, summation.

MR. BRUSEKER: Thank you, Mr. Speaker. I, too, would just like to speak to that rather disappointing response from the minister. The reason for putting this forward is that the most recent annual report which we have for AGT, of which Alta-Can Telecom Inc. is a subsidiary, is, of course, the 1989 annual

report. This was put out in January 1990. We're now some 14 months past that time and still no new report for the Alberta Government Telephones Commission. We have no more recent information than 1989, so the minister's response clearly does not apply.

The reason for the motion for a return, Mr. Speaker, is that – and I'm quoting from the most recent, as I said, the 1989 annual report for AGT. It says that:

Alta-Can funds start-up businesses and facilitates expansion and diversification of existing businesses involved in advanced technologies including telecommunications.

Et cetera, et cetera. It further says that it was given \$15 million of capital. Now, that's \$15 million of taxpayers' dollars that have been given to Alta-Can Telecom Inc. If we turn further back in the same report that I've quoted from, it says, "These consolidated financial statements include the accounts of wholly-owned subsidiaries." Alta-Can Telecom Inc. is listed as one of those wholly-owned subsidiaries on page 38 of the annual report. Mr. Speaker, we have a company that has been created by this government, that has been funded by this government, which has money that is completely hidden by the annual report.

In talking about full disclosure and the concept of getting information available, I would just like to quote briefly page 137 of the 1989 annual report of the Auditor General. It says:

Generally accepted accounting principles are established to produce the fair disclosure of financial information.

The consolidated financial statement of the Province of Alberta and the General Revenue Fund are not prepared in accordance with generally accepted accounting principles.

In other words, Mr. Speaker, my interpretation of that, and I think it's in agreement with the Auditor General, is that the whole system is set up to hide information. When we ask for information, we get obfuscation as a response. That's not acceptable to me nor is it acceptable to the people in the province of Alberta.

[Motion lost]

Olympia & York Office Lease

189. Mr. Taylor moved that an order of the Assembly do issue for a return showing a copy of the lease agreement between the province and Olympia & York Developments Ltd. for 40,000 square feet of office space in Olympia & York's new office/retail complex between 101st and 102nd streets and Jasper Avenue and Manulife Place in Edmonton.

MR. KOWALSKI: Mr. Speaker, Motion for a Return 189 is not a new one to the Assembly of this Legislature. It's also of interest for me to note that surely within *Beauchesne* there have to be rules of relevancy that apply once in a while.

I think that perhaps in terms of dealing with Motion for a Return 189, I would just draw to the attention of all members information found in *Alberta Hansard* of this Assembly, the following dates and the following pages: April 14, 1987, pages 791 to 796; May 12, 1988, page 1015; May 19, 1988, pages 1160 to 1165; June 23, 1989, page 513; March 27, 1990, pages 318 to 320; May 3, 1990, pages 986 to 987.

Now, Mr. Speaker, the gist of the arguments that have been made by various members with respect to this particular motion have been made before in the past, but perhaps it just might be worth while to review very briefly some of the arguments with respect to the question at hand.

First of all, Mr. Speaker, the motion for a return is factually incorrect. It has been pointed out by the Minister of Public

Works, Supply and Services on previous occasions what the error is in the motion for a return. Those arguments are contained in *Alberta Hansard*. Irrespective of the raising of a motion for a return, irrespective of the fact that the fact has been provided to correct the motion, the motion continues to come up in its erroneous form.

There is no one in the government who has to do the work or undertake the correct responsiveness to a particular motion, and surely if an hon. member, particularly one of a caucus that has well over half a million dollars for research attached to it, cannot read and provide a correction with respect to that, all I can do is on an annual basis stand up and say, "If somebody wants to put forward a motion for a return, at least have a correct question in order to deal with it."

Secondly, the argument has been put forward time and time again, and *Beauchesne* 446(2)(e) alludes to it, that the rules of the Legislature and the rules of the parliament by which we govern ourselves – and I would repeat that again: *Beauchesne* 446(2)(e) – deal with this type of matter. We're dealing with a lease in a market economy in which all of the details, whatever they be, if they were to be made known in this particular current economic environment can in fact provide for a pecuniary interest for someone. Now, it's certainly not the intent of this parliament, I would think, that business affairs be conducted in an environment where an hon. member in this particular Assembly – and I know, Mr. Speaker, that you would caution me if I were to impute motives, and that's certainly not my intent – by raising a question in the Legislature could provide an economic benefit to someone in the marketplace in the province of Alberta. I would think that such a situation would not be an acceptable one in the kind of economic environment that we have.

Now, Mr. Speaker, we have dealt with motions requesting information on leases beyond the province of Alberta, leases that the government of Alberta would have to provide space in such places as Tokyo and London. We've attempted to provide as much information with respect to those leases as we possibly could, but they're not in the economic environment in the province of Alberta.

This situation with respect to this particular motion: information can be obtained through the public accounts on an annual basis to have an understanding in terms of what rents might be provided herein and thereout. The project in question was one that certainly was well received by the people of Edmonton, certainly well received by the then mayor of the city of Edmonton, and certainly well received by various aldermen in the city of Edmonton at the time when the particular project was developed. It's provided an incredible amount of revitalization and redevelopment within the city of Edmonton; it provided an incredible amount of employment at the time and certainly assisted the province of Alberta in attempting to deal with the downturn in the economy through the mid-1980s.

3:50

Mr. Speaker, essentially what we have is a request, and it seems like an innocent one. It's been made before. The arguments have been addressed before in the past, and I've given the dates on which those arguments have been given. I would ask hon. members to at least attempt to understand the arguments that are being put forward by this particular minister and by the government, because what you will find as soon as I sit down is these same recanted arguments you have heard in this Assembly before on at least six occasions. Perhaps if hon. members simply would want to refer themselves to the argu-

ments contained in *Hansard* on those pages, it might save the people of Alberta and this Assembly a great deal of time. I fear that as soon as I do sit down, you will hear the same arguments you've heard on at least six different occasions. We'll have an opportunity, undoubtedly, to hear them again, Mr. Speaker, but just so you, sir, can find more comfort in these arguments, I've given you the dates in *Hansard* on which the arguments have come forward.

The government unfortunately is not in a position to accept Motion for a Return 189. The reasons have been echoed in the past; the reasons remain the same today. In the interests of commercial confidentiality lease agreements are simply not made public, and it's not the intent of the government to make such a lease agreement public at this time, Mr. Speaker. I would ask all members to reject the motion for a return.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. There are two particular areas that I want to address here. One refers specifically to the lease that the motion pertains to. I must say that's the longest "no" that I've ever heard. The error that the minister refers to: yes, there is an error there; correctly the deed is much, much greater than the motion indicates. My recollection from my days back on Edmonton city council is that an agreement in the neighbourhood of 400,000 square feet was entered into with Olympia & York and the provincial government.

Mr. Speaker, if I recall correctly, many, many, many of the other owners of business buildings in the downtown area, particularly spearheaded by an organization called BOMA, the Building Owners and Managers Association, were very, very upset at the secretive nature of this whole deal and the intent of this deal and the impact that had on them. There is no doubt that the minister is right when he says that that project was good for the city of Edmonton. The leader of the Liberal Party was mayor at that time, and he was responsible for initiating that project, with a lot of other projects that made for a much better downtown. Let me remind the minister that it wasn't necessary to enter into what could be perceived as cushy arrangements with the developer. We don't know, because we haven't seen that lease agreement. The minister has made reference that he has repeatedly stated that he has made arguments as to why this documentation can't be released and why countless other items of documentation can't be released in this House.

