

Legislative Assembly of Alberta

Title: **Wednesday, June 5, 1991**

2:30 p.m.

Date: 91/06/05

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: **Presenting Petitions**

MR. DOYLE: Mr. Speaker, I'd like to table today a petition signed by some 800 citizens from the town of Hinton and beyond asking the government of Alberta to hold a public inquiry or criminal investigation into the mystery of the contaminated fuel at the Hinton Husky truck stop.

MR. GIBEAULT: Mr. Speaker, I'd also like to present a petition for the Assembly this afternoon, signed by some 4,232 residents of the Mill Woods and district region protesting against the possible closure of pediatric services at the Grey Nuns hospital in Edmonton.

head: **Presenting Reports by
Standing and Special Committees**

MR. CHERRY: Mr. Speaker, pursuant to Standing Order 93, I wish to report that the petition for the private Bill entitled the Jennifer Leanne Eichmann Adoption Act, which has been received by the Assembly, has been taken under consideration by the Private Bills Committee. The petition received complied with Standing Order 86. The Private Bills Committee has had this petition under consideration and recommends to the Assembly that the deadline for submitting the documentation to the Clerk's office required by Standing Order 89(2) be extended in respect of this petition to enable the Bill to be considered by the Assembly in this session. I request the concurrence of the Assembly in this recommendation.

MR. SPEAKER: Those in favour of granting concurrence, please say aye?

HON. MEMBERS: Aye.

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

head: **Notices of Motions**

MR. McINNIS: Mr. Speaker, I rise to give notice under Standing Order 40 of a motion that

this Assembly, recognizing that public safety is far more important than a temporary legal strategy, regrets the decision of the government to withhold information from a federal safety and design hearing on the Oldman River dam.

head: **Introduction of Bills**

MR. SPEAKER: The Member for Calgary-Buffalo.

Bill 260

Amendment to the Individual's Rights Protection Act

MR. CHUMIR: Thank you, Mr. Speaker. I request leave to introduce a Bill, being an Amendment to the Individual's Rights Protection Act, Bill 260.

This Bill would add sexual orientation as a category of prohibited discrimination in respect of employment, accommodation, and access to public facilities.

[Leave granted; Bill 260 read a first time]

head: **Tabling Returns and Reports**

MR. DECORE: Mr. Speaker, I beg leave to file the wording of the petition that was given to the Associate Minister of Family and Social Services this morning. The petition was signed by 16,000 Albertans, and it urges the government to withdraw the regressive budget measures taken against Alberta seniors.

MS BETKOWSKI: Mr. Speaker, I'm pleased to file with the Assembly the response to Written Question 302.

MR. KOWALSKI: Mr. Speaker, I'd like to table with the Assembly today the 1989-90 annual report of the Department of Public Works, Supply and Services.

MR. TRYNCHY: Mr. Speaker, I'd like to file four copies of the Workers' Compensation Board 1990 annual report.

MR. FOWLER: Mr. Speaker, I'm pleased to file the required number of copies of the response to question 303.

head: **Introduction of Special Guests**

MR. SPEAKER: Calgary-Millican.

MR. SHRAKE: Thank you, Mr. Speaker. I take great pleasure today in introducing to you and through you to the members of this Legislature the chairman of the Hispanic Performing Arts Society of Calgary. This lady is also a flamenco dancer and has put on some very wonderful cultural events in the city of Calgary. I would like Carmen Galvez to stand. She's sitting in the members' gallery. Please rise and receive the warm traditional welcome of the Legislature.

MR. SPEAKER: Rocky Mountain House, followed by Smoky River.

MR. LUND: Thanks, Mr. Speaker. It gives me a great deal of pleasure today to introduce some 63 students and teachers from the Sunchild-Ochiese school in the Rocky Mountain House constituency. They're seated in the members' and public galleries along with their teachers Mrs. Carol Papineau, Ms Lisa Mackenzie, Mrs. Gwen Regambal, Mrs. Ellie Evans, Miss Cecile Arthur, and Mrs. Elizabeth Anderson. I would ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Smoky River.

MR. PASZKOWSKI: Yes, Mr. Speaker. It's my pleasure to introduce 20 young and bright students from the Georges P. Vanier junior high school in Donnelly. These 20 students are accompanied by their instructors Mr. Bob Owens and Miss

Karen Maure. Karen this past year was a member of the Forum for Young Albertans and was part of the group that was here a year ago. The group is seated in the members' gallery, and I'd ask them to rise and receive the usual greeting of the House.

MR. SPEAKER: Vegreville.

MR. FOX: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to members of the Assembly 40 people from the Two Hills elementary school. The students are seated in the public gallery. They're accompanied by their teachers Mr. Yarmuch, Mrs. Rudkowsky and by parents Mrs. Kassian, Mrs. Euchuk, Mrs. Toma, Mr. Moroz, and Mrs. Pona. I would like the students and their guests to stand in the gallery and receive the warm welcome of the members of the Assembly.

As well, Mr. Speaker, I take pleasure in introducing a former Member of the Legislative Assembly to you and to members of the Assembly today. Mr. Leo Piquette, former member for Athabasca-Lac La Biche, has joined us today. He's seated in the public gallery, and I'd like him to rise and receive the warm welcome of members of the Assembly.

head:

Oral Question Period

Myrias Research Corporation

MR. MARTIN: Mr. Speaker, to the Minister of Technology, Research and Telecommunications. Well, surprise, another one bites the dust. Today taxpayers have been given the bill for Myrias Research, just one of dozens of failed companies propped up with taxpayers' money by this bungling, secretive, irresponsible government. Today we have learned that this company, into which this government pumped over \$20 million, has just been sold for \$1.5 million, a shrewd business deal leaving the taxpayers of this province with a whopping \$18 million loss. What a business group; the Treasurer certainly knows how to run a business. My question is to this minister. What does the minister have to say to the taxpayers of this province about their new \$18 million loss? Is this just another example of economic development success Conservative style?

2:40

MR. STEWART: Well, Mr. Speaker, the hon. member will certainly realize that this is not today's news. Myrias going into receivership, which is not good news, happened last October. Today's news is that the research and the technology that developed from that research is going to be preserved here in Alberta by an Alberta company and will continue to employ Albertans, and the technology is not lost and can be built on from there.

The proceeds of that are not 1 and a half million dollars, as the hon. leader suggests, but are closer to 2 and a half million dollars. Indeed, the investment by the taxpayers through this government was not \$20 million but in fact was a \$7.5 million loan and an investment of \$1.5 million by way of preferred shares. I'm pleased to see the sale. I'm pleased that indeed that technology will be further developed. The technology was ahead of the market, but now I believe and certainly a private company believes that the technology and the market are now in balance. It will hopefully be good news for the purchaser of this company from now on.

MR. MARTIN: Well, Mr. Speaker, the news is that we've lost a bundle of money again. It's just typical. I know that after a while this isn't news from this government.

The minister says that they've only lost this amount of money. What about Alberta Opportunity Company – that's the government – \$3 million; Vencap Equities, we have over \$200 million out of that. They had \$7.25 million, loans of \$7.5 million, preferred shares of \$2.27, and even the federal government is in it for \$4 million. How does he justify those figures by saying that's how much we've lost? That's absolute nonsense, Mr. Speaker.

MR. STEWART: Mr. Speaker, time and time again in this Assembly the Treasurer and others have indicated the position of Vencap and the Alberta Opportunity Company as it relates to this government and how they operate at arm's length. The fact of the matter is that that company had developed some world-class technology. We invested in that technology. Yes, it was difficult for them to compete against the IBMs and the Crays of the world. Perhaps that's not a type of pursuit they should have been following at that time, but that's easy to say in retrospect. What I can say is that that technology was world class, is world class, and will be developed from there. I'm just pleased that an Alberta company has seen fit to take over that technology, develop the technology further in Alberta, and that will be for the benefit of all Alberta. That investment in research is paying off.

