

Legislative Assembly of AlbertaTitle: **Tuesday, May 14, 1991**

2:30 p.m.

Date: 91/05/14

[Mr. Speaker in the Chair]

head:

Prayers

MR. SPEAKER: Let us pray.

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

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

Amen.

head:

Reading and Receiving Petitions

MS M. LAING: Mr. Speaker, I would request now that the petition I presented in the House yesterday be read and received.

CLERK:

We, the undersigned, petition the Legislative Assembly of Alberta to urge the Alberta government to immediately reinstate funding for community based Agencies to provide quality treatment to child victims of sexual assault, and their families.

head:

Notices of Motions

MR. McINNIS: Mr. Speaker, I rise to give notice of a motion under Standing Order 40. At the conclusion of question period I will move

that the Assembly urge the government to immediately bring forward legislation providing for objective criteria to trigger environmental impact assessments on projects with significant impacts and that such legislation provide for a minimum of discretion and, where there is discretion, for an appropriate appeal mechanism.

head:

Introduction of Bills

MR. SPEAKER: The Member for Edmonton-Meadowlark.

Bill 228**Ecological Reserves and Heritage Rivers Act**

MR. MITCHELL: Thank you. Mr. Speaker, I rise to request leave to introduce Bill 228, the Ecological Reserves and Heritage Rivers Act.

This Bill would require that at least 12 percent of the province be designated for preservation in its natural state by the year 2000, that there is at least one ecological reserve of adequate size in each of the 17 natural regions of the province, and that Alberta join the Canadian heritage rivers system.

[Leave granted; Bill 228 read a first time]

head:

Tabling Returns and Reports

MS BETKOWSKI: Mr. Speaker, I wish to table with the Assembly the annual report of the College of Physical Therapists of Alberta for the year ended February 28, 1991, and the Alberta Health Facilities Review Committee report for the year ended December 31, 1990.

MR. SPEAKER: The Minister of the Environment.

MR. KLEIN: Thank you, Mr. Speaker. I wish to table with the Assembly the Canada/Alberta Flood Damage Reduction Program.

Thank you.

head:

Introduction of Special Guests

MS BETKOWSKI: Mr. Speaker, I would like to introduce someone seated in the members' gallery. He's Dr. Ed Sands, the chairman of the High River hospital board. He is also here to attend the College of Chiropractors of Alberta MLA banquet tonight. I would ask him to receive the warm welcome of this House.

MS BARRETT: Seated in the public gallery today are nine victims of the Bara Academy business school. They're here to see if they can get answers today from the government. I'd ask them to rise and be recognized by the members of the Assembly, Mr. Speaker.

MR. CARDINAL: Mr. Speaker, I'd like to introduce to you and through you to the Assembly two representatives from the Alberta Federation of Women United for Families. These two ladies are doing a lot of volunteer work along with a number of others in their organization. I'd like Lorraine Balderson and Carol Bullock to stand and get the official recognition of this House.

MR. McINNIS: Mr. Speaker, we have with us in the gallery today a former member of this Assembly for Edmonton-Jasper Place, Mr. Herb Jamieson, and his wife. I wonder if Mr. Jamieson can stand and receive the recognition of the Assembly.

Mr. Jamieson is with a very large group of some 70 members of an interdenominational church group, 55-plus, organized by Beulah Alliance Church. They're led by Rev. John Cunningham and his wife, Mrs. Dagmar Cunningham. All 69 of them are in the members' and the public galleries. I wonder if they could rise and also receive the welcome of the Assembly.

MR. SEVERTSON: Mr. Speaker, it's a pleasure today to introduce to you and to members of the Assembly 39 students from Innisfail's John Wilson elementary school. They're accompanied by their principal, Mr. Bill Hoppins, teachers Ken Griffith and Mrs. Pat Layden, and parents Mrs. C. MacDonald, Mrs. Kerner, Mrs. Wild, Mrs. Hansen, and Mrs. D. MacDonald. They are in the public gallery, and I would ask them to rise to receive the warm welcome of the Assembly.

MR. SPEAKER: The Member for Wainwright.

MR. FISCHER: Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to members of the Assembly 24 students from the Blessed Sacrament school in Wainwright. Wainwright is the home of the most active military base in Canada. They are accompanied by teacher Miss Barb Zabolotniuk, and Mrs. Ardith Cummins and Mrs. Helen Buzik. They are seated in the public gallery, and I would ask that they rise and receive the warm welcome of the Assembly.

MR. DECORE: Mr. Speaker, I'd like to introduce to you and to members of this Assembly Donna Graham, who is the president of the Farm Women's Network Society in Alberta. She's in the public gallery, I understand. I'd ask her stand, and I'd ask members to give her the usual warm reception.

head:

Oral Question Period

Residential Development near Elbow River

MR. SPEAKER: Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker. To the Minister of the Environment. For almost a year now – yeah, it's you, Ralph – the Calgary board of health and the Mount View health unit have been sounding the alarm that the proposed Elbow Valley development threatens the drinking water of 350,000 Calgarians. Now, despite the strong and repeated warnings and despite the fact that this 700-home project sits on the ecologically sensitive flood plain of the Elbow River, the Minister of the Environment issued a ministerial consent last July allowing for project planning to proceed. My first question is simply this: in providing his consent to this project without a proper environmental impact assessment and without public hearings, is the minister not aware that he's putting the interest of private developers ahead of the threats to public health, clean water, and the environment?

MR. KLEIN: The permission that was granted related to development in a portion of a restricted development area. Alberta Environment's role relative to this particular development and like country residential developments is to assess whether there is proper sewerage treatment, whether there is going to be a serious impact through the withdrawal of water, if any, from the river, and other environmental concerns related to the Clean Water Act and the Clean Air Act.

The reason Alberta Environment doesn't get involved in these residential subdivision issues is that there is in place and there has been in place a forum for adjudicating these particular matters; that is, first of all, the land use redesignation process under the municipal districts' jurisdiction, and there is the development permit process. All of these processes involve public hearings. Now, if the hon. Leader of the Opposition is suggesting that we should intrude and become totally involved in municipal planning, then I would suggest that he go out to all the municipalities and suggest that there be sweeping changes to the Planning Act, the Municipal Government Act, and all of the other Acts that would allow the provincial government to get totally involved in municipal matters and take away local municipal autonomy. That's what it seems the hon. member is trying to suggest.

2:40

MR. MARTIN: Mr. Speaker, what we want is for this minister to become totally involved with his job instead of sloughing it off.

To show how bad it is, last week Dr. Brent Friesen, the medical officer of health for the city of Calgary, presented a report in which he outlined the serious and major threat posed to Calgary's drinking water supply by the Elbow Valley development. I would like to file this report with the Assembly. In this report the Calgary board of health calls for a moratorium on this development in the Elbow River watershed until a proper EIA has been completed. They're calling for it. My question to the minister: will the minister stop waffling and making excuses and agree to this now?

MR. KLEIN: Mr. Speaker, you know, I think I answered the hon. member's question by saying that there is a municipal process to adjudicate these matters. Indeed, this project has gone through, as I understand it, the land use redesignation

process; it's gone through the development permit process. We have done an assessment of the sewerage treatment that's proposed for this development, and we have determined that it exceeds probably the highest standards for municipal sewerage treatment. It certainly exceeds that which has been allowed in the city of Edmonton and which affects very dramatically all the communities downstream. We're having to deal very seriously with that multimillion dollar project.

What I can say, Mr. Speaker, is that if there is something that is going to violate the Clean Water Act or if it violates the Hazardous Chemicals Act or any of the other nine environmental Acts, then we will take the appropriate action, but I have to reiterate that there are processes in place that allow municipalities and the municipal jurisdictions to adjudicate these. I say once again to the hon. Leader of the Opposition that if he wants to take away municipal authority to adjudicate this, then get out and go on the road and tell the municipalities: we don't want you to look after your backyard.

MR. MARTIN: Mr. Speaker, talk about municipal approaches; talk about it. The Calgary board of health wants an EIA. The Mount View health unit wants an EIA. The Springbank residents want an EIA. Those are the local people that want it, and the minister's not listening.

To the Minister of the Environment: given that the drinking water and the health of 350,000 Calgarians don't seem to be a sufficient reason for the minister to open up an EIA, will the minister explain to this Assembly what would be a sufficient reason for an EIA in this province?

MR. KLEIN: Well, basically, where there is not a process in place to accommodate public concern relative to environmental issues, social issues, economic impact issues, then we would put in place those provisions that exist under environmental Acts. We have recently brought in the Natural Resources Conservation Board to strengthen the whole environmental impact assessment process.

I have to say again that there are numerous public participation processes to accommodate the concerns the hon. Leader of the Opposition has expressed. There's an appeal procedure through the Public Health Act. There is an appeal procedure through the Planning Act. There are appeal procedures and public hearing procedures through the Municipal Government Act, again through the Planning Act, again through the health Act. Of course, for cases where none of these exist, there are procedures through various environmental Acts. If there are procedures in place, why duplicate? Why spend a whole lot of money duplicating what can be accommodated through the processes that are . . .

MR. SPEAKER: Thank you, hon. minister. [interjection] Thank you.

Second main question, Leader of the Opposition.

MR. MARTIN: What a cop-out. Nobody knows the processes, what it will take.

Dental Care Coverage

MR. MARTIN: Mr. Speaker, I'd like to move to the Minister of Health. Since this government took office we have seen time and time again supports and benefits to Albertans cut in ways which directly affect their quality of life in a very hurtful way, if I may say so. We only have to look at how this government has

treated Alberta's seniors for a classic example of this. Now we have learned of another sneak attack, this time on more than 2,000 children – and I'm sure the Treasurer's aware of this – born in this province with a cleft lip or palate condition. Up until April 1 of this year the dental treatment for this condition was covered by Alberta Health, but now we have learned that Alberta Health is cutting back on what it will cover by restricting dental coverage to only certain types of this condition. My question to the Minister of Health: will the minister explain why her department has cut back the support it provides for dental work associated with this condition, support which really can make the difference between a child assuming a normal life or not?

MS BETKOWSKI: Mr. Speaker, our cleft palate program has been expanded this year by \$150,000.

MR. MARTIN: Mr. Speaker, that's not the point. That's the same drivel that you gave us about the seniors. Certain children are being cut out of certain operations. She's well aware of this. I want to ask the minister, because of this particular limitation, how much money are they going to save? How chintzy can they get? How much? That's what I want to know on this.

MS BETKOWSKI: Mr. Speaker, there's going to be no cost saving with respect to our increase to the cleft palate program. In fact, we will be expanding the program by \$150,000.

MR. MARTIN: Mr. Speaker, the point is that they're not covering operations that were formerly covered under Alberta Health. Whether you expand it or not, certain kids are going to be cut off, and their parents could pay up to \$20,000 more. The Treasurer is aware of that because he had representation in Lethbridge about it. It's typical of the government, though.

Besides the hurtful cutbacks, the parents of children being treated at the U of A's cleft lip and palate clinic were given only one day's notice of this change in coverage, changes that could cost between \$10,000 and \$20,000. My question to the minister is this: will the minister explain why the parents of children with this condition were not consulted in advance of these changes and, more importantly, agree to meet with them in order to assess how they will be affected by these changes and suspend these cutbacks until this is done? This is what was . . .

MR. SPEAKER: Thank you. [interjection] Thank you. We had three questions in that supplementary.

MS BETKOWSKI: Let's look at our cleft palate program in Alberta, which we have noticed in the last three years has expanded by about 40 percent. There certainly has not been a corresponding increase in the incidence of cleft palate in our province, so we had to review the program. One of the things that we discovered was that since the program has been put in place to provide dental care specifically for cleft palate for life for Albertans, the services that were being provided were no longer just those dental services associated with the cleft, but regular, routine dental services had been added as well as dental services on the lower jaw. By the review of the program we realized that in order to ensure that we are able to continue to provide a cleft palate program and the dental services directly associated with that, we had to look at how we were going to revise that program. What we are doing is honouring the commitment which has been in place in Alberta since the '50s. We will continue to cover dental work directly associated with

the palate for Albertans for life. The consultation process that took place was with the Alberta Dental Association as well as with practitioners in the cleft program, and I believe it is an example of how we can ensure that we're providing the program where we most need it, which in this instance is to those children throughout their lives who are born with a cleft palate.

2:50

Education Standards

MR. DECORE: Mr. Speaker, my questions are to the Acting Premier. Yesterday Albertans saw the Premier of our province express a very negative position with respect to national standards in education. Many Canadians and I think many Albertans believe that excellence in education makes for a stronger nation, makes for a more productive nation, and makes for a nation that's able to make its way in the international marketplace in a much better way. My first question. No doubt the government has had a thorough discussion on this issue of national standards in education thus prompting the Premier to take the position that he did. Would the Acting Premier indicate for the record that the position of the government is that national standards in education are not something that Alberta and the Alberta government will be pursuing?

MR. JOHNSTON: Well, Mr. Speaker, what I can say is that the question of national standards in education has been addressed by the Minister of Education and by this government on many occasions. The reason it's now in the forefront of discussion is because in yesterday's throne speech the federal government outlined some valiant goals but very clearly put on the record one important point that must be noted. I quote from the throne speech of yesterday by the federal government:

My government recognizes that education is a provincial responsibility under the constitution and respects that fact. That in itself answers all questions about education. First of all, the constitutional responsibility for education fully and clearly rests with the provincial governments. That is a clear responsibility of this government, and that responsibility is being carried out. I can say without any equivocation that the standards of education in this province are without match across Canada, and we expect to maintain that objective.

MR. DECORE: Mr. Speaker, I think what the Acting Premier said was that Alberta isn't going to have anything to do with national standards in education.