The public out there is becoming more and more concerned about the secretive nature of government. You will hear now paid commercials on radio stations – and possibly the minister should listen to those paid commercials sponsored by a provincial organization – calling on Albertans to contact their MLAs to press for a freedom of information Act. That's not coming out of nowhere. That's not coming from some political party. That's coming from an organization that represents Albertans that are sick and tired of this government not providing the information that Albertans are entitled to. Until such time as this government is prepared to release information that is necessary for all members of this Assembly to make sound decisions, these types of questions, this question, and similar questions will reappear on the Order Paper time after time after time. Eventually the Minister of Public Works, Supply and Services and other cabinet ministers of government will realize that the members on this side are making sense. Albertans are starting to listen. Possibly the members on that side aren't listening, but we are listening, and Albertans are demanding

certain actions which this particular government is not supplying. Again, Mr. Speaker, I go on record as supporting freedom of information in this particular case and freedom of information in other cases where it's required for sound decisions to be made.

MR. SPEAKER: Edmonton-Kingsway has gone. All right then, Westlock-Sturgeon, in summation.

MR. TAYLOR: Sorry, Mr. Speaker. I thought there was another one, but I see the seat's vacant.

Actually, the points that the minister raised were very good ones for two years ago, but the whole point of putting this question on was to answer their original excuse for not putting it in: that there would be an economic consideration or advantage that would be destroyed because it was the nature of public business. I don't even accept that argument now, but it's not relevant to today. This lease has been in place for a couple of years now, and the idea that there is an economic advantage to be lost by giving information forward shows either the minister knows nothing at all about real estate and competitive markets, or he is continuing to hide behind the skirts of an argument that's long since dead.

The fact of the matter is that if we were to take some sheer logic, somewhere in the future surely this is going to become public information. Even the most hardback, recalcitrant, secretive, in-born, low-intellect government would say, Mr. Speaker, that maybe 25 or 20 years from now it becomes a matter of public record. So all I'm saying is that somewhere between that time and today it should be a matter of public record. He says, "Well, it's repeated." Well, the fact that it's repeated is strictly because the time and the reasons for keeping it quiet that the previous minister had given have passed. There's no need now. There's no stretch of the imagination, and I would challenge the minister to find anybody that has a real estate licence that would argue that a lease signed three years ago in any way, shape, or form is economic information that is hurting the opposition.

Sure there's an economic consideration that the minister's hiding, but I suspect it's hiding somebody in his own party that got an economic consideration. I suspect that some friend of the government, someone that was wearing blue and orange underwear, got an economic consideration. It has nothing to do with the marketplace at all. Maybe all he had was a blue and orange button, but the minister is obviously hiding a friend under an age-old excuse that somehow or another this was going to give economic advantage. Do tell me, for instance, would the price of a Chev car or truck sold four years ago, Mr. Minister, have anything to do with economics today? Nothing, unless whoever bought that truck happened to be a friend or someone who shouldn't have bought the truck. So the minister is trying to hide behind something, Mr. Speaker, that is decadent, old, and it shows the paucity of this government when all they can think of is to repeat an excuse that was good three or four years ago. It was moderately good three years ago, it was no good two years ago, and is not a damned bit of good today.

Speaker's Ruling Parliamentary Language

MR. SPEAKER: Thank you, hon. member. We're still not swearing in this place.

MR. TAYLOR: Oh, was that swearing? I will take it back, Mr. Speaker. I thought I was referring to something that the minister over there was very familiar with: dams.

MR. SPEAKER: Let the record show that you misspelled as you spoke.

[Motion lost]

head: **Motions Other than Government Motions**

4:00 Government Spending

203. Moved by Mrs. Osterman:

Be it resolved that the Legislative Assembly urge the government to consider establishing a legislated framework that would define the parameters for government program spending.

MR. SPEAKER: The Member for Three Hills.

MRS. OSTERMAN: Thank you very much, Mr. Speaker. It's a privilege for me today to introduce Motion 203.

I think everybody knows that inherent in this motion is not a discussion about capital spending, only about program spending.

Mr. Speaker, I want to start off my comments today by asking a question, and that is: is anyone listening? That appears to be the question that many, many Canadians are bringing forward as a result of the Spicer commission. We can say what we will about the Spicer commission, but there have been some very interesting comments and points emerge from hearings across Canada, and I think it would do us well to listen carefully to those comments because Canadians by and large are saying that they're not sure we're listening.

The major concerns, as I understand it, in some order are: first of all, the deficit – I think we can read into that accumulated debt – the environment; Canadian institutions, many Canadians feeling that their institutions at this point in time are failing them; and as well, interestingly enough, the press. The news is more staged than it is reported, thus doing Canadians a disservice in their ability to reflect to their politicians what it is they believe or feel should be done.

Interestingly enough, Mr. Speaker, last week I had occasion to hear one of the members of the commission make some comments in a very interesting way. He talked about the collective wisdom of the average Canadian that was appearing at these hearings in discussing their heartfelt feelings and ideas about Canada's future. What was interesting was that I felt that this man felt very humble, a sense that where many people might have believed that the ivory tower or the professionals in this country and so on would hold the key to Canada's future, this is where the collective wisdom would reside. In fact, it lies with the average Canadian. Certainly I have sensed that for a long time in working with my constituency.

So it's a humbling experience, Mr. Speaker, to present this motion, because I as well do it on behalf of my constituents, who I believe have that collective wisdom. Obviously, when I make my comments, the motion is coloured with my own observations as well.

[Mr. Deputy Speaker in the Chair]

First of all, I believe we are poised on a precipice. I think that most Canadians feel and have this sense that we are on this precipice. Isn't it interesting that notwithstanding our standard of living, which is incredibly high relative to most of the rest of the world, in particular our province of Alberta with its very excellent economy, very high standard of living, and in fact a history over the last number of years of keeping program

spending increases lower than any other jurisdiction in Canada – notwithstanding all of that, there is a gnawing discontent. Mr. Speaker, I submit that in part we have an angst. This angst is our collective conscience speaking. We have begun to realize that the damage being done by our accumulated debt could be almost irreparable. We have in fact thumbed our nose to the peril of a future generation. We have thumbed our nose at a basic tenet of democracy, and that is that there will be no taxation without representation.

So what are we doing to the next generation and those yet unborn? Surely we are taxing them. The last time I looked they hadn't been able to vote. Mr. Speaker, that must be rectified. What have we done to the next generation in terms of the financial burden they must carry? Our credit card mentality from the late '60s, '70s, and '80s has carried through to show some very unfortunate circumstances. Do we recall in 1979 the election of a young Prime Minister and recall that Prime Minister saying that Canadians must carry more of the burden because at that time we had already been running a deficit, as I recall, for some 10 years at least? Do we recall the infamous gasoline tax hike and how that was played up across the country? Well, certainly in my view, collectively all of us are guilty of responding to an appeal to our more selfish instincts. It was a lesson to all politicians of the day. It didn't take them long to realize how to get turfed out of office: ask people to start paying the bill.

In 1984 we saw some mood change. But isn't it interesting that with all the rhetoric of the day – all of us, politicians and the public – when there was a discussion about tough budgets, we heard: "Not my program. Somebody else's program is overpriced. Somebody else should be doing without, but not my program." So another lesson learned, Mr. Speaker.

As we look back on the Trudeau era, most Canadians bought what he was selling, which was a just society. But I think it's also fair to say that we didn't want to pay for it. Thus we began the transfer of some financial burden to future generations. Very few people at that time and through those years asked about the affordability of what we were doing or the prospect for future repayment. Mr. Speaker, I am constantly reminded by my constituents that government has no money. Wealth is created by people.

It's important to look back at Albertan and Canadian history and realize how successful we have been at creating wealth. Many generations have toiled long and hard and justifiably have had pride in the results of their toil. In many ways, Mr. Speaker, every generation has its share of pioneering to do. Certainly today we face new, demanding, and changing circumstances. What had been common to all generations was that they added to a very secure base for the succeeding generation to build on; that is, until the '60s, '70s, and '80s. Our generation is leaving quite a different legacy. What to do? How do we tap the wisdom and strength of our people to work on the problem? How do we communicate the real sense that I hope is shared by most politicians, and that is the need for Albertans to participate in solving the fiscal challenge we have created for ourselves. That is where a legislated framework comes in, the setting out in law of parameters that govern how much we will spend in relationship to expected income. In the short term I believe we would face tough decisions that would especially need critical input from our citizens. We expect families and businesses to meet their commitments. Why not us?