MR. MARTIN: Well, Mr. Speaker, again somebody else's fault. World class but the taxpayers are taking a bath again. To say that we're not responsible for the Alberta Opportunity Company, the \$200 million we put in Vencap, is silly, to say the least, from this minister.

My question is to the minister. He said it is world-class technology. Mr. Speaker, something has gone wrong. The taxpayers are holding the bag again. I want to ask the minister: who's responsible for this huge loss again? It's not the minister, obviously. It must be the accountants fault again. Is that the truth?

MR. STEWART: Well, Mr. Speaker, I'm not about to try and fix blame. Decisions were made on the basis of getting this economy going. It has been going and is going. Diversification is working. The advanced technologies are one area of our economic growth that is going far ahead of the rest of the province and indeed any other province. It's one of the reasons why we are not joining into the Ontario recession. The technology that is developed here is something that is indeed world class. The hon. member may not agree with that, but I can tell you that assessments made by the University of Colorado, for example, who assessed that technology, know that it is world class.

MR. MARTIN: The only thing world class about . . .

MR. SPEAKER: Second main question, Leader of the Opposition.

Senior Citizens Programs

MR. MARTIN: Yes, Mr. Speaker. My second question is to the minister responsible for seniors. Again, the contrast: this government gives \$20 million to Myrias Research, ends up throwing \$18 million down the tube, and calls it world-class but slashes \$21 million from the seniors of this province. What outrageous priorities, Conservative priorities. I want to concentrate once again on the government's despicable treatment

of seniors in our province. Today the minister responsible for seniors attended a news conference where he was presented with 23,000 signatures – yes, 23,000 – from Alberta seniors who want these cutbacks reversed now. What was the response of the minister responsible for seniors? Even though he's responsible for the seniors of the province, he told them that he will not table those signatures in the House. He even refused to let the chairman of the Seniors Advisory Council present them. Some listening. Some government. To the minister responsible for seniors: for the benefit of all the seniors of the province, will the minister tell them exactly why he won't do his job as their representative and table their views as expressed in the petitions to this House? Is this the new listening and input that he's been promising them?

MR. BRASSARD: Mr. Speaker, the reason I attended the presentation of those petitions was exactly that: I was there doing my job. The reason for the petitions, I presumed, was to present them to the government and to the minister responsible for the co-ordination of seniors' programs, and I did that. As a matter of fact, I went out of my way. I came out of a cabinet meeting to specifically go there and receive those petitions. So I think their intention, to present them to government, was accomplished, and I helped to achieve that goal.

MR. MARTIN: Mr. Speaker, does this minister not have one idea of what parliamentary democracy is all about? A democratic right is for the people to petition the Legislature, whether the members like it or not. My question is again to the minister: why wouldn't he give them this fundamental right and stand up and present these petitions in the Legislature? Why was he so fundamentally against democracy?

MR. BRASSARD: Mr. Speaker, I take exception to that. I don't think there were any fundamental rights breached at all. In fact, I represent the Legislature for these seniors, and I went out of my way specifically to receive those petitions. I believe that the concerns they had were listened to, were addressed, and I have the petitions being delivered to my office. I interacted with the seniors on their own home ground, so I don't see where this member is coming from at all.

MR. MARTIN: Mr. Speaker, this government has a funny idea about democracy; let me tell you, a funny idea. He represents the government, not the people.

It's bad enough that he does this, but his patronizing statement yesterday that somehow seniors are being manipulated, indicating that seniors do not have the ability to see what their government is doing and to make up their minds on their own. Now he's so scornful of their opinions that he won't even have the courage to table their views in the Legislature. My last question to this minister is simply this: will the minister agree to stop treating seniors like children and immediately retract his insinuations that they are not capable of making up their own minds on this government's damaging cutbacks to their programs?

MR. BRASSARD: Mr. Speaker, I resent those remarks. I never at any time in my statements reflected on the ability of seniors to make up their own minds. What I was referring to was the influence peddling that has been going on by members opposite, and I would directly refer to the petitions that have been circulated by the opposition party and the letter that the Leader of the Opposition mailed to every senior, influencing

some of their thinking. If they want to talk about one-sided thinking, one only has to read the letter that the Leader of the Opposition mailed to every senior.

MR. MAIN: Using taxpayers' dollars.

MR. BRASSARD: Using taxpayers' dollars probably.

Mr. Speaker, I'm fully aware of the ability of seniors to be the authors of their own destinies. We know that seniors in this province are living longer, living healthier, are far more involved, far more active than they have ever been, and we're doing our very best to address this changing climate in our senior community. I make no apology for the changes and for the actions this government has taken to try to address the true concerns of . . .

MR. SPEAKER: Thank you.

2:50

Oldman River Dam

MR. DECORE: Mr. Speaker, I'm a believer that southern Albertans need access to greater quantities of water, and I think it may well be that the Oldman River dam could provide them with that security of additional water. They need water for agricultural uses; they need water for domestic uses; they need water for industrial uses. But I cannot agree with the government's position that it has taken today not to participate in a federal review panel that is looking at the safety and design of the Oldman River dam, a review panel that was set up by the courts. My first question to the Deputy Premier is this. We know the position of the Premier of Alberta with respect to national standards for environment and education and health care. I want to know from the Deputy Premier whether he will agree, knowing that this river goes downstream and affects other Canadians, that national standards for the protection of the environment are essential with respect to this matter not only for Albertans but for Canadians.

MR. HORSMAN: The hon. leader of the Liberal Party may not be aware, although it has been public knowledge for several decades, that there is an agreement in place between Alberta and Saskatchewan with respect to the South Saskatchewan River system. That agreement has been complied with by the government of Alberta. I'm quite familiar with it since the South Saskatchewan River flows through Medicine Hat, which is in my constituency. Furthermore, it is absolutely essential that the people of Medicine Hat have secure access to water year-round from that river. That is why the Oldman dam on the Oldman River is such an essential ingredient in terms of supplying to the people of southern Alberta an adequate water supply and in permitting Alberta to live up to that long-standing interprovincial water agreement. I see no problem at all, quite frankly, that has arisen under that agreement, and I don't quite grasp the significance of the leader's question, but no doubt I'll hear a little bit more in his supplementaries.

MR. DECORE: Mr. Speaker, it's clear that the government has been most inflexible when it comes to national standards that involve the federal government, national standards that could protect Albertans and Canadians.

My second question is to the minister responsible for the dam. My experience in life is that when you don't appear before a tribunal or a court, you usually have something to hide or to cover up. I'd like to know from the minister why he doesn't

build up the courage to go before this tribunal and say, even to those Albertans who are questioning the safety of this dam: "Look. Here's the data. Here are the experts. There's nothing to worry about. We'll prove our case." Why doesn't he do that?

MR. KOWALSKI: Mr. Speaker, the leader of the Liberal Party may have been away for the last several months, but perhaps I could just bring him up to date on some certain things. We have co-operated fully with the environmental assessment review panel on a number of occasions over the last several months. On Friday, April 5, 1991, and Saturday, April 6, 1991, the EARP panel was given a complete tour of the Oldman River dam project and all mitigation works. The panel was accompanied by senior officials from the province of Alberta. In addition to the panel tour, two site tours were conducted with the three dam safety technical advisers in March and April of 1991. As well, we have provided all information requested by the panel with respect to this matter.

Mr. Speaker, we're very anxious in fact to be available to the EARP panel but just ask that they would provide us one line, and we ask for some co-operation with respect to this. As there is a court case before the Supreme Court of Canada that was heard in the early part of 1991 and there's no decision rendered yet, we simply asked the panel to say that our appearance before this particular panel in Lethbridge today and tomorrow would not be a precedent for future projects in the province of Alberta. Their lawyers felt they couldn't do that. As a result, Mr. Speaker, we've made ourselves and our officials available in the same hotel the EARP panel is in, and we're prepared to answer any and all questions to all individuals who'd like to raise a question and to provide all the information required.