This is then the second question: why is it that we're going through a whole process of constitutional review, a process of asking Albertans where they stand on the major issues affecting Confederation? Why are we going to them and seeking their advice on whether they believe in national standards of education? Why go through the charade if you've already made up your mind?

MR. JOHNSTON: Well, Mr. Speaker, there seems to be implicit in the member's question some magic about national standards. It seems to me that those who want to put themselves in some narrow box and have some kind of uniformity across Canada would be of the socialist bent; that is to say, you'd have a command kind of economy whereby everybody was minimized to some lower level. That's what would happen under the Member for Edmonton-Glengarry's position. We think uniqueness, creativity, impetus is what drives the educational system. That's why in the case of Alberta we like to put into our curriculum those objectives which are manifest among the people of Alberta, which drive them in terms of competitive-

ness, which allow jobs to be successful, and which to some extent differentiate our educational system from other provinces. That's why the educational responsibility is constitutionally up to the provinces, and that's why the unique system in Alberta puts it among the best in Canada.

MR. DECORE: Mr. Speaker, how can you say that to Albertans? How can you say to Albertans, "Come and give us your advice on education; tell us what you think about national standards," and then whack them around and say, "We're not interested; this is the way it's going to be"? How can you do that and make this constitutional review process real and meaningful? How can you do it?

MR. JOHNSTON: Mr. Speaker, let me say that in terms of the constitutional review process, the federal government and the provinces and all the authorities of jurisprudence have recognized that education is in fact a provincial jurisdiction. So I would argue that clearly not much is going to change over that with respect to constitutional review. In the case of Alberta we would not want to give up our educational responsibility. I know the Member for Edmonton-Glenarry would have that centralized in Ottawa. To my mind that is absolutely the most perverse constitutional position I have heard, and I want that on the record.

Flooding

MR. BRADLEY: Mr. Speaker, to the Minister of the Environment. Given the abnormal snowpack in the province and the heavy rain throughout the province in the last couple of days, concern has been expressed about the potential for flooding in the Oldman River and Bow River basins and other river basins in the province. Could the minister advise as to the current forecast for river flows in the province and, in particular, the potential for flooding in the province this spring?

MR. TAYLOR: Enough to fill Buffalo Lake.

MR. SPEAKER: Westlock-Sturgeon, you are a nonparticipant in this question period.

The Minister of the Environment.

MR. KLEIN: Mr. Speaker, as of this morning Alberta Environment has issued a flood warning for streams originating in the Swan Hills. The anticipated flooding is the result of heavy rainfall in the hills over the past 18 hours. There is a high stream flow advisory in effect for most of west-central Alberta. Rainfall in the areas affected is now tapering off, so the conditions are not expected to worsen at this particular time. However, there is a very heavy snowpack in the mountains now. When it starts to melt, that situation might change, but as I speak, flooding is expected to be of a relatively minor nature.

MR. BRADLEY: Mr. Speaker, a supplementary. Could the minister elaborate on what plans or mechanisms are in place to advise Albertans about potential flood events?

MR. KLEIN: Well, very simply there's a network of monitors that measure snowpacks and stream flow conditions continuously throughout the year to detect flooding conditions and potential flooding conditions which may cause property damage or loss of life or injury. A network of automatic data collection stations has been set up in various parts of the province, especially in

the remote mountain areas of the Eastern Slopes, to provide up-to-the-minute information regarding rainfall amounts, river levels, and other important parameters, Mr. Speaker, and this information is passed on to the communities if there is indeed any threat of a flood.

MR. SPEAKER: Edmonton-Avonmore.

Social Service Agencies

MS M. LAING: Thank you, Mr. Speaker. My questions are to the minister responsible for Family and Social Services. We have heard of the decision of the board of directors of Group 5 to close its doors to victims of sexual abuse and their families because the minister is changing funding for community-based volunteer agencies from grant to fee-for-service funding. These agencies are saying that this decision will destroy the essential nature of their agencies and service. To the minister: what evidence can this government give to support their rhetoric of more choice for clients and their commitment to cost effectiveness through the reduction of the quality of service?

MR. OLDRING: Well, Mr. Speaker, I regret the decision that Group 5 has chosen to make. Nonetheless, it's their choice. I would again point out to the member, as I have on other occasions, that here in the city of Edmonton, here in the Edmonton region, there are treatment services available; there is sexual abuse therapy available through a number of agencies. We've found that there were three select agencies – and I'm not really sure why – that were receiving funding on a contractual basis. One of them came to us and said that they didn't want to renew their contract. One of them we went to and said that we were looking at changing to a fee-for-service basis, and they in fact indicated indifference. In some ways they thought they might be better off under a fee for service. One agency, for whatever reason, said: we can't function under that. I can't understand that. Every other agency, every other service is functioning very well, very effectively, very fairly on a fee-for-service basis. Yes, it does put them on an equal footing with other agencies, and yes, it does allow parents and our own child care workers to feel free to pick the best service available for that child.

MS M. LAING: Well, Mr. Speaker, perhaps I could educate the hon. minister. Community-based agencies provided not only face-to-face client services but treatment planning, networking, education, advocacy, and support in the courts. These agencies were at the forefront of innovation to meet emerging community needs. In addition, these agencies provided services to all children and were not limited to those who had status with the department of social services. To the minister: who will fill the gap created by the loss of these community-based agencies?

3:00

MR. OLDRING: Well, Mr. Speaker, yelling isn't going to educate anyone, first of all. Again I would point out to the member opposite that the region has given me every assurance that services will not suffer as a result of these changes, that there is an adequate level of services throughout the region that will be prepared to step in and pick up the slack on a fair and equitable basis. I don't understand why the member opposite has such a difficult time appreciating that concept. I know that the member has some particular interest in this program, and I think it's fair to say that it was a good program in many ways. We've done everything we can to accommodate them, to

encourage them to continue to provide their services on the same basis that all the other agencies in this region are prepared to provide those services.

MR. SPEAKER: Calgary-North West.

Interprovincial Trade

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the Minister of Economic Development and Trade. This provincial government seems to be pushing for the decentralization of the federal government with the resulting fragmentation of Canada that would occur. Yesterday's federal throne speech, for example, talked about reducing and removing interprovincial trade barriers. In fact, the Canadian Manufacturers' Association suggests that if those trade barriers were removed, the average Alberta family would save over a thousand dollars per year, yet the Provincial Treasurer talks about increasing provincial authority. That will only lead to provincial fiefdoms and, unfortunately, more, not less, provincial trade barriers. My question to the minister is: how can the minister on one hand support free trade with the United States and talk about free trade with Mexico, yet on the other hand we maintain barriers within our own country against pork from Manitoba, dairy products from Quebec, soya oil from Ontario . . .

MR. SPEAKER: Thank you very much. [interjection] Thank you.

MR. ELZINGA: Mr. Speaker, if the hon. member would do his research, he would recognize that Alberta is the leading province as it relates to the removal of those interprovincial barriers. We've consistently taken a leadership role. It was a number of years ago that we signed documentation to remove those barriers between the western provinces. That agreement has now been extended to some eight provinces on a Canada-wide basis. We're going to continue to push for the removal of those barriers because we recognize that Albertans can compete on a worldwide basis, but we can also compete within our own country. We recognize, too, that with the greater exportation of goods outside of our provincial barriers, we also provide jobs for Albertans, and we're going to continue to push for the creation of jobs in the province of Alberta.

MR. BRUSEKER: Well, I'm glad to hear that, but given that the province has also been a leader in promoting barriers by producing loans, loan guarantees, grants, and by purchasing shares in companies compared to any other province in this country, I want to know what this minister is going to do to change that government policy and lower barriers, not increase them.

MR. ELZINGA: Again, Mr. Speaker, we've consistently said that we would like to have a level playing field. All one has to do is examine what states in the U.S. are doing and what other provinces are doing within Canada: they're offering these incentive packages. We're not going to lie idly by, as the hon. member suggests; we're going to be in there competing to make sure that we can create jobs for Albertans, bring industry to this province so that in turn jobs are created. In the event, though, that other provinces and other states are willing to back off their incentive packages, we would be very delighted to do so ourselves, but we're not going to lie idly by making sure that

industry does not come to this province, because we recognize our obligation to provide jobs for Albertans.

MR. SPEAKER: Smoky River.

Farm Income

MR. PASZKOWSKI: Thank you, Mr. Speaker. Our office has been receiving a lot of phone calls of late regarding the proposed NISA program. There seems to be a lot of interest and a lot of enthusiasm in the agricultural community regarding this proposed program. My question is to the Minister of Agriculture. What is the status of this program today, and can you give us a reading as to the eventual outcome of this program?

MR. ISLEY: Mr. Speaker, the phone calls that the hon. member and other hon. members are getting are really related to a third line of defence proposal by the federal government as opposed to a true NISA program. The true NISA program was to be a long-term stabilization program in which farmers could participate by putting in money which would be matched, building up in the good years to offset the bad years. The phone calls coming currently are because of an announcement by the federal government that the third line of defence money would be dumped out through NISA only if the provinces accepted a long-term phasing in of the program. My suggestion to hon. members is that they divert their farmers' phone calls to their federal MPs, because we're talking here of third line of defence funds which are totally federal, and we're talking of an administration system which is totally federal. There's not a thing in the world to prevent the federal government from paying third line of defence moneys out through its own administration to Canadian farmers.

MR. PASZKOWSKI: My supplementary is also to the Minister of Agriculture. In the past the minister has alluded to a package of programs that will indeed enhance the stability of the agricultural community. The agricultural community, of course, has shown a lot of interest in this program. Would the minister share with the House and our constituents in the agricultural community just how this package will be all-encompassing to cover the needs of the agricultural community?

MR. ISLEY: Mr. Speaker, in the grains and oilseeds sector we all have crop insurance in place, which we're all familiar with and we know is in there to protect yield. The producer/government committee which dealt with safety nets for the grains and oilseeds sector came up with two programs to assist that sector of our industry. The first program, called the gross revenue insurance program – or what we've now topped off crop insurance with, a revenue insurance protection option – was meant to be the short-term safety net. Your provincial government assessed that and went into it because we felt it would bring benefits to our producers this spring. The longer term stabilization program was to be the net income stabilization account. Before it's going to assist the industry, it takes a while for people to put contributions into it. We assessed that program, determined at that time that it wouldn't immediately assist our producers, and deferred making a decision on it. We're still assessing the long-term implications of that program, and at some point in time we will make a decision with respect to our long-term involvement.

Bara Academy

MS BARRETT: The Bara Academy of business collected more than \$83,000 in tuition from students who were enrolled there until the doors were bolted last week following the flight of the owner, leaving 24 students holding the bag. Most of those students are young women; many are single moms. Some of them used their life savings to pay the tuition, and that tuition wasn't cheap, \$4,543. A lot of other students borrowed a lot of money, many to the max, to pay for this hefty tuition for a six-month program and to pay their living expenses for themselves and their children while they were taking this program. Mr. Speaker, the whole thing is in a mess. I met with the students earlier today, and they'd really like an answer from this minister. I would like the minister now to answer whether or not he's recognized that his department was totally asleep at the wheel in relicensing and relicensing the Bara Academy, but moreover will he agree now that these students deserve to have their tuition totally refunded to them so that they're not left paying a debt for an education they haven't received?

MR. GOGO: The Bara Academy had, by all standards, a very good success record in terms of the retention and employment of students who took those courses. Mr. Speaker, my first priority is the needs of the students. Students who enroll in programs I think quite rightly expect to complete their studies. My office has made arrangements with the Edmonton secretarial school for these students to complete their studies, and I'm pleased to report at this point that some 12 of the 22 students of the Bara Academy have enrolled in the Edmonton secretarial school.

MS BARRETT: Well, what a nonanswer. He fails to mention that they've also had to take out more Students Finance Board loans. I notice that this government never can come up with money to help out the people who are left holding the bag as a result of their bungling if they're ordinary people, but every few weeks they can find bags of hundreds of millions of dollars to bail out their corporate friends.

I'd like to know from the minister: given the very serious nature of what's happened here and the potential criminal investigation that should occur, is the minister taking steps through the department or with the Department of the Attorney General to (a) try to recover the money that Mary Bara's academy stole from the taxpayers and (b) see if criminal charges are warranted?

3:10

MR. GOGO: As the hon. member knows, it's clearly incumbent upon a member to determine the veracity of facts before they're stated. For example, the hon. member makes the allegation that students had to borrow additional funds from the Students Finance Board. Mr. Speaker, I would wish the hon. member would check her facts.

As to whether or not one should act on the statement of the Member for Edmonton-Highlands as to criminal investigations – I believe the words "theft" or "stolen" were used – our requirement of private vocational schools is that a trust fund be established with approximately 50 percent of the tuition fees held in trust, and they will be distributed back to the students who paid those tuition fees.

I come back to the objective that training and education is provided in Alberta for people who desire to take that training. I've stated that that opportunity exists for those students who

were enrolled in Bara Academy to complete their studies at the Edmonton secretarial school. I would certainly urge those students, who were desirous of taking training in the first place, to take advantage of that opportunity at the Edmonton secretarial school.

MR. SPEAKER: Thank you.
Vegreville.

Farm Income (continued)

MR. FOX: Thank you, Mr. Speaker. My question is to the Associate Minister of Agriculture, following up on the concern about the NISA program. Farmers, farm leaders, and politicians everywhere, except in the Conservative government of Alberta, have acknowledged the need for a deficiency payment for grain and oilseed producers before the end of this crop year. Now, the federal government, as the minister said, announced a so-called third line of defence payment to farmers, but they've tied it to participation in NISA. I'd like the minister to tell us exactly what effort she has expended to convince her federal cousins to decouple that money from the NISA program and make it part of a generally available deficiency payment for producers this spring.