There are examples in whole or in part that could be a starting point for these discussions. The first one would be the recent federal budget and the attendant legislation that puts a

rein on some expenditures. But is enough gained there, Mr. Speaker? Look at our projected deficit and hence the growth of the accumulated federal debt. I've heard comments about this just being a federal transfer of burden to the provinces. But who is burdened? The last time I looked, there was only one taxpayer. The second example is in recent B.C. legislation; I believe it came out last week. That is the Taxpayer Protection Act, which freezes the provincial rate of tax for three years and requires government to table an annual plan to balance the budget over five years. This somewhat addresses the situation where higher and higher taxes are becoming a disincentive to take on more risk and work harder.

4:10

This brings to mind, Mr. Speaker, an example of what happens when you literally tax people past the limit. I think Russia would be a good example, because after all, haven't the Russian people, particularly the farming population on their collective farms, worked for everyone? They had some plots given to them. I suppose they would be considered a gift. Now, the family garden plots constituted 3 percent of the agricultural land in Russia. Guess what percentage of agricultural production they actually raised in their family plots? Twenty-seven percent. I think that's a fairly eloquent example, maybe an extreme one, to be using, but it certainly speaks to what happens when the citizens aren't allowed some benefits from their toil that they believe to be reasonable.

The third example, Mr. Speaker, would be the U.S. federal legislation, and I think everybody is familiar with the Gramm Rudman Hollings Act. While there are some provisions that have merit and potential in terms of application for us, I really would prefer to elaborate slightly more on a fourth example, and that is some of the state legislation.

I had occasion to have a chat with the budget director for the state of Kentucky. Kentucky, which has about 3.7 million people, so certainly at least a million more than us, apparently typifies a number of U.S. states in that they're considered just marginally a have-not state. They have a budget of almost \$9 billion on an annual basis, but interestingly enough they have to strike their budget for a two-year period. Their budget must encompass two years. During that period they have a process of progress reporting to their Legislature and governor and obviously all the attendant regulations which speak to what could be cut or not cut if in fact they start running into trouble. Half of that almost \$9 billion budget is a transfer from the United States federal government. So of the around 4 and one-half billion dollar state budget, half comes from income tax.

There's a unique provision in some state budgets. In fact, they have specific taxes earmarked for specific programs. One example is a road tax. Their gasoline tax, as I understand it, raises a billion dollars a year. And guess what? A billion dollars is their road budget. So everybody understands precisely what it is being used for. Education and some other services are broken out and specific taxes and fees, et cetera, as well are earmarked for them. Capital projects done by the state and municipalities are done through bond sales, and normally when bonds are put on the market, they are for a period that really speaks to what is considered the life of the capital that is being invested in. If it were a building, obviously it would be a longer term. If it were equipment, it might be shorter term.

This kind of breaking down of the components, I think, Mr. Speaker, is instructive for all of us and would help our citizens to comment on priorities for spending, which is critical for their

knowledgeable participation in the process. We should be able to see what we get for what we pay.

To sum up, Mr. Speaker, we as politicians face a very interesting dichotomy, one that has presented itself more of late than I think in the past. On one hand, the public seems to expect us to show strong leadership. Yes, it is important that we set an example, but as well they are looking for us to come out with solutions. We should direct solutions. On the other hand, the dichotomy is that they want us also to do what they say; they want us to follow their dictates. This is an interesting situation to be in.

Mr. Speaker, in the past I believe that Canadians and Albertans have expected what we call responsible government. We have been responsible to the public, and at election time the public had the opportunity to register how they felt about how well we carried on that responsibility. An interesting shift, Mr. Speaker, is that I believe there is now more of an expectation of representative government: thus the dichotomy we have as we go through the shift that I believe is occurring.

Mr. Speaker, it was very eloquently put to me last June when the Premiers were down in Ottawa agonizing over Meech Lake. One night very late I got a call from a constituent, who said: "You have to understand, Connie, that we are far more acquainted with the situation than we were before. It is true that we should have caught on earlier. It is true that the government has made information available," and so on and so on, "but it is just now that there is a major public understanding of what Meech Lake means to us, and whether you like it or not, we the public have a right to be wrong. We have more of a right to be wrong than you do. So let us exercise that right." I thought that was quite well put in terms of how the public feels today.

Mr. Speaker, thoughtful comments about our democratic society that I thought would help us think a lot about where we're at and what our democracy means to us and how we better serve our people were made by the cochairman of the Iran/Contra hearings, Lee Hamilton, and I quote: the democratic government as I see it is not a solution but is a way of seeking solutions; it is not a government devoted to a particular objective but a form of government which specifies means and methods of achieving objectives; methods and means are what this country is all about; if we subvert our democratic process to bring about a desired end, no matter how strongly we may believe in that end, we've weakened our country; we have not strengthened it.

Mr. Speaker, we have a well-educated, thoughtful public. As with the birth in Alberta of the triple E Senate as a constitutional solution – and I say this very proudly because of my constituents' role in this – I believe we with our people have the collective wisdom and talent to formulate a made-in-Alberta fiscal solution that could be emulated by our entire country.

I look forward to the participation of all my colleagues in this discussion. Thank you.

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

MR. McEACHERN: Thank you, Mr. Speaker. The member put forward a thoughtful proposal and talked a lot about some of the things that would make it work perhaps. I found some of the ideas quite interesting and some of them acceptable.

I don't know that the basic thesis is a defensible one, however. What you're asking a Legislature to do is pass a law setting limits on its legislative authority in subsequent years. That does seem to me a little bit strange, a little bit redundant. If this is

the supreme lawmaking body of the province, then surely all you have to do the next year to undo what you did last year is pass another law. I guess there could be some moral power in it if you established a law in this Assembly that said there is a certain formula by which you will be allowed to increase or decrease expenditures, set some tight rules about how many dollars can be spent or maybe even get into detail and say in what areas they can be spent this year, that it's passed. It takes another debate and piece of legislation to break that the next year. I suppose that would make it a little harder to break it the next year, but make no mistake, this legislative body could do that. So I guess what she's asking for is a set of rules worked out rather carefully.

4:20

I appreciated the degree to which she seemed to be prepared to listen to people. I just wish the present government was anything like prepared to listen to people on that kind of a scale. I mean, we know after 20 years of them being in power that they don't listen to anybody. They now think they've got a God-given right to run this province and they can spend the dollars any way they please and don't have to really be very accountable for them even. "Oh, it's okay; a year or two later they'll show up in the public accounts" is kind of the cavalier attitude.

I do think that some of the ideas she put forward had some merit. One of them that I thought was particularly interesting but extraordinarily strange coming from a member on the government side of the House was that there should actually be updated reports on how the budget is making out as you go along. She talked about one of the states having a two-year budget, but they had to report periodically – she didn't say how often; I assumed it was more than once a year: every six months or every three months or something like that – as to how they were making out with their expenditures, whether they were actually inside the formula or the plan that had been put forward. I just can't help thinking that this government has not once this year indicated any figures in any way, shape, or form on either the expenditure side or the revenue side as to whether or not they're going to meet their target of a \$780 million deficit in the general revenue budget for the year we are just currently finishing, the 1990-91 fiscal year: not one update. Considering that the minister has had a chance to crow a little bit if he wanted about the fact that oil prices have gone up a little bit and he's got a little more money in the coffers than he might have expected to get – well, maybe he didn't; maybe the overall picture is just as bleak as we told him it was going to be last spring when he brought in the numbers.