MR. DECORE: Mr. Speaker, this is the press release that says that the Alberta government will not participate in these safety hearings. That means that nobody is making Alberta's case.

My last question is to the Deputy Premier. The ridiculous consequence of this, Mr. Deputy Premier, is that nobody is there to put forward Alberta's case, to prove that there is no concern, should be no concern for the safety of this particular dam. Now, I'm wondering whether the Deputy Premier is prepared to accept the consequences of this matter, because it may well be that this panel shuts down this entire dam at a cost of millions upon millions of dollars to the taxpayers of Alberta. Are you prepared to accept that?

MR. HORSMAN: Mr. Speaker, the hon. leader of the Liberal Party may not be aware that the dam is in fact working and that water is now going over the spillway of that dam. I'd like to know how anybody, short of Superman, could shut down the dam. The hon. leader of the Liberal Party, like everyone else involved in this matter, should reflect reality. The dam is there; it is working. It is, in fact, filled, and I would suggest that he is . . .

MR. DECORE: And be damned with the courts.

MR. HORSMAN: There is a court case on. As the hon. Minister of Public Works, Supply and Services already indicated, the case is yet to be decided by the Supreme Court of Canada. Nonetheless, the reality is that that dam is in operation. It is going to serve the purpose of ensuring that 170,000 people in southern Alberta have a secure water supply, whether or not the hon. leader of the Liberal Party and the other party across the way, which has tried to shut down the dam from its inception, care about those people or not. I can assure you that the people

of southern Alberta want that dam to work. It is working, and that is to the advantage of the people of southern Alberta. I for one am proud of the actions of this government.

MR. SPEAKER: Pincher Creek-Crowsnest.

MR. BRADLEY: Thank you, Mr. Speaker. A subject which I was to raise questions on today has been introduced by the leader of the Liberal Party, but I'd like the Minister of Public Works, Supply and Services, if he could, to elaborate on the implications of what would happen if Alberta did today proceed to be involved in these hearings in Lethbridge on the Oldman dam regarding our constitutional jurisdiction regarding the environment in this province, if we were to participate without the line agreement which had been requested regarding this issue.

MR. KOWALSKI: Mr. Speaker, Alberta was the first jurisdiction in Canada to create a Department of the Environment. The government in Alberta did this in 1971, before any other province in Canada created a department of the environment and, in fact, before the federal government in Canada created the Department of the Environment. Alberta's standards have been for the most part the leading standards in environmental matters across the country of Canada. We've consistently said that we believe in strong standards in Canada, but if the standards that would be enunciated by Ottawa would be less than the standards in the province of Alberta, then that would be retrogressive for the people of Alberta.

In the case of the Oldman River dam, this project has gone through nearly 50 years of public hearings and reviews, a complete assessment. Mr. Speaker, it has followed all the regulatory channels that we have in the province of Alberta, and it's paid for entirely by the people of Alberta.

Further to that, in the early part of 1991 a question was raised with the Supreme Court of Canada which we have not received the answer to yet. All we've asked is that if they simply say that appearing before the environmental assessment review panel would not be precedent setting, we'd be happy to appear, but we're there across the hall to provide information to everyone in the province of Alberta and Canada who would request it of us.

3:00

MR. BRADLEY: A supplementary to the minister. Could the minister elaborate on what the government is doing to answer questions about dam safety now that it has withdrawn from this federal hearing process?

MR. KOWALSKI: Mr. Speaker, as I indicated in a response to a question earlier from the leader of the Liberal Party, several months ago we had worked with the federal environmental assessment review panel. We spent time with them. We took the panel itself to view the Oldman River dam. We've had a technical panel working with the technical experts and reports provided to me today that there is no question with respect to the safety of the Oldman River dam.

In addition to that, we have an international panel that advises the province of Alberta with respect to this particular facility. Mr. Speaker, over the last several months we have provided all this information, and we're prepared to answer any and all questions in any form. Presumably the highest court in the province of Alberta is this Legislative Assembly, and we're answering the questions here in a very public way.

MR. SPEAKER: Edmonton-Belmont.

Pay Equity

MR. SIGURDSON: Thank you, Mr. Speaker. Yesterday a Stats Canada report was released, and it confirmed that Alberta has not been at all successful in eliminating the wage gap between men and women. Between the years 1985 and . . . [interjection] The Provincial Treasurer says "good."

MR. JOHNSTON: Tell the truth.

MR. SIGURDSON: I am.

Between 1985 and 1989 women's median income rose on average just over 3 percent per year. But more offensive than the Provincial Treasurer's comments, Mr. Speaker, is the fact that the wage gap between men and women during that five-year period only narrowed by 1.3 percent. Given that data, I'd like to ask the Minister of Labour, who's also responsible for women's issues, what she would recommend that women do to lessen that gap?

MS McCOY: Well, Mr. Speaker, I'm always pleased to have an opportunity to speak about the various initiatives under the Plan for Action for Women. We've stated on many occasions in this House and elsewhere that the goal of this government is economic equality for women, because we think that will in fact lead the way to full participation in economic and other aspects of our lives in Alberta. It is, however, a continuing challenge to achieve that goal. We have looked at what some of the long-range programs might be that would help women to achieve economic equality. As Judge Abella said in her seminal report on this issue, it would appear that occupational segregation is one of the largest factors in the discrepancies between incomes for men and women. To that end we have instituted, for example, the Stepping Stones program, which involves volunteer role models speaking to junior high school girls and boys, encouraging them to make the decisions at that stage of their lives that will lead them into highly skilled and highly paid jobs in the future.

MR. SIGURDSON: Sounds as though the minister responsible is just introducing a program of sharing the poverty rather than doing something progressive, Mr. Speaker. I would have hoped that the minister would have at least suggested that we follow other jurisdictions and introduce some pay equity legislation. Given that the minister purportedly is in favour of pay equity, I would ask when this Legislature might see any kind of pay equity legislation introduced.

MS McCOY: It's true, Mr. Speaker, that I have said and will say again that I support the principles of pay equity and of employment equity. Again, however, as to the process that might be brought into Alberta, I favour one that is negotiated between employees and employers.

Referring back to the statistics, the labour income profile that Statistics Canada published recently, one thing the member opposite has failed to point out is that among the provinces in 1985 women in Alberta had the highest median employment income in Canada, and in 1989 women in Alberta had the second highest, second only to Ontario, who in that four-year period had undergone what I think Mr. Crow of the Bank of Canada once referred to as an overheated economy. I might also point out that between 1985 and 1989 pay equity as a

remedy or solution was not in effect in any province in the private sector, so the figures that have been shown here do not owe their changes to any program of that nature anywhere in Canada.

MR. SPEAKER: Calgary-North West.

Myrias Research Corporation (continued)

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the Minister of Technology, Research and Telecommunications. I want to question him a little bit further about our recent 18 and a half million dollar loss that we finally heard news of today. The supercomputer industry in itself is not a bad idea, but we have a little concern about what's going to happen with what's termed the intellectual property staying in Alberta. One of the things that we in the Liberal caucus have learned, for example, is that the U.S. department of defence could in fact be the biggest beneficiary. We understand that the way the contract is set up, all the intellectual ownership of the technology will be transferred to the U.S. department of defence. So my question to the . . .

MR. JOHNSTON: This is your longest speech. What's the question?

MR. BRUSEKER: Put a plug in it.

My question to the minister responsible for Technology, Research and Telecommunications is: what guarantees does the minister have that the technology, the intellectual property, will remain here in Alberta and not go to the U.S.?

MR. STEWART: Well, Mr. Speaker, the company that has made the bid for this technology and for this company is an Alberta company. It has agreed in its offer to pay the sum of 2 and a half million dollars for this technology. I can assure the hon. member – and I'm sure he'd realize it himself – that they're not about to make an investment of 2 and a half million dollars if they didn't have some assurance with respect to the technology being available to them.