MR. ISLEY: I could share with the hon. Member for Vegreville that I had meetings as recently as last Friday with the federal Minister of Agriculture.

MR. FOX: I can assume that the minister, therefore, failed in that regard.

Well, recognizing that the deadline for sign up in the gross revenue insurance program is tomorrow and that more producers would be able to enroll in the program if they knew that some sort of assistance was coming through a third line of defence payment, will the minister now acknowledge, in view of the fact his lobbying has been a dismal failure, that he has little choice but to announce the province of Alberta's participation in the NISA program?

MR. ISLEY: The hon. member has a vivid imagination if he's somehow trying to get a linkage between the NISA third line of defence and whether or not a producer should join the gross revenue insurance program. The part of the third line of defence announced by Mr. Mazankowski before he ceased to be Agriculture minister was to pay 25 percent of the revenue insurance option premium. Keep in mind that the balance of that premium is not due and payable until next fall, so the farmer doesn't have to worry about laying money down for a premium at this point in time. Also keep in mind that the program is bankable. I'm sure that if the farmer has decided this is a management tool that he wants in his operation, he can go to a bank, and based upon that fact, for the first time in history he can say, "I know this is the minimum amount of money I'm going to take, because if I don't get it out of the marketplace, I'm going to get it out of the program." He's in a much, much stronger position than he's ever been. So the linkage the hon. member is trying to make between the two to justify an extension of the revenue insurance option deadline is unrealistic. There will be no extension of the deadline.

MR. SPEAKER: Edmonton-Gold Bar.

Hospital Funding

MRS. HEWES: Thank you, Mr. Speaker. The announcements of hospital staff layoffs have become an epidemic, an epidemic to which the provincial government responds with indifference to the individual institution and to the collective and compound effect on Albertans, patients and staff. With each of the announcements comes another critical reason why hospital boards are forced to do this. The Leduc general's move to lay off 15 nurses with the threat of more to come has pointed to the lack of transition in the acute care funding formula as another significant factor. My questions are to the Minister of Health. Why is there not appropriate transition in the acute care formula so that hospitals like Leduc, with patients waiting for long-term care placement, are not penalized by having their number of acutely ill patients reduced?

MS BETKOWSKI: Mr. Speaker, I would welcome a further discussion and an understanding of the acute care funding study, because as the hon. member obviously is not aware, the amount of change to reflect the fact that there's a very low severity of illness index at the Leduc general hospital has not been appreciated by the hon. member. In the past in this province we have funded our inpatient component based simply on patients per day, and what we are now able to measure is that one hospital may have a far greater severity of illness and still be funded the same as another hospital that does not. In order to provide a better mix of services to ensure that we're spending those dollars where we need them most, we have the acute care funding study. The adjustment has been a minimal one, as recommended by the standing committee, including the AMA, the RN association, the Council of Teaching Hospitals, and the Alberta Hospital Association. It provides a road map for the Leduc general hospital and other hospitals in the province to ensure that their mix of patient services is appropriate for the level of illness that they are treating within that hospital.

MRS. HEWES: Mr. Speaker, I certainly do understand the formula, but it's not appreciated by the institutions or by their patients.

In the meantime, will the minister tell us if she will reassign those 12 to 17 acute care beds that now have patients waiting for placement to a nursing home or auxiliary so that the hospital's rating of acuity won't be skewed any further and their budget will be adjusted?

MS BETKOWSKI: Mr. Speaker, the issue of people who are within the hospital awaiting placement in long-term care has been factored into the acute care funding study. Remember that what we were dealing with was the level of severity and the resources used for that level of severity, so in fact the issue that the hon. member correctly raised has been factored into the study. The important issue here is that we are going to be realigning that funding on the basis of where it's needed most. It is part of the theme that we are dealing with in the health system in Canada, which is that we must have the resources going to where those resources are most needed in order that we are delivering services to Canadians in the best possible way.

MR. SPEAKER: Athabasca-Lac La Biche.

Economic Development in the North

MR. CARDINAL: Thank you, Mr. Speaker. My question today is to the hon. Minister of Economic Development and Trade.

This weekend I attended another funeral of a young native boy who committed suicide in my community. As I've said before in this Assembly, too many northern Albertans continue living in poverty. Personally, I've lost 46 friends to date in my community alone. If you listen to the Official Opposition and the Member for Edmonton-Meadowlark in relation to forestry developments, you know that their motives are strictly political. In fact, they'll claim every day here that they're representing ordinary people, but at the same time they're out there to cut down the jobs for people in poverty. [interjections] I don't even have to shake the chain and you can hear these guys. My question to the hon. minister is: will the minister continue his initiatives in diversifying and creating jobs for Albertans and eliminating poverty?

3:20

MR. ELZINGA: Yes, Mr. Speaker, we will continue with that strong diversification thrust that we have involved ourselves in, and let me salute the hon. member for the dedication that he has consistently shown. One only has to look at the recent announcements as it relates to Alberta-Pacific and the millions of dollars of contracts that have been let plus the thousands and thousands of jobs that are going to be created because of this project and because of the dedication of the hon. member opposite in seeing that this project did become a reality.

MR. CARDINAL: Mr. Speaker, my supplemental is to the Minister of Labour.

AN HON. MEMBER: You sold them out, man.

MR. CARDINAL: This member here tells me we sold out, but every day I see people dying in northern Alberta because there's a lack of jobs. These guys think they care. They don't care; they pretend to represent people here.

Mr. Speaker, my question today is to the Minister of Labour. Can the minister give some assurance to this Assembly and my constituents that 50 percent of the union jobs that are going in northern Alberta will be available to local people in my constituency?

MS MCCOY: Mr. Speaker, both the company and the unions are free to recruit people to join either as employees or members of their union. We have no laws in Alberta that restrict and dictate the freedom of choice in that matter. However, I can advise the hon. member that in conversations I've had informally and as a matter of courtesy on the part of the company and the unions, they have both indicated a very high interest in involving those who live in the area, particularly in training programs such that they will be able to be highly productive workers in the construction of this particular plant.

MR. SPEAKER: Edmonton-Calder.

Senior Citizens Programs

MS MJOLSNESS: Thank you, Mr. Speaker. My questions are to the Minister of Health. This government's cuts to seniors have been secretive and ruthless and are bringing hardship and stress to many elderly in this province. John is a constituent of mine who is 88 years old and lives in his home with his wife, who is in her 70s. He has lung cancer, emphysema, and heart trouble and is on oxygen 24 hours a day. They are living barely above the poverty line, pay \$120 a month for medication, and now this government is going to require them to pay for oxygen. I'd like to ask the Minister of Health: how can this minister

justify placing the sick and the elderly in such serious situations as to require payment for something that is a matter of life and death?

MS BETKOWSKI: Mr. Speaker, I would be more than pleased to look into the specifics that the hon. member raises. If the level of income is as low as the hon. member is indicating, there will be no requirement for cost sharing, but I would like to look into the specifics she raises.

MS MJOLNESS: Well, Mr. Speaker, there are many elderly Albertans in the same situation, and they have been told that they will have to pay for oxygen. Paying for oxygen may mean that this constituent of mine will be forced into an auxiliary hospital or nursing home. I would ask the minister: will she now admit that charging for oxygen is wrong and agree to reinstate full coverage for oxygen for seniors?

MS BETKOWSKI: Mr. Speaker, by adding home ventilators to our Aids to Daily Living program for access by all Albertans, we are hoping – and in fact we believe it will occur – that many of the people who are currently in nursing homes because of that being their only access to oxygen can now come out because the oxygen will be available through home ventilators: the complete antithesis of what the hon. member is presenting. Nonetheless, I would offer to her that in the instance she has raised with respect to a particular constituent's concern, I would be more than happy to look into it.

head: **Motions under Standing Order 40**

MR. SPEAKER: A Standing Order 40 request. Edmonton-Jasper Place.

Environmental Impact Assessments

Mr. McInnis:

Be it resolved that the Assembly urge the government to immediately bring forward legislation providing for objective criteria to trigger environmental impact assessments on projects with significant impacts and that such legislation provide for a minimum of discretion and, where there is discretion, for an appropriate appeal mechanism.

MR. McINNIS: Mr. Speaker, I request leave of the Assembly to move the motion which has been distributed to all hon. members. It requests urgently that the government bring forward legislation to clear up considerable confusion which is leading in the direction of acrimony and recrimination in public meetings and many other forums around the province. For example, last Wednesday, in response to questions, the Minister of the Environment said that an environmental impact assessment was already in progress on the Sunpine Forest Products development. Yesterday he appeared to get it straight, and he said that no decision has been made. The Leader of the Opposition referred in question period to a letter the minister sent to me several months ago saying that there definitely would be no environmental impact assessment on the Elbow Valley development. A few weeks ago he told the Member for Calgary-Forest Lawn that there might be one, and again today he appeared to say that there wouldn't be one. I tabled yesterday a list of 14 projects of which I'm aware that Albertans have requested environmental impact assessments on.

A year ago we appeared to be getting somewhere when a task force report came in with new guidelines for environmental

impact assessments. Foremost among the recommendations is the one that's included in the resolution before us today; namely, that the discretion has to be taken out of the legislation and there have to be clear rules and an appeal process.

In view of the confusion over the two projects I've named and the 12 others which are urgently pending a decision, I ask that the Assembly grant leave to consider this resolution today on an urgent basis.

MR. SPEAKER: The hon. Member for Edmonton-Jasper Place under Standing Order 40 makes request for unanimous consent for the matter to proceed. Those members willing to give unanimous consent, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter fails.

Point of Order Member's Apology

MR. SPEAKER: Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I wanted to take a moment to say that I'm sorry that I lost my cool yesterday. Although upset at the apparent denial of the use of the ancient English word "shame," there is no excuse for my later use of nonparliamentary language in attacking you and your office. I therefore apologize to you, your office, and the House for my unparliamentary conduct and give every assurance that if ever named again, I will exit with dignity. [applause]

MR. SPEAKER: Thank you, hon. member.

Speaker's Ruling Naming a Member

MR. SPEAKER: For the record we need to just make one or two comments with respect to clarification of what indeed took place yesterday. We had the unusual circumstance in terms of our recent procedures whereby a member went to a Standing Order 40 request rather late in the course of the development of the afternoon; therefore, that message was not able to be communicated to all parts of the House with its usual alacrity. Nevertheless, the House determined, and it only takes one member to so determine, that it was not prepared to give unanimous consent for that matter to proceed. Again for the record, it's quite clear that the House made that determination and certainly not the Chair. At that point there were cries of shame raised, and that went on for some period of time.

On that particular issue, hon. members, I would point out that we do indeed attempt to follow the precedents of hundreds of years of parliamentary practice at Westminster. *Erskine May*, which is our biblical reference in things parliamentary, if you will, on page 392 says this:

Cry of 'shame'

A gross form of interruption by loud cries of 'shame', has been strongly condemned by the Speaker in the Mother of Parliaments. So this was not some particular whim of this particular Speaker.

The other issue that was happening in the course of the afternoon had some bearing with regard to an incident which

took place on April 10. Again it was the Member for Westlock-Sturgeon. At that time, contrary to reports in the media where some reporters have not seen fit to do their proper research, the member was not named to the House. The member was encouraged to leave the House, and the member did. It was not a naming of the member to the House, and that needs to be made absolutely clear. On that occasion, however, the Member for Westlock-Sturgeon interrupted the Chair nine times, and yesterday it was eight times, and that only complicated what was happening in terms of the operation of the House. That was the reason why yesterday afternoon at 5:25 the Chair had to make the unusual ruling of declaring to the House that because of what transpired, the member was denied access to question period on this day. Now, the reason for making those comments to the House is that we do indeed have radio coverage, we do indeed have television coverage, and a number of people are interested in the parliamentary process, as I trust all hon. members are. So it's of some help to be able to give that explanation to our other viewers as well as those of us who are participants in this very valuable process.

Having said all that and having ruled the interpretation that the hon. member has withdrawn the particular word that was used, the Chair is very much appreciative of the fact that the member did rise in the House and make the apology to the House.

Thank you.

3:30 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 except for the following: 369, 373, and 374.

[Motion carried]

Aids to Daily Living Program

369. Mrs. Hewes asked the government the following question: How much will it cost to perform a blood gas test to determine eligibility for all those Albertans currently receiving home oxygen under the Aids to Daily Living program?

MR. GOGO: Mr. Speaker, the government will accept Question 369.

Special Waste Treatment Centre

373. Mr. Mitchell asked the government the following question: What was the cost to the government, through its funding of the Crown corporation, of the multistakeholder consultation session on the proposed expansion at Swan Hills of the Alberta Special Waste Treatment Centre, held on November 6, 1990, and of printing and distributing the report of that session?

MR. GOGO: Mr. Speaker, as well, the government will accept Written Question 373.

Farm Credit Stability Program

374. Mr. McInnis asked the government the following question: How many farm credit stability loans were issued to registered game growers for the purpose of game farming

or game ranching, what is the total value of these loans, are any of these loans nonperforming, and if so, how many and in what amount?

MR. GOGO: Alas, Mr. Speaker, the government rejects that question. [interjections]

MR. SPEAKER: Order.

head: **Motions for Returns**

MR. SPEAKER: 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 except for the following: 213, 214, 215, 216, 217, 218, and 221.

[Motion carried]

Gainers Agreement with Province

213. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing a copy of the master agreement, dated September 25, 1987, including any amendments thereto, between the government and Peter Pocklington covering a \$55 million guaranteed loan and a \$12 million loan made available to Gainers Properties Inc. and announced on March 3, 1988.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Yes, thank you, Mr. Speaker. I'm pleased to be able to move Motion 213 standing in my name. Given the track record of the government during previous sessions, I'm not entirely optimistic that the Provincial Treasurer will agree to releasing a copy of the master agreement that was entered into between the government of Alberta and Mr. Peter Pocklington regarding a \$55 million loan guarantee and a \$12 million loan. But since I last tried this sometime ago, perhaps the Provincial Treasurer has had an opportunity to review the matter and reconsider his position on this particular matter.