It's really interesting, the projections of the Treasurer each year in this province, Mr. Speaker. He says he can predict the expenditures fairly closely, and I agree. I looked at the numbers the other day. Yes, he can predict expenditures relatively closely. Almost each year he's been a little over; not every year. Sometimes a little under – nonetheless, most years a little over. For instance, this year the expenditures budgeted were \$11.5 – sorry, not this year; this is the last year we have public accounts for. I've got to remember which year we're talking about here. It's the '89-90 fiscal year. The expenditures were budgeted at \$11.5 billion. It turned out to be \$11.8 billion, so there was a \$300 million overexpenditure in that year. The revenues in that year – and this is where the problem usually lies, as the Treasurer admitted this morning – were budgeted at \$10.2 billion but came in at only \$9.7 billion, which was a \$500 million shortfall. So the \$300 million and the \$500 million together make that

\$800 million change from a \$1.5 billion to \$2.3 billion deficit for the fiscal year '89-90.

Most years the Treasurer is reasonably accurate in the expenditure side, but on the revenue side he's been about a billion dollars out most years. It's really quite amusing and quite funny that almost every year, all but one year since we got elected in '86 – it's just been the current debate between this government with this Premier and this caucus of 16 New Democrats – he has predicted the revenues a billion dollars high, which backs up what the Leader of the Official Opposition said this morning: he purposely brings in a budget that looks good so he can brag about how wonderful the economy is. Then, of course, it's months and even years later before you really find out the truth about what the expenditures were, let alone the revenues. I mean, you have to wait for the public accounts, and these public accounts are one year out of date. Right up until we got them the other day, we were two years out of date in having any hard facts or figures to check on what the government's been doing.

The one year that the Treasurer overestimated revenues was also done deliberately, and again it was a political reason. It was the spring of 1987 when the government, after the disastrous fall of oil revenues from the '86 deregulation that this government went through – we ended up with \$8 a barrel oil for a while, so we lost three and a half billion dollars in revenues in '86 – decided they had to nail the taxpayers of Alberta with a billion dollar tax hike. In order to justify it, they projected revenues at \$17 a barrel for oil and an overall lower projection of revenues by about \$1 billion than what they actually got. So it was done purposely too. Usually they bring in one that's an overestimation of revenues by about a billion dollars and brag about how wonderful the economy is, but for that one particular year when they wanted to really nail the taxpayers, they had to convince the taxpayers there was a problem. Of course, it was pretty easy to do that looking at the year before, which was disastrous, and so they were able to convince Albertans. They said we were going to have a \$1.9 billion deficit that year. It turned out to be \$1 billion. They were just about \$1 billion wrong on the other side for once, but that also was for very political reasons.

So what the Leader of the Official Opposition said today is quite right. The Treasurer brings in a budget which makes things look as rosy as possible most of the time and then uses orders in council and supplementary requisitions and spends more money later. Sometimes they are able to cut some things. They've kept a 3 percent ceiling on education and health care and municipal grants for the last couple of years, 3 and a half percent on some of those, while the inflation rate has been 4, 5, and now 6 percent. So yes, they've been able to keep a tight rein on expenditures, but at the expense of very important programs, one must add.

This government has not only overestimated revenues most years but they've also been very sloppy in accounting for the tax dollars of this province. I mean, why didn't the Treasurer bring in an update on the budget position of this province in the fall? There is no excuse whatsoever for the total silence that we've had on the current year's budget. Until we see the budget document on April 4, we will not know any numbers connected with the 1990-91 fiscal year from the Treasurer. Not one number. Mr. Speaker, that's totally unacceptable. If we're going to have this open, democratic debate with the people of Alberta, we have to tell them some facts, give them some numbers to work with so they know what the parameters that they can set might be. So it's all very well for the Member for Three Hills to stand up and say that we've got to have this great open and

democratic discussion with the people of Alberta to help set some parameters for government expenditures, but unless they're given some facts that are a little more up to date than the public accounts that come out one to two years – we're always one year at least, if not two years out of date on the public accounts figures. You need something more updated than that.

This government would do well to also give us some information about loan guarantees in more detail than they do. The Treasurer was defending loan guarantees the other day, and it may be in some instances that loan guarantees can stretch tax dollars farther than direct investment, but most of these kinds of companies that we were giving loan guarantees to – the taxpayers would rebel if we gave them direct investment. I mean, Mitsubishi does not exactly need Alberta taxpayers' money to build that plant at Athabasca, and yet of course we have given them loan guarantees. Certainly Daishowa did not need any taxpayers' money, yet of course we built them some infrastructural things to make it more attractive for them to come in and rip off our forests at an incredible rate.

The loan guarantee that bothers me most, though, and this is a program that is probably one of the most justifiable, is the export loan guarantee program. Now, I don't really quarrel with the basic idea, because mostly those loan guarantees are used for companies that have a deal and it's just temporary financing to make sure that it's backed in such a way that both parties to the deal can feel comfortable that the money's there and that everything will be paid on time and in order. So I don't really mind the loan guarantee export program as such. What I resent deeply, however, is the fact that the government will not account for it point by point and company by company and name by name. If anybody is using taxpayers' dollars, including Olympia & York – to refer to an earlier debate in this Assembly this afternoon – they darn well need to be prepared to put their name on the public record or else they don't deserve to have taxpayers' dollars. That's a fundamental truth about how an economy should work and how a government should work, and if this member that brings forward this resolution thinks that we should have more open and democratic government and more dialogue with the people, you could start by doing that. You could start by making information available to the people of Alberta on what the government is doing.

4:30

Another area in which the government messes people around and makes it very difficult for them to know what's going on is in the area of subsidiary companies like NovAtel or like Alta-Can, whom we were asking about today. North West Trust and Softco: we still haven't had the Softco report for 1989-90 yet. Here we are, two years out of date on any figures for Softco, yet Softco took \$300 million of the dog properties out of North West Trust when the government covered up that mess. As well as getting that \$300 million, they've also had a lot of money from the Principal affair. I understand that N.A. Properties, which is handling these dog properties, has also got some of the properties, I believe, from the credit union system. So here's a company handling hundreds of millions of dollars of taxpayers' money that the taxpayers are on the hook for and no reporting to the Legislature. Two years since we've had any Softco report: it's totally unacceptable.

Yet you ask for information and the ministers and the Premier say, "Oh, put it on the Order Paper, and we'll answer it then." The last year around we had questions on the Order Paper and some of them did not get dealt with before the end of the session last fall. Some of them were left and were not answered

by writing either last fall. On some of them they finally filed their "no" answers in the House this spring. If we're going to have this open dialogue with the people of Alberta so they could help us plan and set the parameters, surely they need to know what the numbers are to set the parameters. If they don't have that information for two years – I mean, the process of putting it on the Order Paper now is turning out to be as slow as the public accounts, always one year to two years out of date. That's totally ridiculous.

The Treasury Branches: another area where the government has an interesting, schizophrenic sort of approach to it. The government, as I recall, in August of '87 just after Principal had collapsed – well, FIC and AIC had the plug pulled on them on June 30 in '87. On August 10 the Treasurer of the province decided to shut down Principal trust company, and he just said straight out that anybody who had money in Principal trust company and could prove that they had a deposit there could walk into a Treasury Branch and demand up to \$1,000 – so they'd have one month they wouldn't starve in case they were depending on that money – in lieu of the fact that they had money in Principal. Then it would get sorted out later as to how much who owed what. Well, the government usually claims that the Treasury Branches operate like a bank and are one step removed from government, so what right did the government have to order them to do that, to actually use the money of the depositors in the Treasury Branch for that process?

Then very hypocritically a few months later, when our party suggested that some of this loss to the contract holders in FIC and AIC should be covered – we said that some two-thirds of it should be covered by the province in anticipation of waiting for the sorting out that was going to take place later, so that the investors would get back some two-thirds of their money by Christmas of that year. We said to use the Treasury Branch system to distribute it. Now, we didn't say to use Treasury Branch money. We said to use Alberta government money and feed it out through the Treasury Branches because they have branches all over Alberta. Also, by the way, the present Minister of Municipal Affairs, who at that time was in opposition, stood up and said: "Oh, I hope they won't do that. That's interfering with the Treasury Branches." Of course, the Treasurer stood up and said: "Oh, no, we wouldn't think of doing that. That would interfere with the Treasury Branches." It was just an excuse not to do the program, which was a perfectly good and sound one at the time. Later the government ended up putting out the money anyway. That meant that some of the people who didn't have any money for a couple of years, some old people, had died by the time that money was ready for distribution, and it went to their heirs and estates, I assume, rather than to the people themselves who needed it to live on. Some of them had been counting on living on that.