MR. BRUSEKER: My supplementary question to the minister on this. Since 1989 was a bit of a rough year for the minister – he offered two loans, to GSR and to Myrias; both of them have now gone into receivership and his batting average is 0 for 2 – I'm wondering if he would make some comment about the loss of approximately 94 cents on the dollar, which is what we've lost in taxpayer dollars. Do you view this as a successful means of economic diversification like the minister down the bench likes to think we have?

MR. STEWART: Well, Mr. Speaker, all we have to do is look at what's happening in Alberta, see the success stories out there. If you want to talk in terms of Alberta Genetics or Intera or LSI Logic or any number of other companies among the thousand-plus that are operating in this province and making the Alberta economy better than any other economy in Canada, then you must recognize, all except the hon. member and the Leader of the Opposition, that something's happening out there. The fact of the matter is that the type of investments we are making in Alberta relate to infrastructure, relate to technology transfer and the commercialization of technologies, and the figures that are thrown out by the hon. member are just not right and Albertans know it.

Technology Industry

MRS. MIROSH: Mr. Speaker, there always seems to be doom and gloom highlighted by the media and members of the opposition regarding job layoffs and company failures. Recently the Calgary Economic Development Authority published a magazine outlining . . . [interjections]

MR. SPEAKER: Hold on. Thank you, hon. member.

There should at least be enough decency in members to allow the person to get out the first two sentences.

Calgary-Glenmore.

MRS. MIROSH: Mr. Speaker, the opposition does not like good news. The Calgary development authority has published good news about all the economic development occurring in that city. One of the areas they accent is manufacturing and fashions and moving ahead with advanced technology. Could the Minister of Technology, Research and Telecommunications please give an update as to the programs and the infrastructure that have been set up to help industry and to help their programs?

MR. STEWART: Mr. Speaker, it's always good to see that a responsible organization, an optimistic, enthusiastic organization such as the Calgary Economic Development Authority, is looking ahead and knows the importance of technology to keeping up in the world for Albertans and Alberta industry. I believe that the type of investments we are making in the infrastructure to which the hon. member has referred, infrastructure that relates to the applied research and development of products and technologies in this province – I think of the Alberta Research Council, the Alberta Microelectronic Centre, the recently announced Westaim in advanced industrial materials, the Laser Institute, the Electronics Test Centre. All of these are a very important part of the applied research infrastructure the hon. member is referring to and a very, very important part of our strategy to make advanced technologies work here in Alberta.

3:10

MRS. MIROSH: Mr. Speaker, the province has invested a lot of money in these infrastructures, and I think it's important that these are highlighted. I'd like to ask the minister to also indicate whether or not there is some help in training employees in areas of advanced technology.

MR. STEWART: Mr. Speaker, this is a very important point that the hon. member brings forward, because the human resource element is extremely critical to our ability to keep up in world competition. I think of the recent announcement by Northern Telecom, a leader in telecommunications in this province exporting to 40 different countries around the world, competing with the best. They have entered into an agreement with the Southern Alberta Institute of Technology whereby SAIT students will be able to participate with Northern Telecom in furthering their learning on the job. I think that's a very important step, one that Northern Telecom should be congratulated for, and it speaks well of not only SAIT but Northern Telecom and advanced technologies generally in this province.

MR. SPEAKER: Edmonton-Strathcona.

National Safety Associates Ltd.

MR. CHIVERS: Thank you, Mr. Speaker. Yesterday in the Assembly the Minister of Consumer and Corporate Affairs

indicated that the deceptive sales practices of National Safety Associates was a federal matter. In fact the false product claims of NSA are covered under Alberta's Unfair Trade Practices Act, and as early as 1989 the minister was made aware that NSA routinely engaged in unfair practices as defined in the Act. To the Minister of Consumer and Corporate Affairs: given these circumstances, does the minister still contend that he is adequately exercising his responsibility to protect Alberta consumers from a company that continues to use deceptive claims to sell its products two years after he became aware of the practice?

MR. ANDERSON: Mr. Speaker, with respect to the hon. member's question, he's quite correct that there were complaints in 1989 to the Department of Consumer and Corporate Affairs. One of those complaints dealt with the advertising the member speaks of. The matter was resolved by having the company agree not to use that advertising in further advertisements, and the complainant was satisfied in that respect.

With regard to the federal versus provincial jurisdiction involved, it is the federal government that has the ability to test and the product testing dimensions involved. Therefore, it is the one who can determine whether or not the products being sold are in keeping with what's advertised. We dealt specifically with a claim that it was endorsed by a particular American system, giving consumers some confidence. That wasn't the case and that was corrected. In terms of the product's ability to carry out the claims, that is being investigated by the federal government. We asked them as much as two years ago to investigate clearly other claims in that regard, and personally I'd like to see some response there as quickly as possible so consumers could indeed have some confidence when purchasing or not purchasing these products.

MR. CHIVERS: Mr. Speaker, the problem here is deceptive trade practices and not product testing. I have for filing a copy of a letter from the Minister of the Environment confirming that the Minister of Consumer and Corporate Affairs was aware of the complaints against NSA in terms of unfair trade practices and also confirming that the company had given assurances that it would stop making the claims. But under the Unfair Trade Practices Act there is a monitoring process. To the Minister of Consumer and Corporate Affairs: given that the representatives of his department have acknowledged that the normal practice in these matters is to monitor offending companies to ensure that unfair practices have ceased, will the minister explain why the routine follow-up monitoring apparently was not done in this case?

MR. ANDERSON: Mr. Speaker, the member confuses two dimensions of the responsibilities. Certainly he's right with regard to monitoring. Once again, the advertising which would state that a company had endorsement that it did not have – to the best of my knowledge the company did not make that statement. Claims about the effectiveness of their product, however, are a federal matter of responsibility, one that could only be resolved by having the product tested and it determined whether or not that product in fact can carry out what it says it does. In that regard the federal Department of Consumer and Corporate Affairs is responsible. I can understand the member's confusion. There is often difficulty defining the differences of responsibility between our two jurisdictions. [interjection] I'm not sure what the hon. Leader of the Opposition is referring to. I'm trying to give an honest answer to, I think, an honest question.

MR. SPEAKER: Westlock-Sturgeon. [interjection] Thank you.

Alberta Wildlife Park

MR. TAYLOR: Thank you, Mr. Speaker. The question is to Recreation and Parks. About four weeks ago yesterday I asked the Minister of Recreation and Parks why he allowed the Alberta Wildlife Park to be shut down during a period when the province could be realizing \$40,000 or \$50,000 a month in receipts. The minister informed the House at that time that about May 10 he would be ready to go with decisions on proposals on who made offers to purchase the park. In view of the fact that the foundation obviously is stalling to try to keep from selling to Aunt Helen's group, will the minister at least intervene to ensure that the Wildlife Park is reopened at once not only to claim the amount of money the Treasury could claim but also for the hundreds of schoolchildren, thousands literally, that could be enjoying it during the summer months?

DR. WEST: Mr. Speaker, the Alberta Wildlife Park Foundation is the manager and director of this collection of animals at the present time. They have been in a public process of calling for proposals. Those came in on May 10, as the member has indicated, and they are now in the final throes of analyzing those proposals and will be coming forth in the near future with their decision as it relates to Alberta Wildlife Park.

MR. TAYLOR: Mr. Speaker, perhaps the minister could explain to the Assembly just why he is trusting a foundation that is merely a corporal's guard now. Set up by the government years ago, it was obviously incompetent and let the place run into debt and couldn't raise any money. Why is he trusting that foundation to make the decision for him?