Mr. Speaker, the master agreement, so far as I'm able to determine, lays out the arrangement that the government entered into with Mr. Peter Pocklington. I think what's really significant is that in terms of the references that have been made in the past, it was entered into in September of 1987 and made public on March 3, 1988. I can understand why perhaps the Provincial Treasurer might be a bit reluctant or shy about releasing such a document, given that it appears to indicate that one of the original parties to an involvement with Mr. Pocklington had been the Treasury Branches, for which the Provincial Treasurer of course has ultimate responsibility, and that they were deeply involved in the financial arrangements with Peter Pocklington before the provincial government themselves ever became, through the cabinet, more directly involved subsequently. So we have been able to determine that the Provincial Treasurer through the Treasury Branches was quite intimately involved in the financial arrangements with Peter Pocklington some time before the Minister of Economic Development and Trade at that time made public the involvement of the Alberta government and in fact assumed a guarantee that had been provided to Mr. Pocklington by the Treasury Branches.

The master agreement, Mr. Speaker, if it were ever released – and I'm confident that ultimately, in the course of time, it will

be made public – would spell out a lot of the covenants and responsibilities and expectations between the government and Peter Pocklington. I believe that it would then explain to the people of Alberta, who have so much at stake now as a result of that agreement, what the original intention and obligation and responsibilities were and might outline what the Alberta government thought they might gain or wish to achieve by entering into that agreement with Peter Pocklington. I believe it would be in the public interest to make it public, and therefore I would ask all hon. members in the Assembly this afternoon to approve Motion for a Return 213, standing in my name.

MR. JOHNSTON: Mr. Speaker, I want again today to outline for the Assembly the basis on which the government deals with motions for returns. You can hear all sorts of comments about impugned motives, about what is suspected to have happened. None of those are substantive. Those are all speculative; those are imagined; those are at best illusory and usually are found in the minds of the members themselves who move these motions. But what is not illusory and what is clear deals with those issues affecting Gainers, Gainers' subsidiaries, Gainers' actions against Mr. Pocklington, government actions against Mr. Pocklington: all of those. There are I think six, as I recall now, clear actions proceeding before the courts of this province, wherein litigation is ongoing between the government and those entities that I named. Accordingly, it is clearly understood and is a convention or principle of this Assembly that when a matter is before the courts, in fact it is out of order for the question to be asked. The member knows it is before the courts, and obviously it is reasonable for the government to refuse to answer a question on that basis, the clear argument being that we would not want to prejudice our position or, for that matter, the position of those people who may be defendants in such action if the matter is being arbitrated before the court system itself, which is the reasonable process and the process which we look to in terms of solving these kinds of disputes.

Therefore, Mr. Speaker, what I have said before, and which has been confirmed by our own Standing Orders and by *Beauchesne's* copious citations, has been provided in my other comments previously. I will accordingly stand on the formality and the precedent and the understanding on which we operate – that is, *Beauchesne* and Standing Orders of this Assembly – and refuse this question.

MR. FOX: Mr. Speaker, I appreciate the parliamentary wisdom that the Provincial Treasurer is trying to impart in the Assembly today. However, it is a little bit misplaced, I suggest. In fact, our request for a copy of the master agreement that the government made between themselves and the infamous Peter Pocklington with respect to the \$55 million loan guarantee and the \$12 million loan announced March 3, 1988 – portions of that master agreement have made their way into the public domain already. They've been filed in dribs and drabs with the courts, and it seems to be a matter of discretion that governs the government's willingness to share this information with all Albertans. I think it's kind of a specious argument on his part.

I think the real political argument here is that the government initiated these court challenges in an effort to hide behind the cloak of the courtroom, if you will, to keep this evidence from the people of Alberta, because there is, I submit, some rather enlightening information that will make its way eventually into the public domain, Mr. Speaker. There is no doubt that the agreement with one Peter Pocklington – and if the Treasurer feels I imputed motives, I withdraw any imputation of motives,

that he's trying to hide behind anything. He's certainly not the kind of person that would hide behind anything, and he's a fairly decent Acting Deputy Premier, but as a Treasurer he leaves something to be desired.

3:40

Mr. Speaker, the agreement that we're seeking is in some senses a tidewater document in this province's history. Now, I'm not going to suggest that there weren't some pretty shaky agreements negotiated between this so-called business government and their friends in industry prior to this agreement being made public. There certainly were, but this is the one that brought the real state of this government's business acumen into the public eye. People were offended, indeed alarmed, when they found out through questions posed by the Official Opposition and the answers given or not given by the ministers about the details surrounding the loan guarantee extended to Mr. Pocklington and the loans that were advanced from the Department of Economic Development and Trade.

Let's refresh our memories, Mr. Speaker. Ostensibly, according to the press release, March 3, 1988, the idea was that money was being made available by the province of Alberta, primarily by way of loan guarantee and additionally through a loan, to help stabilize an industry in the province and help expand an industry in the province by providing assistance to Mr. Peter Pocklington to do two things: one, to upgrade and expand the existing Gainers plant in Edmonton – and the linkage was clearly made in the announcements between that \$55 million loan guarantee and the said expansion and upgrading of that plant – and to provide some funds to help with the construction of a proposed hog slaughter facility in a yet to be named community somewhere in Alberta.

MR. SIGURDSON: Picture that, eh?

MR. FOX: Picture that. Picture Butte was chosen as the eventual location for the proposed, I believe, \$20 million hog slaughter facility, Mr. Speaker. People in Alberta are quite trusting of their government; at least they were in the past. They believed that that's what the money was in fact for, and were inclined to be relatively supportive of the announcement. In spite of the apparent beneficiary of the largess and their distrust of said gentlemen, they were willing to be tolerant, accepting, and patient with the government who made this announcement.

[Mr. Jonson in the Chair]

Lo and behold, Mr. Speaker, I believe it was in June, sometime later the following year, that the people of Alberta learned that in exchange for \$6 million of the \$12 million advanced to Mr. Pocklington in successive \$2 million installments, he had done absolutely nothing – absolutely nothing – towards constructing a hog slaughter plant in Picture Butte. He had not purchased a piece of land. He had not commissioned design of the project. He hadn't done anything, yet he'd received \$6 million. For what? Mr. Speaker, for what? The government still hasn't told us for what, other than to say that it was to help him with his day-to-day operating expenses. Now, that certainly wasn't the announced intent of the largess.

I believe the interest rate was 9.6 percent, something like that, which the minister pointed out to me was in excess of the money they charged businesses through the small business term assistance program and through the farm credit stability

program, but it was nonetheless 9.6 percent, considerably less than the amount charged on loans announced during the 1989 election campaign, I might add. So here's this money, \$6 million being shoved into Mr. Pocklington's bank account in regular \$2 million installments. I suggest that were it not for the New Democrat Official Opposition raising questions in this Legislature, the government would have continued to fill Mr. Pocklington's bank account with taxpayers' dollars, because they had no inkling of what was going on and no desire to intercede and in fact no mechanism, based on the shoddy wording and process that was included in the master agreement, a copy of which we seek in the Assembly today.

What about the \$55 million loan guarantee? Well, I don't know if we'll ever know all of the truth. The Provincial Treasurer is indeed a very clever person, and he's got sort of an ability with this fiscal sleight-of-hand to play sort of a shell game, so it's hard for us to follow paper trails and figure out exactly what happened. But the impression was clearly given to believing Albertans that the \$55 million loan guarantee would enable Mr. Pocklington to shop the market for some money, that he would say on the strength of this \$55 million loan guarantee, "I come to you, Mr. or Ms Banker, and I would like money at a preferred rate to expand and upgrade the Gainers plant in the city of Edmonton." That was the stated purpose. That was the impression we all had, I think. What we found out: he didn't even paint the plywood on the plant in exchange for the \$55 million loan guarantee. He made no attempt to upgrade that facility, to provide a better or safer working environment for the hardworking women and men that labour long and hard to make that company a success in the city of Edmonton. He didn't spend any money on those sorts of things at all. What he did was use it, I believe, to cover some existing bad debts, perhaps at the Lloyds Bank, if memory serves me.

In fact, we have a total now of \$67 million in loan guarantees and loans either given or promised to Mr. Pocklington, not including a \$4.4 million outright grant that was supposed to be his upon the completion of the hog slaughter facility in Picture Butte. Maybe the Member for Lloydminster would like to check his history books; he'd understand that too. Sixty-seven million dollars pledged to a gentleman, much of it advanced, all of it, save the \$6 million that hadn't been advanced to the loans, put at risk . . .

AN HON. MEMBER: And the grant.

MR. FOX: Well, the grant too. I didn't include that in the \$67 million. Let's say \$61 million in loans and loan guarantees put at risk in exchange, I submit, for absolutely nothing. We had no evidence and the government didn't care to provide any evidence to the contrary, to suggest that Mr. Pocklington didn't use this money for something completely unrelated to expanding, modernizing, developing the red meat industry in the province of Alberta. He may have used some of it to buy his little home in Kelowna, the new place he bought. He may have used it to expand his operations elsewhere, for all we know. He was rumoured to be expanding the empire into other parts of Canada and the United States. He may have used the money to do that, but he certainly didn't do it to stabilize, upgrade, expand anything to do with the industry in the province of Alberta.

In fact, what happened through the process is that the industry was destabilized. The industry was weakened through the infusion of public largess, through the Conservative money machine into Mr. Pocklington's empire. That's a great concern to people in the Official Opposition, who seek to create jobs and

meaningful employment for people, unlike the Member for Athabasca-Lac La Biche. We care about these things, so we raise these concerns daily in the Legislature because of our concern for the fiscal well-being of the taxpayers of the province of Alberta and the jobs of the women and men at the Gainers plant.

It was an interesting, interesting time, Mr. Speaker. Just to refresh hon. members' memories, there were some particular avenues of intrigue opened by opposition research and questioning. We'd ask questions of the Minister of Economic Development and Trade. He'd sort of be on the hook, unable to answer specific questions because the Provincial Treasurer wouldn't provide him with the information. Even though he had the answers, he wouldn't stand up and supplement the information. I thought it was, I don't know, maybe indicative of the squabble yet to come between these two hon. gentlemen vying for the Premier's job when he exits permanently to the golf course in Palm Springs. It was a lot of fun to watch them twist in the breeze and try and figure out how to answer these.

The perfect solution to all of this is to try and get it in the court so they can pretend it's sub judice and don't have to answer any questions related to Gainers loan guarantees, Mr. Pocklington, et cetera, et cetera. We've tried ad nauseam to get information out of this government respecting these loan guarantees and arrangements: Gainers Inc., Gainers Property, any personal undertakings between the government and Mr. Pocklington relative to Sodor Foods, with respect to the bacon plant we inherited in North Battleford, with respect to Magic Pantry, another, if my memory serves me correctly, Mr. Speaker.

3:50

We've been trying in earnest to get this information because it's our desire not only to help the people of Alberta but to help this faltering government because they've got perhaps two years left in their term, Mr. Speaker, and to the degree that public confidence has been eroded and to the degree that people no longer trust this government to manage the affairs of the province of Alberta in a prudent and farsighted way, then I think we all suffer. We wouldn't want to be accused of being political opportunists on the opposition side, waiting for the demise of the government so we could pick up the pieces. We want to encourage them to do a good job in the interim, so that when we do inherit the reins of government, we've got something to work with, because we want to be able to do a good job for the people of Alberta. So we've tried to encourage them to come forward with information, to be forthright with the people of Alberta, to tell the truth about the agreements that they've made with their friend Peter Pocklington, because we think it's important not only that light be shed on the documents that we're speaking about here today, but that the windows of this Chamber, this august Chamber, be opened and fresh air be allowed to blow through the Assembly and Albertans can be assured that the affairs of government, the public's business, is indeed being conducted in an open, honest, aboveboard sort of way.

That's the motive for those of us on the Official Opposition side to be seeking this information, Mr. Speaker, and other documents related to the whole fiasco. The government has steadfastly refused, and it's unfortunate. It's truly unfortunate, because the situation has compounded itself to where the government, in order to justify their inability to negotiate a sound agreement with Mr. Pocklington, went ahead and advanced further millions of dollars of public money to other players in the red meat industry: the Cargill plant in High

River, another good example of a \$4 million outright grant to Cargill, the richest private corporation in North America, to build a plant in High River. This started to compound itself. "Well, we gave money to you, made a mistake, so we better give money to you because we made a mistake; now, who else haven't we given money to?" They start looking around. The suitcases open and they want to dish it out to the players in the industry. So we've had subsequent grants announced to Lakeside Centennial and XL packers.

It was interesting indeed to hear the Associate Minister of Agriculture try and justify a Conservative government involving itself so unacceptably, so completely in the economy by continuing to give bucketsful of public money to certain players in the industry. She basically said – this was at a meeting of the Alberta Cattle Commission, Mr. Speaker. I had the pleasure of being there.

MR. JOHNSTON: Were you there?

MR. FOX: Yes, I was there.

I was there, and she was challenged by delegates about this government largess and involvement in the economy, and they were bemoaning the impact on the industry, which has caused considerable disruption and dismay in the red meat industry. She basically said in response: well, we recognize that we made one mistake, so we want to duplicate it so we've made the mistake fairly. I want to tell the Treasurer that making a mistake over and over again does not make it right. It may make you good at making mistakes – you know, it develops proficiency – but it certainly doesn't make it right.