Also, telling the Treasury Branches to help Peter Pocklington buy Palm Dairies: that kind of nonsense doesn't make any sense. The Treasury Branches can be an instrument of government policy, but they shouldn't be interfered with in that kind of way, putting the deposits of Albertans in the Treasury Branches at risk.

Mr. Speaker, this government has a long, long way to go before they're ready for the open dialogue with the people of Alberta that the Member for Three Hills is suggesting. Quite frankly, her idea is a reasonably good one in a way.

I question whether or not a government, certainly this government, would be willing to tie itself to some kind of a formula built after a lot of talk with a lot of people where good information was made available to them; for instance, about the

heritage trust fund and about the real state of the economy in this province, things like NovAtel and just how much it is costing us and all those kinds of things. If the people don't have that kind of information, they're certainly not going to have any way of setting fair or reasonable parameters. What is the point of trying to do the process unless you're going to do it right? The way this government is being so secretive, the way they've been so slow at giving us accurate information, there isn't a snowball's chance in hell, quite frankly, that this government will ever buy your idea, I'm afraid, so you'd better start talking to your own people.

MR. DEPUTY SPEAKER: Order please, hon. member. Order.

MR. McEACHERN: I apologize for using the word "hell." I mean, we've got to be so pure in this Assembly, don't we?

Well, really, there is not a chance that this government is going to buy this proposal. So I'm not sure what we're doing here with the Member for Three Hills trying to tell us that this government is going to embark on some kind of open dialogue with the people of Alberta, give them the information they need to move forward with this idea. Really, this idea, for this government anyway, is not a very good one.

The expenditure side is not being that big a problem. You can project your expenditures fairly accurately, and even this government can do that. What is the problem, of course, is manipulating the figures on the revenue side. That's where the people of the province have been conned into believing that we've got a healthy economy, that we've got a Treasurer who knows what he's doing, that he's in charge of everything and everything is fine. The Treasurer will bring in a balanced budget on the 4th, make no mistake, and the Tory party will have a love-in on the weekend. But if the people of Alberta have really been watching for the last five years, Mr. Speaker – I can just give you some figures here – the Treasurer has been out. His error in 1986-87 on the budget projection was 38.4 percent on the wrong side, unfortunately, for the people of Alberta. His error in 1987-88 was 47.8 percent, almost a 50 percent error. That was the year he projected it the opposite way around to what he usually does. That was the year he said that we were going to have a \$1.9 billion deficit, and it turned out to be about a billion, you see, so he lied by about a billion in that direction.

SOME HON. MEMBERS: Order. Order.

MR. McEACHERN: I'm sorry. Okay; he made an error. I apologize. He made an error of about a billion dollars. [interjections]

MR. DEPUTY SPEAKER: Order please. Order please. The Chair heard the hon. member withdraw that comment.

MR. McEACHERN: There was a slight error of about a billion dollars on the other side that year. Then the next year, back to business as usual; in fact, worse: 1988-89 was a particularly bad year. There was a 166 percent error in his estimate of the deficit. Now, if that isn't a way of conning the people of Alberta into believing that we've got a healthy economy, then only later giving them some inkling of the error – you know, when the forecast comes in a year later – and then a year after that, you get the real public accounts to tell you the rest of the error. I mean, it's an incredible process this government goes through.

This last one, of course, the one that just came in: the error was 55 percent. I mean, that is quite incredible. You know, if you couldn't point to why the Treasurer did it each time, you couldn't accuse him of it. In one case he was on the other side – he was on the positive side in his error – but he was purposely so, and we know why he did it. It's so clear why he did it: because he wanted to make a big tax grab on the people of Alberta, and he had to justify it. All the rest of the time it was just back to business as usual: tell them everything is fine; give them some numbers that look good.

4:40

I will be amazed if that \$780 million deficit that the Treasurer projected for the year we are just finishing holds. I've pointed out to him in the House, as did my colleagues, some billion dollars in potential and probable errors in his budget. One of them was so obvious that it's totally ridiculous. One was the amount that he projected that the debt servicing costs would rise. He tried to claim the debt servicing costs would rise by only \$90 million. The debt the year before had increased by \$2 billion as usual; we've got into kind of a pattern of that for the last three years. The year before that the debt servicing costs had increased by \$300 million, yet he tried to tell us that although the increase in the deficit was the same each year, the debt servicing costs were only going to go up by \$90 million. Well, obviously there was a \$200 million error purposely built into that budget to make it look better. I even gave the Treasurer a chance later in the session to correct it. No, no, no; he's sticking by his numbers.

Now, three or four months later – and this is one of the little titbits that we got. I said we hadn't had any formal information about the budget since last year, but once in the fall somebody asked him and he did admit that the debt servicing costs might be a little closer to the \$1.2 billion that I said they were going to be, which, by the way, is about the same amount as the heritage trust fund earns. So in this year that we are now finishing, we'll see that the overdraft on our current account, the general revenue account, is about equal to the savings in our Heritage Savings Trust Fund, our savings account. The income on one, of course, is now about equal to the debt servicing costs on the other, so the heritage trust fund is, in effect, done. This government had 10 years in which they had extraordinarily excess revenues, and in four years they've blown it.

I guess the government needs some kind of parameters; the Member for Three Hills may be right. But they're not going to get any rules that will make any sense from among themselves, and they're not prepared to release the information that would allow the people of Alberta to make an informed suggestion about what the parameters should be. So I really don't have much faith in your getting anywhere with your suggestion, although it has some merit.

Of course, this government could just turn around and break any promises they made in terms of legislation this year for next year or the year after. Unfortunately, the legislation would probably just be in the order of tightening the screws on education, health care, and social services. That's what one would expect that it would be if they do do anything, and we on this side of the House would not be in favour of that.

What we are in favour of is the Treasurer coming clean and making honest predictions about what he thinks the price of oil will be, what the revenues of this province will be, and revising the tax system to see that corporations are paying their fair share. We've been through the shift of tax revenues in this province from what used to be a 50-50 split between corpora-

tions and the people of Alberta to now the corporations paying less than 10 percent and the people of Alberta paying over 90 percent. This government is responsible for most of that shift in the last 20 years. It had started before that, under the Social Credit government, but it's this government that has shifted it that far.

What we would be interested in is a government that came clean, that gave us the information, that allowed all the people of Alberta to see what the books are a little earlier, and that answered some of the questions we ask.

MR. DEPUTY SPEAKER: The Member for Calgary-Foothills.

MRS. BLACK: Thank you very much, Mr. Speaker. I'm pleased to rise today to talk on Motion 203, I think it was, although with the previous speaker I'm not too sure what motion we were speaking to. If it was Motion 203, I really didn't understand whether he was for or agin it. He kind of went all over the map.

He made some requests, hon. Speaker, about giving them some numbers to work with. Well, gosh, I'd be a little afraid to give them any more numbers if they can get so fouled up with the ones they have; maybe that's not such a good idea. He complained about the budget one year where we projected a billion-something deficit and came in under a billion. He complained about that, and then he flipped over and complained because we went over the budget. I'm not too sure whether he was happy or unhappy, and I really don't know whether he supported the motion or not or whether he was debating the same one.

I'd like to repeat the motion. It says:

Be it resolved that the Legislative Assembly urge the government to consider establishing a legislated framework . . .

The operative word is "framework."

. . . for government program spending.

This certainly, Mr. Speaker, is current with today's thinking. The question, however, that begs to be asked is: how do you maximize the dollars available and at the same time optimize the delivery of services? This is an age-old question. The terms "optimization," "justification," "efficiency," "effectiveness," and "need" play very heavily on decision-makers at all levels of government. Governments throughout North America have wrestled with this problem for a number of years. We've all seen the damage that a nation, a province, or a municipality can experience through deficit financing. It causes havoc with our investments and low productivity. Deficits really represent negative savings. Funds have to be used to finance the debt. Consumption is down. Deficits increase inflationary pressures. Interest rates are driven up to try and offset deficits. Central banks are forced to monetize the debt. As a result, inflation increases because there's a mixture between monetary and fiscal policies, which is not sound economic sense but becomes a band-aid as opposed to a solution to a problem.