DR. WEST: Mr. Speaker, the only way to address an innuendo such as that is to perhaps give some historical background on Alberta Wildlife Park. In 1979 the Alberta Wildlife Park was operated by the private sector. Messrs. Jerram and Cochrane started up the Alberta Wildlife Park with their collection, and then during the time there was a collection at Polar Park that was going to be dispersed, they offered their services to take the collection to Alberta Wildlife Park. At that time, they had taken an Alberta Opportunity Company loan as well as a loan from the Royal Bank. During that time they operated as a private-sector wildlife park and facilitated it through the moneys from Alberta Opportunity Company and the Royal Bank as a private operation. In 1985 they approached the government and said that they were now financially embarrassed as far as the wildlife park was concerned and asked for intervention by this government. At that time we facilitated the establishment of the Alberta Wildlife Park Foundation and, at the same time, turned the park over to the foundation for a dollar after having taken out the Alberta Opportunity Company loan for \$2.3 million and \$900,000 of the Royal Bank debentures. From that time on, this board that was established was an advisory committee to the Alberta Wildlife Park and the private sector. It was their recommendation that this board of those members be established at that time.

To make a statement that this board has done anything but what they were asked to do by the previous owners and the public – it's a foundation, incorporated under section 9 of the Companies Act – is not a fair innuendo or direction. They have, to the best of my knowledge, tried to make this park successful, but many studies have said that the location of this park as well

as the problem with perhaps the short season we have in the area that's involved have made it impossible for it to be a financial success.

3:20

MR. SPEAKER: Thank you, hon. member. The Chair allowed the answer to go on at some length because of the somewhat intemperate remarks in the preamble.

Banff-Cochrane.

High School Enrollment

MR. EVANS: Thank you, Mr. Speaker. In Alberta today students in ever increasing numbers are taking up to two years to complete their grade 12 education. This, of course, has implications to our education system both in terms of budget and in terms of crowded classrooms. My question is to the Minister of Education. Given this situation, has he considered implementing a compulsory grade 13 in Alberta schools?

MR. DINNING: Mr. Speaker, the answer to the question is no. But so the hon. member is aware of the facts, there are nearly 40,000 students registered in grade 12 in our public and separate high schools in this province, and as of September 30, about 3,550 of those students registered already hold either general or advanced diplomas. In fact, Mr. Speaker, nearly 50 of them hold advanced diplomas with an excellent standing.

MR. EVANS: My supplemental question, Mr. Speaker, again to the minister. It would appear to me, because of the concerns that have been raised to me by my constituents and, in fact, some of the comments made by the minister himself, that there is a great deal of concern in schools about access to our universities, to our postsecondary institutions. My question to the minister: is this one of the main reasons why students in Alberta are taking two years to complete their grade 12?

MR. DINNING: Mr. Speaker, it's a very legitimate question. There are naturally a number of students who are returning, seeking an upgrade in various courses in order to gain access to university, but there are also a number of students going back to enhance or to find a better balance in their program. So they take physics 30 and an art program; they take math 30 and also take a drama program or a business education program. It's also got to be recognized that it's estimated that some two-thirds of our high school students are working part-time and building that in as part of their high school program, and it's estimated that more than half of those students are spending more time working part-time than doing homework in a given week. It comes down to choice, and those choices are being made by students.

The bottom line is that our high school graduation requirements in this province are rigorous. They should be rigorous and will continue to be rigorous, and I will not recommend to my colleagues that we water them down just to improve our numbers.

MR. SPEAKER: Before we deal with Standing Order 40, might we revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

The minister of Occupational Health and Safety.

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

MR. TRYNCHY: Mr. Speaker, on March 1, 1991, I had a visit with the Niton school and met with a number of students. We had a very, very good meeting and discussion, and I invited those young people to attend the Legislature. I'm pleased today to introduce to you that group of young people and teachers and parents who are here from the Niton Central school. There are 29 grade 6 students accompanied by their principal Mr. John Myslicki, a number of parents, and other teachers. They're seated in the members' gallery. I'd ask them to rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and to other members of the Assembly some 17 eager grade 6 students from the Leslieville elementary school. They are accompanied by their teacher Mrs. Elaine Young and parents Mrs. Brenda Kult and Mr. Ken May. I hope they're seated in the members' gallery. I would ask that they rise and the members give them the traditional warm welcome of the Assembly.

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I'm delighted today to introduce to you and to members of the Assembly 30 seniors from the Beverly Active Seniors Society. These are truly the pioneers that have made this province a better place for all of us to live in. They are seated in the public gallery, and I'd ask them to rise and receive the welcome of this Assembly.

MR. KOWALSKI: Mr. Speaker, in the members' gallery today are a group of young people representing Neerlandia school in the Neerlandia community. The students are accompanied by their teacher Mr. Bert Van Niejenhvis, bus driver Mrs. Irene Baker, and parents Mrs. Rita Strydhorst, Mrs. Alida Tuininga, Mrs. Marg Tuininga, and Mrs. Rose Olthuis. I'd ask our guests to rise and receive the warm welcome of the Legislative Assembly.

head: **Motions under Standing Order 40**
Oldman River Dam

Mr. McInnis:

Be it resolved that this Assembly, recognizing that public safety is far more important than a temporary legal strategy, regrets the decision of the government to withhold information from a federal safety and design hearing on the Oldman River dam.

MR. McINNIS: Mr. Speaker, I'm seeking the unanimous consent of all members of the Assembly to put a motion dealing with the matter of the Oldman River dam. I have read the motion under notice and circulated copies to all hon. members, so I don't feel I need to repeat the wording of the motion.

We had in question period a most unsatisfactory exchange regarding this issue. The Liberal Party put forward the position that the province should participate because environment should be a national jurisdiction, and we had a member of the Conservative government suggest that they shouldn't participate because the jurisdiction should be provincial. They went back

and forth on this question of whether the jurisdiction should be with one or with the other.

Now, I understood that all of us were supposed to be listening to Albertans about their views about where the jurisdiction is, and I have a concern about whether we should be taking such positions at this point in the process. But I think all of that is quite beside the most important point, the question of public safety, which is what this hearing is all about. The question of whether the design is adequate to protect the public is a question which has not been definitively answered to this point in time, and that's the overriding consideration, an urgent one in my submission. The government says: well, we have studies that say it's safe, and there are other studies that say it's safe. The point is that nobody has ever had to prove it. When it comes to a question of the safety of a structure of this magnitude and importance, I think we should all be from Missouri; we should all state categorically that you have to show us that the dam is in fact safely designed, safely engineered, and safely constructed.

Now, the underlying importance of this and the reason this hearing is in place right now, I remind members, is because of a federal appeal court decision that the process to date has not provided for an independent review of the evidence and has not provided an opportunity for the public to be fully involved in these crucial safety issues. Having made that ruling, the Federal Court of Canada said that there has to be a federal EARP. If there was a review process that dealt with those issues adequately, then there would be no federal EARP today. So that's the background. The background is that there's been a gap in the process; these questions have not been answered definitively. We are simply saying that in view of the urgent nature of this matter, the fact that hearings are scheduled for today and tomorrow, we should put this question of the safety of the public ahead of any turf wars, ahead of private legal strategy or advice which may be valid or may not be valid depending on which lawyer you talk to. The public safety is much more important than that. In view of the importance of the matter, members should allow this motion to come to the floor this afternoon.

3:30

MR. SPEAKER: A request under Standing Order 40 for the matter to proceed: those 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.

head: **Orders of the Day**
head: **Government Bills and Orders**
head: **Second Reading**

Bill 46
Appropriation Act, 1991

MR. HORSMAN: Mr. Speaker, the hon. Provincial Treasurer is briefly absent, but in his absence I would request leave to move second reading of Bill 46, which is the Appropriation Act, 1991.

Since he is now returning to the Assembly, I would hope that he would carry on the argument in support of second reading in principle.

MR. SPEAKER: Bill 46 has been moved by the Deputy Premier. Now speaking to the Bill, the Provincial Treasurer.

MR. JOHNSTON: Mr. Speaker, I appreciate the assistance of my colleague the minister, who's just as concerned about water in southern Alberta as I am, and I hope that this appropriation will in fact provide some dollars for that important objective. I appreciate the assistance he has given us in achieving the success of the Oldman River dam for southern Alberta.