In this case, it hasn't been right. We've referred in the Assembly that one of the things flowing out of this agreement and subsequent agreements has been, I suggest, the closure of the Canada Packers plant in Calgary and Lethbridge, raised on a number of occasions by the Member for Calgary-Forest Lawn out of his concern for the working futures of people in the city of Calgary. The minister stands up and says, well, we gave them money too. Well, in fact, they gave money, through the nutritive processing agreement, through portions of the Canada Packers empire to involve themselves in further edible oil operations and stuff, but I don't believe that any money went into the red meat portion of Canada Packers. They had to close, and people's jobs were lost. So there's considerable fallout in the red meat industry, I believe, as a result of this agreement and subsequent agreements, Mr. Speaker, and that's why we're anxious to get to the bottom of it, because we'd like to sort the whole mess out. We'd like to be able to restore health, vigour, and vitality to this once proud industry in the province of Alberta, because it certainly is a significant engine of growth for the economy in Alberta and indeed western Canada.

I think it's very important, Mr. Speaker, for the government to acknowledge at long last that it doesn't help to be secretive. It doesn't help to try and pretend that problems don't exist and cover them up with bafflelegab and subterfuge. It just doesn't help the problems. In fact, we learned it with the Cormie situation, we've learned it with the Pocklington situation, but the government seems unable to learn from their experience. The problems, in fact, become worse. The sore begins to fester, and no matter how many layers you try and cover upon it, the situation gets worse, and when it eventually does come to light, the taxpayers of Alberta end up holding the bag for millions and millions and millions and millions of dollars. That's a great concern to those of us in the New Democrat Official Opposition, who want to be able when we form the government to provide

quality services to Albertans so they can be confident about their futures. We won't be able to do that if they've wasted all the money by pouring it down the drain with these corporate misadventures.

AN HON. MEMBER: Ontario's a really good example.

MR. FOX: Ontario's a good example of an economy as well – Mr. Speaker, sort of off the topic – managed deep into the hole by successive Liberal and Conservative governments. One of the main differences between the government here and the government there is that the government there knows how to tell the truth and does so repeatedly with the people in the province of Ontario. In fact, when it came time to introduce a budget, they made it clear to the people of Ontario that the budget would be in a deficit situation. It would only be per capita and as a percentage of expenditure probably 60 percent of the budget deficits introduced by the Conservative government in Alberta and the Conservative government in Saskatchewan. So as a deficit overall, it pales in comparison to Conservative deficits introduced in this province and others. Anyway, they've been honest and forthright and forthcoming, and we're hoping that this government will learn from their mistakes and be the same kind of government in the future.

I suspect, Mr. Speaker, that some lessons are painful to learn. It's not easy when you're in public life to stand up, like the Member for Westlock-Sturgeon did today, and say, "I made a mistake and I'm sorry for it." People respect you when you do that, and I submit that people would respect this government if for once they'd stand up and say, "Hey, we blew it." If the Member for Lethbridge-East would stand up and say: "We blew it. We made a mistake. Our judgment is in error. We're sorry. We're going to do our best to do a better job in the future." But that's not what we get. We get this continued mind-numbing insistence that they're doing a great job, that the economy's wonderful, that no matter how many people are laid off, it matters not. No matter how much money is poured down the drain, it makes no difference because these guys are good managers. They know how to run an economy. They know how to run an economy into the ground, Mr. Speaker.

A little bit of open, forthright, straightforward talk with the people of Alberta I submit would be a refreshing change, and today is the day to begin that march anew to government of the 1990s, when the New Democrats will be able to take over a province that isn't so deeply in debt we can't do anything with it. I'm encouraging the Provincial Treasurer: there's the Table right there; lay the agreement on the Table and you'll be off the hook.

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

4:00

MR. SIGURDSON: Thank you, Mr. Speaker. When the Provincial Treasurer rose to advise that he was going to deny the information to the Assembly, he said that the opposition's comments were speculative and illusionary. Now, it may very well be the case, but what we've got here is a government that enters into agreements in a secretive and perhaps even illegitimate manner. We've got the government here that doesn't want to open up the agreements that it makes with those people, those friends that it has out there in the private sector, regardless of the reputation that some of their friends have with the general public.

You know, Mr. Speaker, Gainers is situated just north of the Yellowhead Highway between Fort Road and 66th Street. It's a stone's throw away from my constituency office. When I'm at my constituency office, I can walk down to the corner and literally see the stacks of the Gainers, now Swifts Premium, worksite. What does that mean? That means that of the hundreds of workers that work at that plant, a good number of them reside in my constituency, are in and around my constituency. They have had all kinds of concerns about their previous employer and about the kinds of loan and loan arrangements this government has had with their previous employer, Peter Pocklington. They've come to me in my constituency office, we've met them on the street, and they've expressed all kinds of concerns about some of the loans and loan programs that this government entered into with Peter Pocklington.

Now, my colleague from Vegreville thought that nothing at all was done with some of the money that was advanced to Peter Pocklington, part of this \$12 million or part of the \$55 million loan guarantee. He thought nothing at all had been done, but I want to advise him that from my information from some of the workers at the plant – I thought that I had shared this with my colleague – is that no, the former owner of Gainers took some of the equipment that was in the Gainers plant out to the lot, had it sandblasted and repainted. Now, come on; there is a good reason, isn't it? Isn't that part of an upgrading? Isn't that part of some updating, to have fresh paint on some equipment? Isn't that worth \$12 million or \$55 million? Isn't that part of the arrangement?

I would certainly like to know what the master agreement says. My goodness, that's expensive paint. Can you imagine anybody coming to the Provincial Treasurer or to the minister of economic development and saying: "I want to paint my equipment. I'm going to take it out of the factory, out of the plant, I'm going to sandblast it, and I'm going to coat it with another coat of paint, and it's going to cost you just a loan guarantee of \$55 million and just a loan advance of \$12 million"? The Provincial Treasurer along with the cabinet colleague say: "Hey, that's not bad. What a deal. We'll do it." The workers at the plant were quite amazed that the former owner of Gainers could somehow convince this government with all of its business sense, with all of its business smarts. They were amazed, those workers, that this government could be convinced to loan that kind of money to their former boss.

Mr. Speaker, not only are these people former employees of Peter Pocklington, they're also taxpayers. They have a lot of their money invested in all of the facilities of this province, but they're especially interested in the one facility they work at. They're especially interested, having seen the production line day after day after day, to see how this government negotiated a deal with their former boss and used their money to provide them with who knows what. Did it provide them with jobs? Well, no. As my colleague pointed out, the government threw more money at more companies in the red meat industry, and that could very well eventually cost jobs at the Swifts Premium plant.

So what's the hesitation in providing those taxpayers, who also happen to be workers and former employees of Peter Pocklington, with the contract that allowed Pocklington to come up here in his fancy car and collect all this money? I can't imagine what it is. I don't know. I'm afraid I can't agree with the Provincial Treasurer; I don't think the opposition is being speculative at all. But I know full well, Mr. Speaker, as do those taxpayers who happen to work at the Gainers plant, that the

government is being secretive, that there was a sweetheart deal that was cooked up.

Now, my colleague from Calgary-Mountain View asks that the documents be laid on the Table so that we no longer have to speculate, so that we no longer have to guess as to what the real reason for the loan guarantee and the loan was. The Treasurer has already advised that he's going to vote against the motion for a return and has advised his colleagues, encouraged his colleagues, to do likewise. I'd hazard the guess that they're probably going to follow suit because they're all embarrassed. You can hide behind the Standing Orders and you can hide behind *Beauchesne*, but you know, in the next election you're going to have to knock on a few doors. You might be surprised, Member for Clover Bar, that there are a couple of workers at the Gainers plant that live out in Fort Saskatchewan. You might think you're getting away with something here today when you say no when the Speaker calls for those who are in favour of the motion and for those who are opposed, but you might find that behind the door in Fort Saskatchewan there's a constituent of yours that has some questions about this \$55 million loan guarantee and the \$12 million loan. And you know what? You're going to be embarrassed that day because the Treasurer didn't provide the information today. The Treasurer is not going to provide the information to you, and you're not going to know what's going on.

If you believe that the Provincial Treasurer has good reason to turn it down, go ahead and support it, but I'll tell you, Mr. Speaker, there'll come a time in the not too distant future when one of those workers, one of those taxpayers – one of his bosses – says, "What about that loan?" and he won't be able to respond.

MR. ACTING DEPUTY SPEAKER: Are you ready for the question?

The Member for Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Speaker. I feel that it's necessary to speak to this motion. I feel that it's important that the needs of my constituents be recognized, and I think it's important that it be recognized that what this government has indeed done has been something that the majority of the constituents of northern Alberta want and need. I'm shocked and surprised by the attitude of people who expound that it's their constituents that they feel we should put down. I'm totally shocked to hear this of the opposition members who feel so strongly that indeed their constituents should become unemployed.

This government has shown that it is a caring government. This government has shown that it is addressing the needs of the people of Alberta through the ongoing development of Gainers. Certainly there have been some unusual circumstances that have developed in this process. The government of Alberta has assisted not just Gainers but the rural community of Alberta as well as the urban community of Alberta. We have the cattle industry producers in the northern part of Alberta that are serviced in a very strong way by this particular industry, and should this industry be closed, it will be more expensive to all of our producers to be serviced. This has to be recognized.

We hear that \$55 million has been lost, and I challenge that. I challenge that in this House, and I challenge anyone to show us where the \$55 million has been lost. I feel very, very confident that there isn't anyone in this group that can substantiate that challenge.

4:10

We have funded the ongoing operations of this establishment. The meat industry has gone through some challenging times, and I think it's this government's responsibility to assist during the difficult times. We've assisted the growth of an industry that is indeed becoming a healthy addition to the agricultural community, and that is the cattle industry. The way we have done it is a fair way, a way that has assisted those who are employed. We have 1,200 people who have hungry children at home to feed, and we indeed have allowed them to continue to feed those hungry children. We haven't put them out on the street, which the New Democrats, who expound as being the friends of the working people, would do. We have assisted these people to an ongoing life without forcing them to move from the community, without forcing them to adapt to a new style of life or new employment. That's what our New Democratic friends would do; they would shut the plant down. They have had no solutions, not one. Not one solution has come forward from the opposition as to how this plant should be handled. They've simply decided that there's \$55 million that somebody has suggested to them. It sounds good, I guess. That's the number they use. It sounds good, it's easy arithmetic, and so they throw it out. That's not fair. It's not fair to the people of Alberta, it's not fair to the employees of the industry, and it's not fair to the agricultural community of Alberta, because this plant is indeed providing a useful function.

I think we should all commend and compliment our minister for taking the action he has taken. I want to say publicly in front of all and publicly in *Hansard* that indeed my constituents support this action and support it in a very strong way. My constituents tell me: "Don't let those socialists put that plant down. Don't let those socialists unemploy those people . . ."

**Speaker's Ruling
Relevance**

MR. ACTING DEPUTY SPEAKER: Order please. Order. The Chair feels that he must comment in terms of the matter of relevance, and caution speakers. The debate seems to have been drifting away from the aspect of whether or not information should be required.

Please proceed.

MR. PASZKOWSKI: I'm sorry, Mr. Speaker. I was just leading to the point here, and I will be developing it as I go along, but I thought I really had to substantiate my point in a fair way.

Debate Continued

MR. PASZKOWSKI: There have been a lot of statements made here, Mr. Speaker, that I don't think have been fair and relevant as well. I think it's important that we recognize the truth as it truly is, and that's why I feel very strongly that these comments have to be made and placed before the House.

I have heard the arguments that have come forward from the opposition. I don't agree with them, and I certainly will not support their arguments.

Thank you.

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

MR. McEACHERN: Thank you, Mr. Speaker. I rise to support this motion. My colleague has asked for a copy of the master agreement covering the \$55 million loan guarantee to

Peter Pocklington and the \$12 million loan. I think it's about time we had some action on this matter, so I choose to speak to it and elaborate on why.

I would like to point out a little history here. The \$12 million loan was meant to be \$4 million in each of three years. They got halfway through the second year of that program. In other words, they gave the first \$4 million, and then they gave \$2 million of the second \$4 million part. Then Peter defaulted on the payments, and so the government shut him down and took over. He never did get the last \$6 million of that \$12 million. However, the \$55 million loan guarantee – there are some interesting things about that.

I want to take a minute to answer some of the questions of the Member for Smoky River, some of the points that he thought he was making. He said that when the government gave that money to Peter Pocklington, they were addressing the needs of Albertans. I'll tell you what they were addressing. They were addressing the needs of this government because they were embarrassed by the labour strife that was going on. Two years earlier Peter Pocklington had promised his workers, if they would accept a contract, in fact a cutback in pay, that when the company became profitable, he would then give them an increase in pay, a share of the new revenues that would be generated by the acceptance of those low salaries for a couple of years. Then when the two years were up and it came time to negotiate the next salary, instead of fulfilling the promise he'd made to them two years earlier, he wanted them to take another cut. That's why there was a strike, and that's why this government eventually got embarrassed when the strike got bad enough. So they were really meeting their own needs when they gave that \$55 million loan guarantee and that \$12 million loan to Peter Pocklington.

The member throws out a challenge. He said: show us that \$55 million was lost. Well, I agree we can't show that, because we don't have the books; that's what we're asking for. You guys have got control over that; we don't. [interjection] Well, we do know about the \$55 million loan guarantee, and we do know that there was a \$12 million loan and that they've got up to \$6 million of that. I mean, the \$6 million is in the public accounts and the \$55 million loan guarantee is also mentioned in the public accounts, but we don't know how much of it has been lost. That's the point that you made. The point I make is that you guys are the ones that control and know the books and know how much was lost and could tell us, but you've chosen not to because you'd be embarrassed, I guess.