Deficits diminish our capabilities of fighting recessions because our funds are tied up in debt reduction programs and in deficit financing. Deficits cause problems with our international competitiveness. We end up with high interest rates and low productivity, which eliminates us from the international marketplace. Deficits force higher interest rates; they have to be there. Deficits destroy our domestic and foreign confidence. They symbolize financial uncertainty and lack of confidence in the investment community. Deficits, as the Member for Three Hills indicated, leave a burden for the children and the next generation.

We cannot have deficit financing, Mr. Speaker, yet governments are charged, vis-à-vis the Constitution or the social realities within their jurisdictions, to provide various services to the people, the very people who are the taxpayers and the revenue base for government. Government is obligated to deliver certain services due to the Constitution and socio-economic realities within the community. Therefore, it is our responsibility as elected representatives to allocate the resources provided by the people in the most effective, efficient, justifiable, optimum manner in providing for the needs of the people.

We continually hear reports from various groups and through the media that the government has cut funding for programs. Mr. Speaker, the claim is usually that funding has not kept pace with inflation, and that's correct. Why is that? Well, the answer is that revenues have not kept up with inflation, so how could anyone expect that expenditures would?

I would like to propose, Mr. Speaker, in keeping with the operative, "a legislated framework," a proposal to the motion: that we consider an adoption of zero-base budgeting. I know that the concept was discussed in a motion put forward by the hon. Member for Red Deer-North a couple of years ago; I've read the debate of the day. However, I think the concept should be reconsidered, as it is a concept that deals with reality. Now, I know that anytime you introduce change, you run the risk of experiencing stress and aggression, but that doesn't have to happen if it's handled properly. In fact, change can lead to positive results.

4:50

Let's look at how it works and the pros and cons. Zero-base budgeting is a planning and budgeting technique for optimizing value received for dollars. The concept is that nothing is firm or sacred for the upcoming period. Instead, the planner starts at ground zero by requiring that all functions and operations be identified and the expenses to support each function be individually identified. Management and staff must analyze alternatives, make trade-offs, and set priorities between functions through systematic ranking within their organization.

In the previous discussion on zero-base budgeting the process was outlined, but there are key elements, Mr. Speaker, that are critical to developing a decision package. Questions have to be asked. Those questions are: what programs should be used and why? How can they be measured? When will they fulfill their goals? How else can goals be accomplished? What would happen if the package were dropped? This process must be followed through every department from every level of government. You start at the ground floor and you work your way up to an overall package. At that point you've had involvement from the bottom up. Every player within the system stands up and accounts for their programs. Every player justifies to the taxpayer why their program is in existence. Every player is a participant. This requires an annual review. It requires annual planning. It requires annual prioritization.

I know in the last debate the Member for Edmonton-Kingsway – well, I'm not too sure again whether he was for it or against it. He started off for it and then he became sort of against it, so I'm not quite sure. He started off by talking about how the idea could be good and could make sense. Then he got involved – in the *Hansard* of March 22, 1988, he talked about the "waste of time" it would be and

the idea that managers of some of the departments, when they have a little surplus money left over – if they've been prudent during the year and have a little money left over – feel they've got to spend it because if they don't, then next year they'll get their budget cut.

Well, that's maybe an attitude problem, Mr. Speaker, that people have to be accountable for what's happening within the system. I don't think people in today's reality feel they can go on spending for the sake of spending. He further says:

To stop and every year rethink and rejustify and replan why you've got to . . .

And he uses a couple of examples.

To have to reargue that debate every year within your department is a bit of a waste of time.

Well, quite frankly, Mr. Speaker, I don't think it's a waste of time. I think people expect to know where their tax dollars are going. If that means you have to spend the time rethinking, debating, and reprioritizing in your department, that's what you're there for. Budgets are estimates to the best of your knowledge.

In zero-base budgeting, because you decide within your group and you start at the ground level and work up instead of from the top down, you have an attitude that will evolve and a commitment from the people within the department to succeed. I'd like to briefly talk about the benefits and the drawbacks to zero-base budgeting, because there are both; there's no question.

Zero-base budgeting is not for everyone. It's not a magic formula, but if it's done properly, it can be very successful. It encourages personnel to always ask what, how, and why. It forces continuing evaluation of functions, programs, and activities and challenges traditional procedures. It exposes individual and organizational weaknesses as well as hidden talents and strengths. The program combines planning, budgeting, and operating decisions into a single, unified process. It maximizes the funding options available to management in response to changing conditions and requirements, and that's a key that governments face because as our society changes, our needs from last year can shift to something different this year. We have to be able to reprioritize on a departmental and overall government basis. That becomes critical. One year our needs are very intensified in the environmental field; the next year it's very intensified in the family field. Governments should be able to recognize those needs and adjust internally without utter chaos.

It provides cost justification for real instead of imagined or mistaken needs. To me it provides a vehicle for dealing with the ever changing social climate within a province, the needs that go up and down like a yo-yo, so that governments are able to address them quickly and on an effective basis. We won't find mistakes of holding on to programs that no longer serve a purpose, because they'll be reviewed each year.

The drawbacks: there are some. Because of the analytical work involved by each department at all levels, there's a tremendous amount of paperwork that must be generated by all levels within a department. The program can be resisted by staff and personnel because there is always that fear that someone's ability, integrity, and competence may be exposed and hierarchies may topple. Accounting systems quite often have to be monitored and adjusted so that the departments can track their ability to meet their goals and objectives in an effective fashion. A failure to define clear and realistic goals for each decision package or department will complicate the procedure and, quite frankly, waste the time of all involved. Full payoff is rarely achievable in one year. Normally, this kind of process must be phased in. You cannot move from one accounting system to another overnight. You need approximately three to five years to phase in a full zero-base budgeting process. That's time consuming, and it is onerous.

5:00

With the drawbacks, how do you succeed? If you're going to have this kind of a system where you have accountability, you deal with realities, you deal with today's issues, and you prioritize and reprioritize and optimize the funds that are available to you on an annual basis. You must involve all players within the structure. You have to have every player from the top down to the bottom and from the bottom up to the top involved. You must go to the user group. The user group is your best source of information. They can tell you how to streamline better than anyone at the top can. They can tell you what kind of forms are required, what kind of forms are not required. You must sell the process. You must sell the process on the basis that this kind of change and this kind of budgeting allows for individuals within a department to enhance themselves. When they're operating a program that all of a sudden is no longer required, they have an opportunity to get involved with another program. You give them the opportunity for self-development and self-enhancement of their career path. It can be very positive.

Perhaps the best thing that people can do is to go slowly. Slow and easy wins the race on this one, but it is effective. It will provide for justification of costs. It will provide for the elimination of deficits. If we don't, we won't have the image that we have been able to project up to this point, an image of confidence. We must maintain that image. We must maintain the investment community. We must be able to deal with recessions as they come and go. Alberta has been lucky up to this point. We have not been hit with the massive recessions that have been experienced throughout the country. We must continue to make sure that our initiatives today will provide the next generation of legislators the opportunity to meet those demands in those recessionary periods. We cannot be held at ransom any longer by interest rates that are set by eastern Canada or by an American economy.

We have to have our own mechanism in place, and I feel very strongly that a framework is desirable, but the framework must be one that also is flexible enough to deal with the realities of today, not something that is engraved in stone, that cannot provide for a movement within government to deal with today's situation. That's why I think a framework is very good, but I think the framework should be structured along the line of a zero-base budgeting concept. I think it's the only way we can go, Mr. Speaker. It deals with sound fiscal management. It deals with accountability. It deals with enrichment for our personnel. It allows them the opportunity to expand their horizons, and it allows the government flexibilities. I think it's the framework that we're looking for. I really support it, and I support the motion for having a legislative framework.