But today I wanted to move the Appropriation Act, Bill 46. I'm not going to spend much time talking about the details and the process, because all members are now aware that we're talking about this Bill, and as well the process and the rules of this Assembly ensure that it moves ahead on an accorded basis so that we'd expect that sometime next week this legislation, which puts in place the very comprehensive spending plan outlined and debated here in this Assembly, into law so that spending can take place.

What I wanted to do today was very quickly go over the highlights of the budget and simply on a very quick basis give an update as to what we had on April 4, 1991, to today. Some members, I'm sure, will even recall the budget, and some members will recall what we said in that budget. I wanted to simply confirm some of the principles that were outlined in it.

Normally a budget is outlined in about three different phases. The first phase usually deals with the broad economic backdrop, talks about what we see, and talks about some of the signals or indicators which are important and germane to the way in which we judge and put in place our own budget plan. This budget was essentially put to bed before the Easter weekend. It was given, as I've indicated before, on April 4 and now has been fully debated by the Assembly for at least 25 days. There has been some confirmation of the principles that we outlined in the budget as several independent groups, including StatsCan, the Conference Board, the Economic Council of Canada, have confirmed roughly what we said in that budget. I'll simply in a synopsis way provide that conclusion for you.

First of all, they have said that the Alberta economy will be the strongest in Canada. That's what I said in the budget, Mr. Speaker. That's what this government believes in, and that's what we set forth as a fundamental principle, that we'll have real economic growth, that the real economic growth will surpass 1.5 percent per annum. As a matter of fact, that's now been confirmed, as I said, by at least two groups, including most recently StatsCan, who have confirmed that that is in fact the case. Right now, today, you can see that as the economy flourishes, as new investment is attracted to this province, and in fact, as the unemployment numbers – despite massive immigration that is taking place from other provinces to where the opportunities lie here in Alberta, we're absorbing that. Unemployment is manageable, and over the course of the last two months, at least, Alberta has been one if not two in terms of the lowest unemployment, generally the most jobs, and generally the most economic activity of any province in Canada.

On that basis, the fundamental economic profile – and I can confirm that our view is that the forecast in terms of economic growth holds, and we are amongst the strongest provinces in Canada. We will be, in fact, over the course of the year the strongest in terms of real economic growth. In another fundamental indicator, such as unemployment, for example, we will

rank one or two in terms of that comparison, but at the same time absorbing more people, generating more jobs, and of course generating more economic activity overall. That assumption, that profile, remains. It's just as strong as ever, growing rapidly. People believe Alberta's the place to be in '91, as well as '90, '89, '87, except for '86; there's a little glitch there. Nonetheless, that was driven by other indicators.

Now, let's look at other numbers. I recall very vividly the leader of the ND Party clearly stating that they did not believe the oil price forecast. I indicated at the time that the price of oil would be about \$23 over the course of '91-92. That year ending March 31, '92, takes us another 10 months ahead. A lot of guffaws from those nonknowing folks across the way, saying that in fact that price is going to fall out of bed and, drawing upon some of their artificial consensus driven only by a meeting among themselves, that in fact the price of oil is going to go to heck. Well, Mr. Speaker, what in fact is the case? What we have seen is that on April 4 when I brought the budget down, the price of oil was trading about \$19.50 WTI U.S. It has traded as high as \$22 in the last couple of months. Today it's trading just under \$21. Now, that's quite a remarkable thing. It's quite remarkable, because this is the worst period in terms of seasonality of oil prices. It is at this point that the price of oil is going to soften and should on a normal basis probably be trading below the 1995 price when I first brought down the budget. Quite to the contrary. Two months into the fiscal year where we're forecasted \$23, the price has held quite firmly, OPEC discipline is clear, and the price today is trading around that \$21 level.

On that side we're quite confident, in fact more confident than ever, that our forecast in oil is good, that it's within reason. We have had many international experts – the Minister of Energy talked about the former minister of energy from Kuwait, I believe, who was here, and his confirmation was in fact higher. So on that side oil prices are very good.

Now, let me turn to a new number with respect to natural gas. Well, all the gas is not in the ground; a lot of it's with the ND Party across the way, and I'll confirm that right now, Mr. Speaker. Let me talk about the volume of natural gas into the United States. Two years ago in the budget I forecast that over the period between 1990 and, say, 1995, once the massive investment in new pipeline infrastructure into the United States took place, primarily by TCPL and others, we would move our natural gas exports to around 10 percent of the United States demand. Many people, including the guffaws and the doubters and the doomsayers in the NDP and Liberal Party, didn't agree with that. Let me quote today from *World Gas Intelligence*, published by the *Petroleum Intelligence Weekly*, the May 1991 edition:

Remarkably, Canadian natural gas exports to the United States reached a record of 1.435-trillion cubic feet in 1990 . . . a growth of 7.25%, despite virtually flat consumption of 18.8-[trillion cubic feet] south of the border. What's more, December 1990 deliveries of 144.3-billion cubic feet (4.1-[billion cubic metres]) dwarfed the previous year's 141.1-[billion cubic foot] level when the big freeze chilled the continent. And January 1991 . . .

Mr. Speaker, here's the point.

. . . deliveries of 148.8-[billion cubic feet] were up 15% over the previous year despite this past winter's unusually mild weather.

With the US gas bubble persisting, the stunning performance in Canadian exports was all the more phenomenal.

Let me reduce this into readable terms for those folks across the way. Even my colleague whom I look to for energy advice, my friend Mr. Taylor, must understand what's happened here. I mean, he's probably one of the few people who would under-

stand what's happened here. In fact, it is clear that the Canadians are exporting more gas into the United States, up to about 1.435 trillion cubic feet, a lot of gas, and it's growing. Now, we have said that the overarching principle between this year, 1990's budget, and the 1992 budget is in fact natural gas, \$2.4 billion of new investment by TransCanada PipeLines, headquartered in Calgary, generating jobs in Alberta, economic opportunities in Alberta. Another over 1 and a half billion dollars by Nova in terms of a gathering system propositioning them to take advantage of the TCPL expansion and other gas expansions, perhaps south into the Kern River pipeline. Vast amounts of money, Mr. Speaker, vast amounts of money taking place in this province in terms of new investment, and it's being pursued by new markets for gas.

3:40

Now, unfortunately the price of gas has fallen off a bit in this first part, no question about that, but the volumes in fact are up and growing, and as I said last year in the budget, Mr. Speaker, I fully expect that between 1993 and 1994 someplace, Alberta – Canadian – exports would probably come close to 10 percent of the United States' supply. That simply means that over time the price of gas will be drawn up by the simple equation of supply and demand. So on that side again, new information that I did not have when I brought the budget down confirms once again our forecasts and says certainly that the volume of natural gas going into the United States' markets will be unprecedented this year and surely will drive the price of the demand equation over time.

Let me also talk about interest rates, Mr. Speaker. This government – our Premier certainly, and other members of this government and our caucus – have argued consistently on every forum possible and at all opportunities to express the view that interest rates had to come down in this country. As I said on many occasions both in the budget and speeches elsewhere, when the interest rates do start to come down, you'll see a flurry of activity that will surround that in this province. I think I said there'd be a snapback in our economy driven by interest rates in the second half of '91. Hold it back, Mr. Speaker, hold it back. That snapback is about ready to happen.

Let's just trace what's happened to interest rates in this province. Let's just trace it for a moment. When I brought the budget down on April 4, the prime rate was 10.75 percent. We hadn't really seen the direction of prime rates. Today, the prime rate is 9.75 percent, a full 100 basis points reduction.

MR. FOX: One hundred basis points.

MR. JOHNSTON: Well, the ND Party doesn't understand basis points. The ND Party doesn't understand basis points, but that's all right. I'll have to explain it to Derek one day.

MR. FOX: One-tenth of a percentage point.

MR. JOHNSTON: No, you don't understand basis points, Derek.

MR. SPEAKER: Order please.