I just can't believe this line: something about if you give money to Peter Pocklington, you're feeding hungry children. I mean, that is the most incredible line I've heard in a long time. We've got more children lined up at food banks today than ever before in the history of Alberta . . .

MR. PASZKOWSKI: They're on welfare.

MR. McEACHERN: No. I'm not saying the workers should be on welfare. Nobody's saying the plant should be shut down.

AN HON. MEMBER: That's what you're saying.

MR. McEACHERN: Nobody on this side suggested – you never heard any New Democrat suggest that that plant should be shut down.

AN HON. MEMBER: Yes, you did.

MR. McEACHERN: Oh no, we didn't. We said you should not give . . . [interjections]

MR. ACTING DEPUTY SPEAKER: Order please. Order.

MR. McEACHERN: We said you should not . . . [interjections]

Speaker's Ruling Decorum

MR. ACTING DEPUTY SPEAKER: Order, hon. member. Order, to all members of the Assembly.

To the hon. member: the Speaker, the occupant of the Chair, is the only person you are speaking to, please.

Debate Continued

MR. McEACHERN: Thank you, Mr. Speaker. We didn't suggest at any point that the plant should be shut down. It's this government that created that mess, and it's this government that's going to have to try to figure out what to do, but we are perfectly within our rights to say we want to know exactly what the facts are, so give us the information. That's exactly what we're saying today.

Now, I want to take a little bit of time about this \$55 million loan guarantee. The Minister of Economic Development and Trade has stood up in this House and said that on a lot of the loan guarantees they just expect that the banks will do the homework as to what the economic prospects are for the company and what it's doing and that sort of thing, and then the government just backs 85 percent of the amount that the bank will put up, assuming then that the 15 percent liability that the bank has could be adequate to see to it that the bank would do its homework and make sure that the company is viable and can do what it says it can do. Now, I would submit, Mr. Speaker, that as a policy, that doesn't make an awful lot of sense, because I don't think a bank will take the same care if they're only risking 15 percent of the amount than if they were risking the full 100 percent of the amount. I don't think that the government should just in a blanket way sort of say, "Well, if the bank thinks it's all right and is going to give them, you know, X number of dollars, we'll cover 85 percent of it." I would like to know in this case if that's what the government did.

Now, we've asked the government about the backing and personal guarantees and that sort of thing of one Mr. Pocklington for this loan; you know, what security was there. The Treasurer assured us over and over again that there were personal guarantees that were totally adequate to cover this, in fact more than cover it, and that the taxpayers would not lose any money. We've yet to see the results, and quite frankly, most of us don't believe it.

A couple of other things bother me about this whole deal as well. One is that I don't think the \$55 million and \$12 million were the whole story in terms of the deal for Peter Pocklington. I firmly believe that the \$100 million line of credit, I think was the word we used, from the Treasury Branches was also part of this deal to get Peter Pocklington to agree to shut down that strike; in other words, to give the workers some money so the strike would be over. I think the Treasury Branches were ordered by the Premier of this province to give that \$100 million line of credit so Peter Pocklington could buy Palm Dairies. He did pay that back, actually.

4:20

What I can't help wondering is: why is it that the taxpayers are going to be on the hook for Gainers when this guy was allowed to use money out of Treasury Branches, which is totally under the control of the Treasurer? I know he tries to say that it's arm's length and he doesn't use the Treasury Branch and so on, but I know better. I know that he does and tells the Treasury Branches what to do. I'm thoroughly convinced that the government told the Treasury Branch what to do in this case. Why should Peter Pocklington be allowed to use that much government money, that much taxpayer-backed money? Because the Treasury Branch is backed by the taxpayers. In fact, right now they're carrying a considerable debt, some \$150 million, that the taxpayers may have to come through with in the long run; in fact, they've written off \$250 million also in the last few years because of some of the economic problems. So that government wasn't helping the Treasury Branches any when they told the Treasury Branches to loan that \$100 million to Peter Pocklington. He was allowed to buy Palm Dairies and later sell Palm Dairies, and none of that seemed to in any way impact on – yet the taxpayers are still going to be left holding the bag on the \$55 million and the \$6 million that we loaned him.

I'm rather upset with the way the government has handled this, and all taxpayers and all voters of Alberta should be if they're not. I'm sure when they read about it and hear about it, they will be.

One final sort of irony or stupidity on the part of the government that I just can't fathom, and it's starting to reap its rewards already: as well as getting into Gainers through this rather extraordinary mechanism of trying to get Peter to settle a strike, they started handing out other moneys to other companies involved in the meat packing industry. They gave \$4 million to Cargill to build the most modern, updated meat packing plant in the province, and now of course Gainers is becoming less competitive because of that. We've already seen Canada Packers shut down because of that.

Why the government doesn't stop and think a little bit about where it's going and what it's doing with taxpayers' dollars, why they just go along in this ad hoc manner, stumbling from one bailout to the next, I don't know, but I do know it's time the government came clean and started telling us what's going on. So I think all members of the House should support this motion for a return.

MR. ACTING DEPUTY SPEAKER: The Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I just want to add a few comments on the record with respect to Motion for a Return 213. The motion for a return that's before us at the moment is asking for information that is nearly four years old or at least has been before the government for nearly four years, and the government continues to argue that this is a private relationship that occurs between the government and some private corporation and, therefore, should not be before the people. They also use the argument that because this is before the courts, it should not be before the people.

Well, Mr. Speaker, I really cannot agree with the argument as put forward by the Provincial Treasurer. I mean, this is information that the Liberal caucus has pursued in the past, it's information the New Democratic caucus has pursued in the past, and we're still attempting to pursue it. It's nearly four years down the road, and we still get the same story: "Gee, this

information can't be made available. *Beauchesne* tells us we can't do it. Gee whiz, guys, it's just not appropriate." Well, I would argue that that response and that logic and that argument are not appropriate.

What we have here are provincial government dollars obtained from the people of the province of Alberta, from the taxpayers in this province who have provided this money and who have really not received a heck of a lot for the \$12 million loan, and we're not sure what's happened with the \$55 million loan guarantee. We asked for the information on this and a number of other issues, and I think the Treasurer's response really highlights, underscores, and emphasizes – to use a phrase common to another minister – the drastic need for freedom of information legislation in this province. There are too many deals that have occurred, that are occurring, that are not made public. I have no problem with the argument that while negotiations are occurring, that information can be retained as private information, but once the deal is struck and the signatures are there, a master agreement between this government and Gainers, a master agreement between this government and any other entity to whom they loan money, should be made available regardless of whether it's before the courts or not. The Provincial Treasurer's arguments I think are inappropriate, and I hope all members would support this motion for a return.

MR. ACTING DEPUTY SPEAKER: The Member for Calgary-Mountain View, to conclude.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'd like to begin by thanking the hon. Member for Smoky River for his intervention. I must say that that's certainly more than we've seen from most government backbenchers, especially on motions for returns, but I would have to say to the hon. member that his comments were a total distortion of the intention of Motion for a Return 213.

The hon. member would have us believe that this motion is about the issue of employment or unemployment of workers at Gainers. Mr. Speaker, quite the opposite. This issue is about this government's secrecy. This issue is about this government's history of involvement with Mr. Pocklington. This issue is about this government's cozy relationship with its pals. This issue is about this government's tendency to load the costs on the taxpayers of Alberta while their friends walk away free and clear. That's what this issue is about. That's what Motion for a Return 213 is about.

Now, the hon. member was quite correct when he said that Gainers is about unusual circumstances. Boy, that was understating the case, Mr. Speaker. It's unusual in capital letters. This government has assisted Gainers, and the master agreement, which is what Motion for a Return 213 is about, is the means by which the government became involved with Mr. Pocklington and the means by which this government provided assistance to Mr. Pocklington. What the issue is about is the way in which this government has assisted their friend Mr. Peter Pocklington and this government's unwillingness to be accountable to the people of Alberta for the way in which they have provided that assistance.

The hon. member challenged the Official Opposition. You say \$55 million has not been lost, and you challenged the Official Opposition to prove that it has, in fact, been lost. Well, Mr. Speaker, to my reading, Gainers has yet to make any payments on its indebtedness. If that isn't one indication of loss, I don't know what is, but as the hon. Member for Edmonton-Kingsway has quite correctly pointed out, it's within the power of the hon.

member and other members of the government to provide the information to the public which would prove if their case is correct. The fact that they are reluctant, the fact that in a few moments they're going to vote – and the hon. Member for Smoky River is going to be one of those members who are going to vote – to deny the release of the master agreement will begin to show us exactly where the hon. member stands when it comes to the matter of backing up his allegations. He's in the position to release the information to support his allegations. If he believes strongly that his allegations are correct, then obviously he should have no hesitation or reluctance to provide the information to the Assembly. He has the information; he has the power to release the information. It is not within the power of the Official Opposition to provide any information on this matter and release it.

The hon. member made a number of other comments about how government ownership of Gainers has provided a healthy support to the cattle industry of this province. Well, I certainly would hope so for the sake of the cattle industry but also for the sake of the taxpayers who stand to lose a lot of money if this company doesn't stay afloat. I would love this government to be able to prove that they can do something that their pal Peter Pocklington didn't do, and that is to run Gainers at a profit and turn it into a self-reliant, financially solvent enterprise in this province. That would be a challenge I'd love this government to be able to meet, but again we've got other motions for returns coming up later this afternoon on the Order Paper asking for the information to prove just how financially viable Gainers might be.

4:30

The hon. member suggested that the Official Opposition should be providing solutions. I would assume he'd want us to act in a responsible way and make solutions based on information about the situation. If he wants solutions from me, he'll get them if he provides me with the information on which I can make responsible proposals and provide responsible alternatives. You have to provide the information if you expect that kind of response from the Official Opposition. So it's in your hands, hon. member, if you want that to be provided.

Now, the Provincial Treasurer . . .

MR. ACTING DEPUTY SPEAKER: Order please, hon. member. I hesitate or regret to have to do this, but please direct your comments to the Chair.

MR. HAWKESWORTH: Indeed, Mr. Speaker.

The Provincial Treasurer had another argument as to why he wasn't prepared to have his government members support Motion for a Return 213. He said it's before the courts and it would prejudice the government's position. Well, with whom would it prejudice the government's position? Their adversary in court, Mr. Pocklington? The master agreement, Mr. Speaker, is with Mr. Pocklington, who already has a copy of the master agreement. I don't see how in any way, shape, or form making the master agreement public could prejudice their standing with Mr. Pocklington in court. What it might do is prejudice their political position with the people of Alberta. That's an entirely different issue and an entirely different reason for not releasing the master agreement. In fact, I believe that's the true reason why this government has failed to release this information and consistently holds onto it and maintains secrecy and hiddenness when it comes to their dealings with Peter Pocklington and the master agreement. The release of that would not prejudice their

standing with Mr. Pocklington or their standing in front of a court; it would prejudice their standing in the court of public opinion with the people of Alberta. That's the real reason the Provincial Treasurer, the hon. Member for Smoky River, and all the other government members here today intend to vote against motion 213. Let's be clear about why they're doing it and what the issue is really about: secrecy, a cozy relationship, and an unwillingness to be accountable for decisions made by this government. That's what it's about.

MR. ACTING DEPUTY SPEAKER: Putting the question, then, all those in favour of accepting Motion for a Return 213 proposed by the Member for Calgary-Mountain View please say aye.

SOME HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

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

[Mr. Speaker in the Chair]

4:40

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Bruseker	Hawkesworth	Pashak
Chivers	Laing, M.	Sigurdson
Ewasiuk	Martin	Wickman
Fox	McEachern	Woloshyn
Gibeault	Mjolsness	

Against the motion:

Ady	Hyland	Moore
Anderson	Isley	Musgrove
Bradley	Johnston	Paszkowski
Cardinal	Jonson	Severtson
Cherry	Klein	Shrake
Clegg	Kowalski	Sparrow
Drobot	Laing, B.	Speaker, R.
Elliott	Lund	Stewart
Elzinga	Main	Trynchy
Fjordbotten	McClellan	West
Fowler	Mirosh	Zarusky
Gesell		

Totals	For - 14	Against - 34
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[Motion lost]

Gainers Assistance

214. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing a copy of the personal performance guarantee, dated September 25, 1987, and any subsequent amendments thereto, provided by Peter Pocklington to the government pursuant to a \$55 million guaranteed loan and a \$12 million loan made available to Gainers Properties Inc.

MR. STEWART: Mr. Speaker, I know the Provincial Treasurer would want to enter into debate on this particular motion. Therefore, I beg leave to adjourn debate.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

Gainers Assistance

215. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing copies of all agreements between the government, 369413 Alberta Ltd., and Gainers Inc. with respect to the payment or nonpayment of any debts or advances owing by Gainers or any of its subsidiaries since October 6, 1989.

MR. STEWART: For the same reason, Mr. Speaker, I beg leave to adjourn debate.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

Gainers Agreements with Province

216. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing a copy of the Premier's agreement, dated December 1986, between the Premier and Peter Pocklington covering an undertaking to provide Gainers Inc. with a \$50 million loan with no interest being payable for the first four years of such loan and interest thereafter at a rate equivalent to the government's cost of funds.

MR. STEWART: For the same reason, Mr. Speaker, I beg leave to adjourn debate.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

Gainers Agreements with Province

217. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing a copy of the Provincial Treasurer's agreement, dated 1987, between the Provincial Treasurer and Peter Pocklington covering a grant of \$12 million and a \$55 million guaranteed loan to Gainers Inc.

MR. STEWART: For the same reason, Mr. Speaker, I beg leave to adjourn debate.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

Gainers Inc. Financial Statements

218. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing copies of the audited financial statements of Gainers Inc. for the fiscal year ended in 1990, including the statements of nonconsolidated subsidiary companies.