Thank you.

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

MR. DECORE: Thank you, Mr. Speaker. I wish to make an amendment, to start with. The amendment will have the motion read as follows: "Be it resolved that the government . . ."

MR. DEPUTY SPEAKER: Hon. member, has the amendment been circulated or given to the Table?

MR. DECORE: No. Actually, I've just been overwhelmed by the speeches and written it out. Mr. Speaker, I can have it written out and deliver it at the end of my debate then.

Mr. Speaker, the motion that I intend to submit . . .

MR. MAIN: This is parliamentary reform, right?

MR. DECORE: The minister wouldn't know anything about reform, I don't think.

AN HON. MEMBER: He knows about the other kind of Reform.

MR. DECORE: I meant the little "r," not the big "r."

Mr. Speaker, I would like to move that the resolution read as follows:

Be it resolved that the government establish a legislative framework through a fiscal plan that would define the parameters for government program spending.

I don't think it's much different than what the hon. Member for Three Hills put forward.

Mr. Speaker, I'm glad I stayed back and listened to the two hon. members that just spoke, because I liked what I heard. I liked the discussion about zero-base budgeting, and I liked what the hon. Member for Three Hills started and, I felt, didn't go far enough with. The two speeches have suggested two problems. One problem is that there is a financial problem facing Albertans, and I certainly agree with that. We have a \$10 billion accumulated deficit. Moody's rating agency says that it is a \$14.5 billion accumulated deficit.

Point of Order

Admissibility of Amendment

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

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Fish Creek is rising on a point of order.

MR. PAYNE: Mr. Speaker, I'm wondering if the member who now has the floor could simply clarify whether he is speaking to his ad hoc and inappropriate amendment or speaking to the motion.

MR. DECORE: I thought it was obvious, Mr. Speaker, that I'm speaking to the amendment.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Mountain View on the point of order.

MR. HAWKESWORTH: Could Mr. Speaker confirm whether the motion has been put in writing or not and whether that will shortly be available to all members of the Assembly? I think Standing Order 42 requires that substantive motions be submitted in writing.

MR. WICKMAN: Point of order.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud on the point of order.

MR. WICKMAN: Mr. Speaker, on the point of order. *Beauchesne* 569(1):

A motion may be amended by: (a) leaving out certain words; (b) leaving out certain words in order to insert other words; (c) inserting or adding other words.

Nowhere does it state that it has to be in written form. I think we're talking in terms here of a provision that when a motion comes forward, when members speak to it very, very favourably, should one not be given the opportunity to support that particu-

lar motion with a little bit of refinement? Nowhere does it say that it must be in written form, according to *Beauchesne* . . .

MR. DEPUTY SPEAKER: Order please. The Chair's understanding is that the Speaker has established the rule that unless an amendment is very, very short and to the point, it should be in writing. The Chair and, I think, all the members would like to know what the hon. Member for Edmonton-Glengarry's amendment is. According to the hon. Member for Edmonton-Whitemud, certain words should be deleted and others added. I think it would be useful to all members if we knew what words he's proposing to delete and replace with what other words.

MR. DECORE: Mr. Speaker, as I rise, the Clerk has just been handed the written amendment.

Debate Continued

MR. DECORE: Mr. Speaker, the first problem, then, that the hon. Member for Three Hills has identified is a very serious problem, the problem of a huge accumulated deficit . . .

Point of Order Admissibility of Amendment

MR. GOGO: Mr. Speaker, point of order, please.

MR. DEPUTY SPEAKER: The hon. Deputy Government House Leader on a point of order.

MR. GOGO: Mr. Speaker, the government would be satisfied if you would rule on the amendment the hon. member is proposing.

MR. DEPUTY SPEAKER: Hon. member, the Chair would like to know what the amendment is before the House. What words does the hon. member propose to delete or add or both?

MR. DECORE: Mr. Speaker, it's been delivered to the Clerk. It is to delete . . .

MR. DEPUTY SPEAKER: Order please, hon. member. It doesn't make much sense to deliver it to the Clerk. The hon. members in this Assembly want to know what the amendment is that the hon. member is proposing so they can understand what he's saying.

MR. DECORE: I've just given it to you, Mr. Speaker. Delete the words "Legislative Assembly urge the," delete "to consider," change "establishing" to "establish," and add the words "through a fiscal plan" after "framework." It's been written out and delivered to the Clerk.

Debate Continued

MR. DECORE: Mr. Speaker, now, for the third time, fiscal problem. The Member for Three Hills has identified a most serious problem.

Point of Order Admissibility of Amendment

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

MR. DEPUTY SPEAKER: The hon. Member for Cardston on the point of order.

5:10

MR. ADY: Mr. Speaker, there's still been no compliance with Standing Order 42. When is the member going to deliver this to the members? I, for one, plan to speak to this motion. I don't know what I'm going to speak to, whether it's going to be an amendment or the motion or what kind of thing that the man has brought forward. When is he going to deliver it to us so we can see what we're dealing with? Standing Order 42 says deliver it.

MR. DEPUTY SPEAKER: Standing Order 42 says that a "motion shall be in writing before being debated." If the hon. member is not prepared to provide the amendment to all members of the House so they can direct their minds to it, then the hon. member should stick to the motion before the House.

MR. DECORE: Mr. Speaker, I will speak to the main motion until the Clerk has had the opportunity of photocopying and distributing the amendment that I have submitted. [interjections] May I continue, Mr. Speaker?

MR. DEPUTY SPEAKER: Order please, hon. member. It is not the function of the Clerk to do the photocopying and the distribution. It's the function of the hon. member who wants to propose an amendment to do that and provide it to the Table for distribution.

MR. DECORE: Well, if we're going to play games, then I'll speak to the main motion. [interjections] Mr. Speaker, am I allowed to proceed?

MR. DEPUTY SPEAKER: Order please. The Chair is not prepared to be accused of playing games with the hon. member. The Chair is here to play by the rules, and the hon. member should do that.

Debate Continued

MR. DECORE: Mr. Speaker, speaking to the main motion, then, the second issue that the hon. Member for Calgary-Foothills has identified is the fact that the process is defective, that we don't have the right kind of budget review process. I'd like to speak to those in greater detail as I go along.

Now, going back to the wording that the hon. Member for Three Hills has submitted, Mr. Speaker, I have respect for her consideration, her sensitivity to the constituents that she represents. I think she's conveyed that well today, that constituents want to know more about what's happening. They want to be able to see priorities. They want to see how the government operates. They want a better feeling of what is happening. They want to see some kind of a plan. They want to feel secure that there is something like that in place. I'm sorry that the hon. member wasn't more assertive, wasn't stronger, wasn't more aggressive with her motion, because to use the word "consider" – well, we know what will happen with this motion when the hon. Member for Lethbridge-East gets ahold of it. The consideration will be the wastebasket. I wish the hon. Member for Three Hills had stated in a straightforward way that a plan is needed, legislative frameworks are needed, zero-base budgeting should be part of that framework, and let's get on with it. Let's not play games by saying, you know, that this should be considered, and wouldn't it be a nice thing if the government looked in on this thing. These are important decisions that need to be made now. That's why I feel some-

what sorry that she didn't go as far as I think she would have liked to have gone.

Mr. Speaker, a \$10 billion deficit, a \$9 billion unfunded pension liability, and Moody's says \$14.5 billion. We have almost 10 percent of our expenditures in our budget going just to service our debt. With that kind of allocation of resources, it's very difficult to fine-tune a system when it needs to be fine-tuned. When we have 6,000 students waiting to get into postsecondary institutions that can't get in, it would be a nice thing to have the flexibility that would allow for that fine-tuning to take place. In the health care area, where people are backed up, not able to get the proper operations, it would be nice to have that fine-tuning. If we weren't paying 10 percent of our expenditures to service debt, it would be nice to be able to fine-tune and look after those areas.