MR. JOHNSTON: Now the T-bill market has moved as well from about 9.6 down to 8.75, and of course, most people know that it's the T-bill market that drives the bank rate and the prime rate, and that direction taking place, of course, is appropriate because a lot follows from that, not only the prime

rate that I talked about, but importantly, the mortgage rates. Mortgage rates, Mr. Speaker. It's the mortgage rates in particular that have, in fact, moved in the right direction, because mortgage rates allow Albertans, with their strong job opportunities and high-paying jobs in this province, to buy a house. We think that's a clear social and economic objective that we want to achieve. We have done it in a variety of policy places historically, and now that the economics is working, we believe, and I confirm again, that the interest rate movement is in the right direction, and in fact you will see a snapback in this Alberta economy taking us, in my view right now, far above that forecast of 1 and a half percent of real economic growth that we talked about at the time the budget was presented.

[Mr. Deputy Speaker in the Chair]

Interest rates are in control; they're moving in the right direction. The M1, M2, and M3 balances are moving as well, and I'm pleased to say that that is going to generate a lot of economic activity in our province and, more particularly, allow people to get into homes. You saw that in fact that movement is taking place as an ancillary statistic, in that vacancy rates in the province of Alberta have gone up in apartments. Why is that, Mr. Speaker; why is that? Simply because more people are leaving apartments and being able to get houses because interest rates are in their favour, and that has taken some of the pressure off the cost of apartments or accommodation on the rental side.

So a very favourable response on those points as well, Mr. Speaker. A little weakness, though, I've got to admit, a little difficulty. I think most people intuitively would think that if interest rates started to move down, as they have – and I have confirmed that they have moved down. The yield curve has in fact steepened quite a bit, and the short-term side has tipped, but the dollar has held firm. Now, intuitively you'd think that if the interest rates are going to drop down, in fact you'll see the dollar starting to ease up. Well, unfortunately the dollar's strengthened against, as I say, the best understanding of what should happen and is trading around 86 point something to 87. Still, we do expect that over the course of the next year, once the United States dollar starts to settle against other hard currencies, you will see the Canadian dollar start to move down. However, in terms of those traders who are exporting goods – and Alberta has a strong export-driven economy – we are suffering to some extent on that side. So that's a new change. As I pointed out before, the assumption in the budget calls for an 84 cents cross-currency rate with U.S./Canadian dollars.

Let me turn to another interesting area, the area of deficits. Deficits.

MR. FOX: Tell us about it, Dick.

MR. JOHNSTON: Well, okay, Derek, I'll tell you about it. I'm sorry, Mr. Speaker, I'll tell the Member for Vegreville about deficits, because it has been quite revealing now that we have brought in our budget. We could take a survey of other governments across Canada to have a look at what has happened in other governments.

MR. FOX: Some of which tell the truth.

MR. JOHNSTON: I want to say, Mr. Speaker – and I'll get to the point pretty quickly here, as the member will find out.

Let me look at the various provinces. This particular graph that I have before me plots all the deficits of the '91-92 budgets of all governments across Canada. Surely our memory is still sharp enough to recall that the federal government ran a deficit well over the \$30 billion amount.

MR. McEACHERN: Thirty point five, Dick.

MR. JOHNSTON: That's right; \$30.5 billion. In other provinces, British Columbia has a recorded deficit of \$400 million. It's probably closer to \$1.2 billion because they have a so-called BS, budget stabilization, fund. Saskatchewan has a \$265 million deficit; Manitoba, a \$324 million deficit; Quebec, a \$3.48 billion deficit. Nova Scotia, New Brunswick all have deficits. The closest to Alberta is Prince Edward Island, a deficit of about \$9 million.

MR. MAIN: Did you mention Ontario?

MR. JOHNSTON: I must have to get to Ontario. My colleague the minister of culture, who is wise and well-educated in the matter of finance, wants me to talk about Ontario. Well, who am I to deny my good friend the opportunity to talk just briefly about Ontario? Just briefly. Ontario. Well, let's get to Ontario. Deficit: \$9.726 billion, \$983 per capita. It's the highest per capita, Mr. Speaker, certainly very large by comparison.

If you total all these deficits, they're getting very close to \$46 billion. And what do we have here in Alberta? A balanced budget. Let's remember what these deficits really are. These deficits are deferred taxes, Mr. Speaker, taxes which are going to be paid by others, probably by successive generations. My children are going to have to be responsible for these taxes at some point or the Canadian portion. Everyone's going to have to pay these taxes. It's a very large burden on the Canadian taxpayer, and to some extent it's probably why the Canadian dollar is still high today, because these governments have to borrow on capital markets and bid up the price of Canadian dollars to attract the foreign investment necessary to finance this vast amount of dollars. Now what happens when you run deficits? Derek, you're going to miss this great point.

What happens when you run deficits? Well, we have said here – and we laid out a very clear plan in 1986 to balance our budget. It's now done. It's balanced. We're going to get on with maintaining the balanced budget, reducing the debt, Mr. Speaker, over the next few years, start buying down the debt. But what do we find here? I happen to have in front of me – and I want this in the record because Albertans should know what it is the socialist government of Ontario has done.

MR. McINNIS: They ain't done nothing yet.

MR. JOHNSTON: That's right. They haven't done nothing yet. Putting aside the grammar, the message is clear. They haven't got on to taxing capital and taking away the homes of the young Ontarians. In fact, as is written in one of the newspapers, the ND Party is "scaring off jobs, investors." The ND Party's scaring off jobs and investors in Ontario. Now, I'm only quoting some sage person across the way who is good with hand signs. That's how I got that signal.

AN HON. MEMBER: Smoke signals.

3:50

MR. JOHNSTON: Smoke signals and hand signals. My goodness. What kind of communication we have here.

Well, let me just put into the record what we have. May 16, 1991; this is a Dow-Jones capital markets report:

Moody's Investors Service Inc. said it lowered the rating on the province of Ontario to double-A2 from triple-A.

Now, that's a surprise, Mr. Speaker, one of the strongest "have" provinces in Canada downgraded not one step but two steps, down to a very low level compared to what it has been. They went on to say, and I'll quote directly:

Recently enacted budgetary measures portend a new period of fiscal direction, with structural changes to the base budget.

Now here's the catch:

This course of action will result in unprecedentedly large deficits for the province and a rapid, although still manageable, accumulation of direct debt in relation to both the size of its budgetary operations and resource base. The province's future financial flexibility will be diminished.

Now, that's essentially what Moody's has said. That's not my entire view, but that's what happens when you have a socialist government in a fiscal way running the business of a province.

AN HON. MEMBER: Or not running.

MR. JOHNSTON: Or not running is more likely it. That's right.

May 23, 1991, Mr. Speaker, again Dow-Jones capital market: Dominion Bond Rating Service said it has downgraded province of Ontario and Ontario Hydro.

One quote here: "Intensified by the high taxation/high expenditure policy." We had no choice but to downgrade the province's credit rating. "High taxation/high expenditure": Tax, tax, tax, spend, spend, spend.

One more, Mr. Speaker, because there are three major rating groups here. Standard and Poor's, May 28, 1991, again downgrading. One quote here:

The province's direct debt is projected to almost double between fiscal 1990 and fiscal 1995 . . . rising from 84 PC of revenues in fiscal 1990 to about 135 PC in . . . 1995.

There you have in a nutshell what happens when the world capital market sees this kind of profligate spending, lack of fiscal discipline, lack of a plan, and the absolute articulation and policy position of a socialist government. That's essentially what happens, Mr. Speaker, and that's why it's so important for us here in Alberta to maintain this ambition, this direction, this goal subscribed to by all Albertans to reduce the size of the deficit, to get it down . . .

AN HON. MEMBER: Not all.

MR. JOHNSTON: Well, not the socialists across the way.

. . . to a balanced budget, and then get on with reducing the debt. It's a sad story, Mr. Speaker, a sad story, but it's happening. Let's never let it happen in Alberta. That is going to be this government's commitment, and also our political commitment will be to never let the likes of the socialists across the way get their hands on the power of government, never let that happen.