MR. STEWART: I beg leave to adjourn debate, Mr. Speaker.

MR. SPEAKER: All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

Student Loan Collection

221. On behalf of Mrs. Gagnon, Mr. Bruseker moved that an order of the Assembly do issue for a return showing a copy of all contracts and memoranda between the government and Financial Collection Agencies Ltd. and any other provincial collection agencies for the collection of guaranteed provincial student loans for the fiscal years 1985 to 1990 inclusive.

MR. STEWART: I beg leave to adjourn debate on that motion, Mr. Speaker.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

head: **Motions Other than Government Motions**

Grant and Assistance Programs

213. Moved by Mr. Ady:

Be it resolved that the Legislative Assembly urge the government to initiate a complete review of all provincial grant and assistance programs in order to rationalize and reduce the number and administration costs of such programs.

MR. SPEAKER: The Member for Cardston.

MR. ADY: Thank you, Mr. Speaker. It's my privilege today to stand and propose Motion 213. This motion is essentially about a trend that has been taking place slowly but surely over many years. This trend has crept along so slowly that in the past we hardly noticed it, but now, because the results of the trend are starting to show an effect on every citizen in this country, it's becoming impossible to ignore it. What I'm referring to is the steady growth of the size of government.

Mr. Speaker, it's not a problem that is unique to Alberta, and I must say that since 1986 we have recognized the problem and have taken some action to curb it. The exponential growth of the federal government during the Trudeau years was the best, or perhaps the worst, example of what I'm going to talk about.

The Liberals and the NDPs worked together to keep their coalition alive by going on a centralist spending spree. For over a decade they fed our already chubby welfare state a rich diet of subsidies and grants. Now we're stuck with a huge bureaucratic state with a serious weight problem. Actually, Alberta, under the direction of this government, has worked harder than most to keep government spending down and costs to a minimum. I'd like to deal with that just a little later.

If we're going to cut back on the number of government programs and hopefully slow down growth in spending, we have to know how this overspending got started in the first place. There are many legitimate reasons for public spending in the private sphere, such as seniors programs and financial assistance for the needy, areas where this government has really excelled. But those are not the cause of our budgetary woes; those are not the issues I want to deal with. We need to address the expenditure decision-making or what I call the "more means better" myth. We know that budgets tend to be tied to past decisions and preparations take place under great pressure of time, but the result is that spending on old programs tends to increase because there is always an argument from somewhere, from some group – usually from the opposition ranks – that the amount last year was not enough and the only way to make that service better is to spend more. The Liberals and NDP are all graduates of the "more means better" school of financial accounting. Where we as government get caught up in this myth is from the advice given to us by certain bureaucrats. Let me qualify that. I've been here for five years and know some bureaucrats and government officials who are everything they should be, very responsible people. Like politicians, most want to serve the people of Alberta; others have their own agenda.

4:50

Some bureaucrats believe in a slightly amended version of the "more means better" philosophy. It's called "the more spent in my department, the better." According to this philosophy, a department's overall life expectancy will be longer if more taxpayer money is spent on their programs. There must be hundreds of unemployed bureaucrats from the federal department of energy who are kicking themselves today because they didn't argue loud enough for the necessity of continuing the national energy program. There is a notion that the more department programs there are, the more critical that department is. This is simply not true. Not everything is the department's fault. It's commendable to want to initiate a new program once there's a real need, but there are some programs and government initiatives that are out of date and no longer serve the purpose they were created for.

Mr. Speaker, when I initiated this motion I was looking forward to finding a whole bunch of things that were hanging around, that hadn't been tended to. We had a lot of programs that perhaps had outlived their usefulness. However, when I dug into it, I found some interesting things. I found that a lot of programs that were initiated have served their purpose and have been either revamped or replaced or totally done away with. Let me talk about just a few of those.

[Mr. Jonson in the Chair]

A number of programs that have been terminated, not renewed or restructured, include the Alberta farm credit stability program. The cap of 2 and a half billion dollars has not been increased. That program, probably one of the best programs our province has ever had in place for the agricultural sector, served

very well, but in view of the fact that today interest rates are down, it has outlived its usefulness. Farmers can now go and get money for not a lot more than the 9 percent that program had in place. It only follows naturally that that program would be put to bed. Hence, it's served its purpose. Another one that has been put to bed is the capital loan guarantee program. It has not been extended. The small business interest shielding program, the family first home program, and the mortgage interest shielding program have all been allowed to expire for the very same reason. They have outlived their usefulness; interest rates are down. They carried Albertans through that period of high interest rates, and now they're able to carry their own weight and don't need government backing.

The Alberta stock savings plan, too, has not been extended. The priority employment program has been terminated. The export services support program has been terminated. The municipal recreation tourism areas program has been allowed to expire. The original tourism generator program has been terminated. The primary agricultural producers rebate program has been allowed to expire. Mr. Speaker, as I dug deeper I continued to find programs – I have to commend this government for having examined them and seen fit to put them away, going on to something new and better, or not having a program at all if the need wasn't there.

The senior citizens home heating grant program is being suspended. The northern supplementary fund grant program has been amalgamated with the municipal water and waste partnership program. The Alberta domestic heating oil allowance program has been integrated into and consolidated with the remote area heating allowance program. The Alberta training program and the Alberta youth employment and training program have been replaced by a new Skills Alberta program. This is a program that's been revamped to work better. This will also incorporate the international marketing employment program. The Alberta Aids to Daily Living program and the extended health benefits program for seniors have been consolidated into a single program with updated, uniform provisions.

Mr. Speaker, there have been some things done that worked well in the past. They've outlived their usefulness, and the government has seen fit to move on them. Frankly, in digging into this I was a little surprised at how well we had really done. I think it's good information, though, for the opposition members to understand how this whole thing really works. But this motion is about solving our collective expenditure habit. It is time for governments to take a bold step toward reviewing all their programs and grants with the view of reducing or eliminating the number and costs of these program grants. We must start by closely examining every program and grant and testing their legitimacy by asking two fundamental questions. One, should the government be involved in the area in question to begin with? Secondly, does the program or service conflict or overlap with another government program or service? If the answer to either of these questions is no, then steps should be taken to consolidate or eliminate the government program. It's as simple as that.

So I suppose we're never quite finished. There's always more to do. It's the sort of thing we have to keep our eye on, we have to keep working at constantly. Again, as I dug into this motion, I found that the government does have a lot of programs in place to catch circumstances where they need to be examined and need to be revamped or taken away.

One obvious area that needs to be reviewed is the relationship between government assistance programs and private enterprise. There is a perception out there that the government is in the

business of financially supporting private enterprise. I don't know how many calls I get from constituents telling me that their brother-in-law got some kind of grant or interest-free loan to expand his business and they want one too. Their lead question is: "Don't tell me it isn't there, because I know they got it." But when we talk about it, we find that most often it's just not there. It's something they heard about thirdhand, and they're just not as prevalent as they seem to think they are. Most of these calls are just unsubstantiated rumours. Most of the people who call are actually glad that the alleged program doesn't exist, but they didn't want to miss out on a free grant that they thought their brother-in-law was getting. Perhaps if we removed every subsidy and grant targeted for the private sector, everyone would be happier, because at least they would know their competition wouldn't be getting it. But let's not forget that we're a strong free enterprise government governing a healthy free enterprise economy.

If we want to deal with worst case scenarios, look at Ontario where a socialist government is trying to govern a capitalist economy. It just doesn't work. If the members opposite don't believe me, then ask them to have a look at their comrades' \$9.7 billion deficit in Ontario. It is littered with government subsidies and grants. Ontarians will be paying for that socialist economic experiment for so long after it's paid off. Bob Rae will be in the history books right next to other great socialist leaders that have led their jurisdictions into a mire of debt.

This government, to the relief of millions of Albertans, is fiscally responsible. We have a balanced budget. Our Minister of Economic Development and Trade has streamlined the government's participation in the economy so it stimulates growth, not suffocates it. There is also an emphasis on providing expertise and information to businesses. Take, for example, the international business information service which provides up-to-date information to Alberta businesses 24 hours a day, giving them an edge over their out-of-province or international competitors, or the business counseling centres around this province who provide new and old businesses with vital techniques and advice on how to be more efficient and profitable. These, not grants and subsidies, are the things businesses want the government to provide, things a socialist government wouldn't even dream of.

There's always more to do. We have to pursue an overall strategy of reorganizing and eliminating questionable programs. We have to explore more thoroughly some of the ideas put forth by members of this government such as zero-base budgeting and sunset laws. We should also examine the disastrous effects of too much regulation. There are valuable lessons to be learned from other economies around the world. Overregulated economies are doomed to fail. Old ideas of the government to protect industries or sectors from competition do not work. Deregulation can unleash some powerful forces. It will also permit inefficient and unworkable industries to die. In one of the most dynamic periods of change since the turn of the century the best way for economies to adapt quickly to change is to allow them to operate unimpeded. It is no coincidence that most successful economies in the world are ones that are least regulated.

5:00

I'm also happy to see this government's commitment to privatization. Privatization is an essential part of the process of reviewing government's role in the economy. We should not forget that Crown corporations were originally designed to solve a need on a short-term basis. Crown corporations are most

suitable when they are involved in a sector that fills a public need. This need often dissolves as a particular sector becomes stronger. Money should not be wasted and misused in Crown corporations that ought to be sold and operated privately.

As I stated in my opening remarks, the government is taking the right steps toward reorganizing itself so that it's leaner and more efficient. I've mentioned Economic Development and Trade's efforts to focus its strengths in a few key areas. The Department of Culture and Multiculturalism is another good example of what this motion is all about. Since the minister of culture moved into the portfolio, Culture and Multiculturalism has become substantially more streamlined. For example, the departmental staff assumed responsibility for the administration of three foundations, those being the Art Foundation, the Alberta Foundation for the Performing Arts, and the Alberta Foundation for the Literary Arts, under one source, the Alberta foundation for the arts. This consolidation saves the taxpayers money while at the same time provides a better service to the arts community.

The Department of the Environment is another example. As environmental issues became more serious with our ever expanding society, governments like ours moved quickly to pass legislation and initiate new programs to protect our province. The overall effect was piecemeal legislation that, combined, was not nearly as effective as it could be. To solve this problem, the Minister of the Environment started work on consolidating all the existing pieces of legislation and producing a new Act known as the environmental protection and enhancement Act. That not only revised old laws and regulations but provided flexibility for new ones to be incorporated into it for the future. When this government voted for the estimates for the Department of the Environment in 1980, there were six programs and 26 subprograms to deal with. This year we voted four programs and 10 subprograms. Our commitment to protecting the environment is as strong now as it was 11 years ago, but we're consolidating our efforts so it's more effective.

Advanced Education is another example: in 1980 three programs and 14 subprograms; this year two programs, eight subprograms. Decreasing the number of departmental programs and subprograms does not mean that the service the department provides is declining. It means the service is being updated and revamped for everyone's benefit. I urge all the ministers to keep examining different ways to reduce and remove the number of programs and subprograms in their department.

For this year's government estimates we'll be voting on 102 programs and 247 subprograms. The cost to run these programs will be roughly \$211 million. Regardless of how you slice it, that's a lot of money for administration. The direction of this motion need not scare the civil service. This government has proven that reorganization and consolidation does not mean massive layoffs. If a complete review of a department's structure led the minister to conclude that the same service could be provided with fewer people and less resources, then the redundant staff could be retrained for new opportunities.

So, Mr. Speaker, I find there are some processes in place that our government has to take care of the problems I've tried to bring out in this motion. The continual addition of new programs is a necessity in an ever changing society. The termination of older programs that have achieved their objective and the updating of ongoing programs require that constant review take place to ensure that the total number of programs serving single-client groups is not unnecessarily confusing and complex. Programs should not duplicate one another. We have to ensure that programs do not operate at a cross-purpose to

other programs and that unnecessary administration is not added to the system.

There are some monitoring programs to review procedure, and those currently in effect are: the annual Treasury Board budget planning process which reviews program inventories and administrative costs to minimize duplication and overlap; also the cabinet program policy committee which regularly reviews program co-ordination and duplication during consideration of new and changing policy. Mr. Speaker, we have several programs that cross department boundaries, that involve several departments, and I find there is also a mechanism put in place to ensure that those are reviewed on an annual basis, to ensure that they don't grow beyond the levels they should and they continue to serve the people they were meant to serve.

Mr. Speaker, the point of this motion is to remind ourselves that we are Conservatives and that we were elected on the Conservative platform of our Premier. We owe it to the people of this province to keep spending down and constantly review our existing grant and assistance programs so that the services that are priorities, such as health, education, and helping the disadvantaged, are protected and can serve future generations. Let us not forget that the government's role in the economy should be a limited one. We must ensure that it does not interfere in the market in a way that is inappropriate, ineffective, and costly. Government intervention, the motto of the NDs, is a constraint on innovation and free enterprise.

Mr. Speaker, I urge the Assembly to unanimously accept this motion. Thank you.

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

MR. McEACHERN: Thank you, Mr. Speaker. You know, I thought this motion was quite a good one, and I thought it might have something to offer, but I've never heard such fatuous nonsense from a speaker in this House in a long time. He did not get to the nub of it. He did not get down to doing anything serious. He just stood up and bragged about what this government's been doing, and they have such an incredible record.

Well, I'll start with his last point. He says the government's role "should be a limited one." In fact, this government has been the most interventionist in the economy of any government in Canada, and it's had a bigger bureaucracy than any other province of its size, relatively speaking, in the country. This guy is incredible.