Mr. Speaker, I agreed with the hon. Member for Three Hills when she said that we are putting our children in peril, that this is taxing future generations without proper representation. Those are correct statements. I agree that it is important when she says that citizens need to understand priorities. This kind of motion or thought or concept would allow that to happen.

Mr. Speaker, I have been arguing for some time that a real plan is needed by this province to be submitted by the hon. Treasurer to get our problems under control. What would be included in that plan? The first, as the hon. Member for Edmonton-Kingsway has talked about, is the need for freedom of information. How can you possibly understand priorities and understand what's going on unless and until you have complete disclosure of all of the information that's pertinent? I refresh the memories of hon. members: my own experience in attempting to get GST information and being told by a person in the Treasury Department that I couldn't get that unless I wrote a letter to the minister, who would then write a letter to the deputy minister and decide whether or not to release what should be straightforward public information that relates to how much land is bought and sold by the province and whether or not that's subject to GST. To hold that back and to be afraid to release that kind of information is absurd.

Mr. Speaker, as the second part of what the Liberals propose as the plan to clean up the mess in Alberta, we suggest that a real budget review, along the lines that have been suggested by the Member for Calgary-Foothills, is imperative. "Real budget review" to us means that deputy ministers come with their ministers and all functionaries and answer questions. I think this is included in what the hon. Member for Calgary-Foothills is saying. If you're going to have zero-based budgeting, you've got to be able to ask the questions. Have the programs been working? What are the standards of measurement? Let's see those standards of measurement. Let's see the documents that pertain to those standards of measurement. Let's see how you've been doing in these programs, because if they haven't been working, you lose the program. Zap.

Mr. Speaker, I note that Ontario has adopted this kind of a system, where the opposition is allowed to pick 12 departments. The others that are left are presumed and assumed to be passed. Twelve departments are picked by the opposition for a very thorough review. It is, in fact, as I understand it, a zero-base budgeting review. They look at programs in great detail. They look at documents. Ministers are told that they must bring the most up-to-date, actual disbursement statements from their ministry that they have, and I'm told that those statements, those actual expenditures, are within a month or two of the date that the minister appears. It is important to be able to go and look and determine whether or not these programs need to be

continued. Some people call these provisions sunset provisions, that you are forced to examine programs on a schedule basis.

[Mr. Speaker in the Chair]

The third thing that needs to be done in terms of a plan is for the Auditor General to be given the power to do efficiency and productivity audits. Mr. Speaker, the city of Edmonton uses this tool to great success. When it was going through the worst days of the recession, from '83 to '87, this tool, the use of the productivity and efficiency audit, was able to save the city of Edmonton tens of millions of dollars.

The fourth thing that needs to be done, Mr. Speaker, is that you need a pay-as-you-go capital program. You can't amortize costs, because when you start to amortize capital costs in your operating budgets or your program budgets, you just let yourself into further difficulty.

Mr. Speaker, the final thing that needs to be done is that after you have gone through this entire process of evaluation, thorough review, planning, and frameworks being established, you then sell off the assets that you have in your heritage trust fund and apply them to your debt. What's the point of running around with a VISA account if you've got moneys sitting in your bank?

Mr. Speaker, I applaud the action that's been taken by my friend from Three Hills. I wish it would have been stronger. I suppose if it had been stronger, she would have had some difficulty with her party, and I understand that. I applaud the position taken by the Member for Calgary-Foothills.

5:20

MR. ORMAN: Don't lead the witness.

MR. DECORE: I don't think you know what it means, Mr. Minister, to lead any witness. [interjections]

Mr. Speaker, I think this is the kind of action that is important to put a very sick financial house in order. The hon. members who are laughing and joking about this very serious matter – I think it's unfortunate because it is the future generations of Albertans that are going to pay the price for the laughter and the light way that this matter is being treated by members on the government side.

Thank you.

MR. SPEAKER: The Member for Cardston.

MR. ADY: Thank you, Mr. Speaker. It's my privilege to stand and speak in favour of Motion 203.

SOME HON. MEMBERS: On the amendment.

MR. ADY: I'm not sure what happened to the amendment, Mr. Speaker, but I don't have it, so with your permission and indulgence I'll speak to the motion. Thank you.

I think it's clear that Albertans want to know where their tax dollars are going and that they're guaranteed of them being spent efficiently and that they have an understanding about how they're being spent. They need to know that.

I think it's irresponsible when we turn on our television at night and the taxpayers of this province are being subjected to some of the opposition members with a microphone stuck in their face, going on about us spending billions of dollars without any responsibility for it. Well, if we had such a structure as the hon. Member for Three Hills had put in place, those people

could turn off their televisions and go to sleep for the night because they would know it was nothing more than the opposition parties posturing in their usual fashion and that in fact we could not go beyond certain restraints of spending money in this province. They'd have a clearer understanding that it was just what it was: more posturing. [interjections]

MR. SPEAKER: Order.

MR. ADY: Well, I could go the next step and say that the government should like it. After all, if we had some restraints in place that said we could only spend so much, we really wouldn't have any problem with that, as our government. If you look back on our past five years of responsible governing here in this province, if we had come out with a program five years ago that would have said that we would have program restraint to the extent of 1.8 percent in this province, here we are. The end of the five years is here, and what have we? [interjections] Expenditure control, 1.8 percent . . .

Speaker's Ruling Interrupting a Member

MR. SPEAKER: Order please. One catcall about an item is sufficient, without having it sound so repetitious.

MR. SIGURDSON: Come up with a new one.

MR. SPEAKER: Just cut it.
Cardston, please.

Debate Continued

MR. ADY: Thank you, Mr. Speaker. I think our taxpayers are being subjected to a lot of bad information during election campaigns. There are accusations being made and promises being made that are irresponsible because there are no restraints on what some of these people might do if they get into office, and our taxpayers deserve something better than that.

It would also stop some governments from charging off on isolated issues such as nationalization of industries. Let's look back to the years past when Mr. Trudeau was our Prime Minister. All of a sudden, he saw his national energy program getting a little shaky. There were provinces who were coming on side with Alberta, saying, "Hey, what's happening isn't fair; we're not going to leave the national energy program in place." So what did he do? He decided, "I'll nationalize an oil company; I'll create Petro-Can." Then what happened? Here comes the taxation. It went on the gas pump. It went on the income tax. It went from every direction while he gathered money to amass that great giant that we now know as Petro-Can.

AN HON. MEMBER: And where were the NDs in all that?

MR. ADY: Where were the NDs? Right on side: "Let's do it, only let's do it more."

Now what do we have? In fairness, what do we have? We have a federal government in power who's saying, "Let's get rid of Petro-Can; let's disband it." Hon. members, let's stand and see what's happened to the taxpayers through all of this. They've been put through the wringer. First, the money was wrung out of them. Now the government stands back and says, "We'll wring it out, and we'll spend it in some other fashion." Surely if we would have had some structure in place that would have restrained that original spending to acquire that company, the taxpayers of this country would have been far better off.

Well, in a Confederation like Canada we sometimes have anomalies of high spending that affect all of us. Let's look at the province of Ontario in recent years: 10 percent program spending increase year on year from 1985 up to the present time. Now, what did that cause?

AN HON. MEMBER: Inflation.

MR. ADY: That caused inflation in Canada. It caused inflation in eastern Canada. What did that do to the rest of us? We didn't have any inflation. We had our program spending under control, but here come high interest rates to cure it. All of us had to take the medicine because somebody got sick. Well, now we've got high inflation. Now we've got high interest rates. What happens next? We've got a recession. Everybody has to have a dose of the recession because one province didn't take care of their homework. I guess I don't want to talk about what their political philosophy was.

Mr. Speaker, I see that our time is just about spent. Perhaps I should adjourn debate. Thank you.

MR. SPEAKER: Thank you.

Those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.
Deputy Government House Leader.

MR. GOGO: Mr. Speaker, the business of the House this evening will be to deal with Government Motion 5, the select special committee dealing with constitutional reform.

[The Assembly adjourned at 5:27 p.m.]