Let's take a look at some of the words he used and some of the comments he made. He said that this bigger government thing, you know, has been going on for a long time, particularly those New Democrats and those Liberals. Well, I might remind him that New Democrats haven't been in power in very many provinces yet. [interjections]

Well, I challenge you. Take a look at Saskatchewan. In the years between 1944 and 1982 it was the best governed province in this country, by the CCF and the New Democrat governments. Check Yukon and how it's making out right now. Check how Manitoba made out under the New Democrats. Although everybody complained about Barrett's B.C. government, in fact he did a very good job and left some excellent legislation. For instance, his land use legislation is still the model for the whole country except Alberta, because this government wouldn't take a look at it and do something about foreign ownership and the use of land in this province. We keep on putting concrete and highways and houses over a lot of the very best farmland.

I was talking about the federal budget. I just happened to pick up a document this morning that says that Stats Canada has a document which the federal government, your cousins, doesn't want to release, much like you guys don't want to release a lot of information. [interjections] That says that starting with the Liberals and carried on by your cousins in Ottawa, 44 percent of the federal debt is due . . .

AN HON. MEMBER: Because you spent it.

AN HON. MEMBER: To the NDs.

MR. McEACHERN: No, no.

. . . to the cutbacks in business taxes that started back in 1974 under the Liberal government, John Turner when he was Finance minister. Your friends in Ottawa have carried that on.

Speaker's Ruling Decorum

MR. ACTING DEPUTY SPEAKER: Order please. Order in all parts of the House.

Also, to the hon. member speaking, please address the Chair. This is not the time to engage in conversation across the House.

MR. McEACHERN: Thank you, Mr. Speaker.

5:10 Debate Continued

MR. McEACHERN: Fifty percent of the national debt is the result of the high interest rate policy of the Conservative government and the Liberal government at times before them. So don't talk about New Democrats causing big debts.

They attributed only 6 percent of the federal debt to grants to programs like education, health care, social services, that sort of thing. I think you should put the pressure on your federal cousins to release that document so we can look at it in more detail and get to just why and how that can be the case. [interjection] No, somebody got a leak on it, but the actual document is not being put out.

Now, the Member for Cardston spent a bit of time talking about some of the various programs that have been started by the government and have been dropped by the government. Yeah, I think that's a good idea. The programs that are brought in that are no longer useful, that are not serving a particular need should be stopped, and I commend the government, actually, on some cases. The SBEC program, for instance, was a lousy program. It didn't do what it was supposed to do. People frittered away all the government money by rollovers, by selling it from one person to another or one company to another, and there was no real benefit to that program. It took the government about four or five years to get out of it, mind you.

The Alberta stock savings plan went along for three years and has been dropped totally and with incredible silence, no analysis as to why. Now, Quebec has a stock savings plan that's still going; they just renewed it. Okay, why didn't the Alberta government? If they're going to drop the program, the least they could do is put out some information to explain the wheres and the whys and what was wrong with the program and why they don't want to continue it.

If I was the member, I wouldn't be bragging about cutting off the home heating allowance for seniors or some of the other recent changes to senior programs. We got a petition circulating

around the province, and I'm not going to spend a lot of time on that particular issue.

What I do want to get to, though, is some of his other comments further along here. He started complaining about Ontario having a \$9.7 billion deficit. Ontario this year is in a very tough spot, make no mistake. I don't think anybody relishes the spot they're in, but they're in that spot.

MR. CARDINAL: They made a mistake.

MR. McEACHERN: No, no, no. They're in that spot because of the Ottawa Tory government's high interest rate policy and because of the Liberal spending in the last few years before the New Democrats came to power.

Now, that \$9.7 billion, Mr. Speaker, is not as big a debt problem for Ontario people as the \$4 billion debt problem that we had in 1986. I think the members should know that. [interjections] No, no. Per person in the province that would be over \$1,600 debt in Alberta compared to just over a thousand dollars per person in Ontario on those two numbers. So don't get holier than thou as if you got all the answers. Ontario will do the best they can in a very difficult situation brought on by the federal government and the previous Liberal government and the previous Conservative government in Ontario. They will come through in the long run I have no doubt.

The member also warned about overregulation and how you wouldn't want to have Crown corporations.

Point of Order Questioning a Member

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

Point of order, the Minister of Economic Development and Trade.

MR. ELZINGA: I wonder if the hon. member would permit a question.

MR. McEACHERN: Only if there's time and when I'm finished. I've really not much interest in his question.

AN HON. MEMBER: Was that nice?

MR. McEACHERN: Well, I have a lot of things I want to say, and I don't really think the minister . . .

MR. FOX: You're going to be the minister. You can answer his questions then.

MR. McEACHERN: That's right. I'll be glad to answer his questions when I get elected minister and he's on the other side of the House asking questions.

Debate Continued

MR. McEACHERN: Now, this motion purports . . . [interjections] Do I have the floor?

MR. ACTING DEPUTY SPEAKER: Order.

MR. McEACHERN: This motion purports to review the government grants, and I assume by the way it's worded that it means all moneys expended or handed out by the government with a view to reducing the number of those grants and also to

take a look at administrative costs. I want to first just very quickly review some of the grants we're talking about here in the budget, some of the major ones, and say a few words about that, and then I want to get into both those other two topics about reducing the number of grants and also reducing administrative costs.

The budget shows, and it's interesting how this government does its percentages, some of the major grants that we make. I notice the Member for Cardston never even mentioned these major ones that I'm going to talk about for a few minutes. Advanced Education is over a billion dollars, and it's an increase of 4.4 percent according to the budget analysis. If the government would be really a little more honest and instead of comparing this year's budget to last year's budget, compare this year's budget to last year's forecast, which is the updated figures for last year, the percentage would only be a 2.5 percent increase, less than the rate of inflation.

Another major department is Family and Social Services. The government claims here a 7.9 percent increase when you compare it to last year's budget. If you compare it to last year's forecast expenditures, it's only a 2 percent increase, Mr. Speaker.

Health is another big expenditure area, over \$3 billion. Again the government claims a 7.9 percent growth rate there because they compare it to the budget, but if they compared the expenditures as forecast by the Treasurer on his update, it would only be a 6.1 percent growth.

Municipal Affairs is another big one.

Speaker's Ruling Relevance

MR. ACTING DEPUTY SPEAKER: Order, hon. member. The Chair finds great difficulty in relating your remarks to the question before the Assembly, and I would also draw the hon. member's attention to the fact that the estimates have been dealt with.

Please return to the topic.

MR. McEACHERN: What nonsense is that? We're talking about grants. These are the biggest grants in the province, and they're not relevant to this debate? It says here: a complete review of all provincial grants and assistance programs. That's the whole thing. [interjections] I'll have to move very fast then.

Debate Continued

MR. McEACHERN: All right, the point I want to make: in some of those major grants the government uses the wrong figures to brag about how much they're spending to help the people of Alberta. I did some work on six of the departments that are to do with economic development, like Economic Development and Trade; technology, research; Energy; Tourism; and so on. On those six there were cutbacks. Now, I take it that means, then, that the government has decided those departments are not doing the job and need to be cut back and they're going to get out of the economy. The problem with that assumption is that with the actual departmental estimates, as I pointed out, in both Technology, Research, and Telecommunications and Economic Development and Trade, most of the action isn't in the estimates, isn't in the budget. Most of the action is in cabinet ad hoc funding. I just want to spend a little bit of time on that.

We've had some fun in the last two or three weeks pointing out some of the numbers games that the minister and the Treasurer like to get into, bragging about the wonderful success

rate of these ad hoc funding programs. We shouldn't even be using the word "program": ad hoc funding of people who make their way to the minister's door and say, "Help; my company is going down the tubes and I need help." The minister digs into the taxpayers' dollars and says, "Here, here, here, here."

The minister tried to claim that the failure rate was less than .1 percent or was less than 3 percent in this program or that program. In the ad hoc funding program, when we checked the public accounts for 1989-90, nonprogram investments, according to the public accounts for '89-90, lost \$34.5 million in long-term investments out of a total of \$121 million, a 29 percent loss. The figure for the year before was 13 percent. The nonprogram direct loans in 1989-90 lost \$94.3 million out of a total of \$190.9 million, for a loss ratio of 49 percent.

Now, you can look in the schedule for the first figure I gave you, 2.3 and 2.15 in public accounts for 1990. For the last figures I gave you, you can look up schedule 2.4 in public accounts for details. By the way, the year before for this second one, the direct loans, it was a 62 percent loss. I gave you the schedule numbers; you can look it up.

5:20

The third area is the nonprogrammed guarantees. We threw in indemnities as well, because if you look at the appropriate pages, you find that they go on to talk about the credit union losses. If you look at statement 8.5 in the '89-90 public accounts, you'll find that \$99.3 million in payments were made on guarantees and indemnities compared to \$361 million of guarantees and indemnities granted, a failure rate of 28 percent. The year before it was 17 percent. That means the average on these nonprogram fundings – these are the ad hoc fundings – for those two years, '88-89, was 31 percent on those three programs taken together. In '89-90 it was a 35 percent average. So we have lost a third of the money put into the ad hoc funding in those two years, yet the Member for Cardston has the gall to stand up here and brag about the record of the government.

Now, there are some programs, there's some funding and some grants you've made that you can get out of any time. The entrepreneurs of this province do not appreciate the fact that the government gives money to certain individuals and not to others and keeps messing around in the economy in an ad hoc way. If you must have a program that gives money to people, then you must at least establish that there's a need in the view of the people involved in the industry, and the taxpayers who are going to foot the bill have to be convinced there's a problem. You have to set up some criteria, you have to work with the people involved in the industry, and you have to set up an arm's-length administration, set up the criteria worked out by talking to everybody, all the partners. Then you have to stick to that, an arm's-length program separate from. [interjection] Yes, and the government does have some programs that fit that criteria. Now, I can argue about the details, but I can't argue about the fact that it was set up. Like Alberta Opportunity Company: we can argue about whether it's got the right criteria and does it the right way or not, but at least it's a program and at least it follows some kind of criteria for making its loans. We can do the same with Vencap, we can do the same with the farm credit stability program, et cetera, et cetera, but the ad hoc funding is one that you can cancel right straight out. Now, all those other ones need a review too, and that's what I wanted to tell the member.

[Mr. Speaker in the Chair]

The other thing that I wanted to mention. If you look at the motion, it talks about reviewing all these programs with a view to looking at administrative costs. Now, I might point out to this government that it's got something like 27 ministers. We put out a paper a short time ago, in February of this year, called Savings for Albertans, in which we set out how the government could save some money just on an administrative level. Even though we don't know enough details to do it as thoroughly as we would like, nonetheless, having watched for five years, we think there are some savings that could be made, and I think the government should take them into account, particularly given that the Member for Cardston has had the gall to raise this issue.

The Official Opposition, to talk about our cutbacks in this administrative area, we've done three sections.

AN HON. MEMBER: Question.

MR. McEACHERN: Sorry; I've got some other points to put on the record.

The Official Opposition has used three principles to identify the savings described in the paper.

1. There must be real cutbacks at the top, primarily by downsizing the provincial cabinet, both as a way to save dollars and as a way to clearly show Albertans that there is a commitment to good budgeting at the highest level;

2. Much can be done to reduce the managerial bureaucracy of the civil service without either reducing services to people or eliminating jobs of ordinary working public servants.

After 20 years this government has become very bureaucratic and top heavy, and that's where you need to look.

3. There must be an end to the secretive ad hoc use of public money to prop up a variety of private sector activities in which government should not be involved.

That point I've already well illustrated.

I would like to elaborate a little bit on 1 and 2, but I would like to leave some time to my colleague from Edmonton-Mill Woods.

MR. SPEAKER: The Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. It gives me a great deal of pleasure to rise this afternoon and speak to Motion 213, particularly after the drivel we have just had to listen to.

Of course, trimming the size of government and eliminating out-of-date programs, reducing administrative costs, and making government operate more efficiently are the cornerstones of debt reduction. The hon. Member for Cardston went to some length to demonstrate how this government is doing just that. Certainly when we look at what's happened . . . Now Ontario is regretfully admitting their mistake of electing the socialists. We

see their spending habits; they in fact increased their spending by some 13.4 percent this year. This government reduced its spending on programs by some 2.7 percent. We can see how the things that the Member for Cardston was mentioning about this government's spending in fact are relating into actual dollars.

It's really interesting to note the hon. Member for Edmonton-Kingsway talking about the good management of the socialists. Well, Mr. Speaker, it's really interesting to note how the . . . [interjection] No, I'll say you don't.

MR. SPEAKER: Order. Standing Order 13: pay attention to that. [interjection] Order.

MR. LUND: It's interesting to note how the debt in Ontario, the projected debt at the end of this fiscal year, is going to be up some 25 percent from what it was a year ago. On top of that it's interesting to note the numbers, because in Alberta we have an accumulated debt of some \$4,295 per individual, but in Ontario it's going to be \$5,226. In one year, Mr. Speaker. It's really interesting to note how the hon. Member for Edmonton-Kingsway talked about the comparison between Alberta's debt and Ontario's. Well, when you look at what happened on the income side of it, Ontario's projected income this year is down some 1 percent, but when Alberta had the large deficit of some \$3 billion, our income was down some 30 percent.

Mr. Speaker, I think clearly this government has shown that it does have a good fiscal policy, that it is doing the things that are necessary to move the economy along and keep the jobs flowing. Certainly while there has been some intervention, yes, and there are a number of programs out there, as the Member for Cardston demonstrated, there are a number of programs that have fulfilled their use and now have been discontinued.

In light of the hour, I would beg leave to adjourn debate.

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

HON. MEMBERS: Aye.

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

MR. STEWART: Mr. Speaker, I move that when the members assemble this evening, they do so in Committee of Supply.

[Motion carried]

[The Assembly adjourned at 5:29 p.m.]