Now, let me talk briefly. [interjections] Well, it's true, Mr. Speaker, I mean, as I've said before, the debate between socialism and capitalism is over, and socialism has lost. The people don't want to hear the name "socialism"; it gives them heartburn. Guess who said that? Jan Skoda, Czech Socialist Party, two months ago. They know what's happening in the real world. They know how their policies don't work. The utopian dream of socialism is ended, and we have to get on to the real way in which the market drives the economy, generates jobs.

[interjection] My colleague Mr. Payne confirms that clearly, from his constituents' point of view no doubt, I'm sure.

Well, there it is. That's a sad tale we have, but fortunately we can say that Alberta is the only province that has a balanced budget, and the capital markets, the measurement of world perception of a province's fiscal position, understand that vividly, specifically, and it responded.

Let me talk briefly about tax fairness, because that's the other side of the equation that we're dealing with here. Our government has maintained one principle as a guiding light with respect to taxation. We believe in having fiscal responsibility but throughout to maintain fairness and equity in the tax system. Now, we have done just that consistently in this government at least since 1971, and it's been confirmed just today, Mr. Speaker.

Let me look briefly at the personal income tax rates, because in updating the budget position, it's only fair that we put in place the personal income tax rates across Canada. Let me say that they range from 46.5 percent to a high of 62 percent of the basic rate based on the federal income tax amount. You know who's got the 62 percent; that's Newfoundland. Ontario, by the way, has 53 percent, including a 14 percent high surtax, and Alberta has the lowest personal income tax rate of 46.5 percent. No matter how you calculate it, our personal income taxes are the lowest in Canada. We maintain that as a clear value, as a clear objective, and our performance now has been confirmed, as all the other governments have rolled in with their new numbers.

On top of it, Mr. Speaker, here in Alberta we have included terms of fairness and equity of taxation. We have exempted close to 500,000 Albertans from the Alberta income tax charges. That is to say, about 200,000 or so are fully exempted by the Alberta preferential income tax arrangement, and another 250,000 or so have less income taxes paid because of our preference on our Alberta side. That deals with, in part, the regressiveness of the income tax in this province and in Canada. Of course, we're not able to control what the federal government does in terms of the fundamental rates and their own position, but we in Alberta, because of our strong fiscal position, can consistently stay with that principle.

Now, at the same time, we have also reduced a variety of other taxes across time. We've had to increase still further some of the consumption taxes because of the need to balance the budget and to maintain the high services. But we have not had to impose a retail sales tax like other provinces. Now, retail sales taxes range from a low of 6 percent in British Columbia to 12 percent in Newfoundland, and most provinces filter in around the 7 or 8 percent. Ontario is around 8 percent.

Other taxes, including gasoline tax: in Ontario, 13 percent. The highest is 13.7. Alberta is at 9 percent, and still further, Mr. Speaker, we could recite more of them. But let me turn to one other one, the small business rate. Now, we have always maintained that it's the small business sector, corporate sector, in Alberta that generates new jobs. I noticed just recently that Ontario has increased the small business rate, now at 10 percent. In Alberta the small business rate is 6 percent. Now, for a while there the socialist ND Party was trying to play some favouritism with the small business sector. Nonetheless, the socialist government in Ontario, the ND Party there, has increased, in fact, the small business rate in Ontario. That doesn't do much for their alliance with those people. The people in the private sector know, as do we, that it's the private sector that generates economic activity and jobs. You must count on them to be able to do it, and you must allow them to generate something called profits. Profits: that's how it works.

So in terms of equity and fairness, here in the province of Alberta we have established, I think, one of the fairest tax systems of any jurisdiction of its size in Canada. That doesn't mean that it's perfect at this point, and that's why Alberta has called for a significant change in the way in which the provincial income taxes apply. We think we need to have still further opportunities to address some of the remaining inequities in the tax system, and we think we can do that by going directly to taxable income calculation. We have called upon other governments to join us in this argument. We now see that the federal government is willing to listen to us; in fact, I would expect next week when we meet in Prince Edward Island with Mr. Mazankowski and all finance ministers, we'll talk more specifically about how we expect to address this situation. We have argued this, encouraged this, to ensure that equity takes place, and now we think we have an opportunity to achieve that in real terms. So on that side we're going to continue to address the equity question, the unfairness question, and we will continue to press for further changes still in the way in which the tax system is operating in this country.

But let me say that in my assessment and the assessment of others, looking at the province's tax system, it is the most fair system in Canada, the most equitable, and in fact it addresses the regressive section of other income tax provisions. It shows up in terms of retail sales per capita, in terms of the highest disposable income per capita of any province in Canada. Those factors would certainly support the fact that you're not taking the tax away.

Now, it does have an equilibrium. You can't continue to have the high level of expenditures and deficits, as other governments have done, because you have to finance it somehow, and that's usually by a personal income tax system. That's why you have to have the balanced budget. That's why there's a relationship between fiscal responsibility, monetary policy, and the question of taxation, and that's why we think we have led the way with respect to some of the policies we have here.

4:00

Well, I was very appreciative of the opportunity to have an update, Mr. Speaker, to confirm the direction of the assumptions in the budget, to confirm that our expenditures are on course. Again, I could give more details on the expenditures side. I won't at this point, but I want to conclude by saying that we have the finest province in Canada; the best economic regime; the greatest and strongest people resource that there is, highly educated. Access to systems: some of the best fundamental systems in Canada are here in our province.

My colleague the Minister of Technology, Research and Telecommunications talked already about the emphasis we have placed on research, on technology transfer, on stimulating the intellectual and academic activity in this province so that our young folk have a place to go when they graduate from our institutions. That's what's happened, Mr. Speaker. That's what happens. We have to maintain the fact that we do not want to burden them with a lot of debt, as other provinces have done. I think someone once said that you don't inherit this land from your forefathers, but you want to be darn sure you don't want to borrow it from your children. That's what you'd do if you have a legacy of debt; you would borrow it from your children. They would have the responsibility for paying that debt back. Let it never happen in this province. Let's maintain this fine, strong province of ours, and let's get on with building a strong economy, because that's what this government stands for, and we won't be detracted by those naysayers across the way, those

socialists who have no real game plan, whose only role in life is to criticize.

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

Speaker's Ruling Closing Debate

MR. DEPUTY SPEAKER: Order please. Members of the Assembly, pursuant to *Beauchesne* 466(2) the Provincial Treasurer has in effect closed debate. Therefore, the Chair is asking for unanimous consent of the Assembly to go back to our normal procedure of allowing other interested persons to comment on what the Provincial Treasurer has had to say. Is there agreement to that?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

The hon. Member for Edmonton-Kingsway.

Debate Continued

MR. McEACHERN: Thank you, Mr. Speaker. I would like to point out that at the moment that the Deputy Premier was about to sit down, I was on my feet and should probably have been recognized ahead of the Treasurer, so I thank the people for at least recognizing that it was our turn to get in on this debate and giving me that chance.

I want to rebut, of course, some of the points made by the Treasurer. I would start by agreeing with him on one point: we do have a province with extraordinary resources and extraordinarily resilient people. It is unfortunate, however, that we've had a Conservative government for 20 years that has squandered the resources in an incredible way. It's quite extraordinary that the Treasurer can stand there and talk about debts. The way the Treasurer talked about the debts of this province and claimed that he has a balanced budget, when everybody knows he does not, is incredible. This Treasurer has stacked up a \$12 billion deficit as of March 31, 1991, exactly equivalent to the heritage trust fund. It took us 10 years to build the heritage trust fund when we had more oil money than this government knew what to do with and squandered rather badly in those years, allowing things like the Principal fiasco and the North West Trust cover-up and all those kinds of things to happen, and in six years it has blown the heritage trust fund in effect for the people of Alberta. This government will be turfed out of office at the next election because of these kinds of policies.

Now, I want to go back and take a more measured analysis of what goes on with the budget. I want to start by saying that the 25 days of debate that we had on the full department estimates are not adequate. Some of those departments, like health care, spend around \$3 billion, and we passed that in this Assembly after one day's debate. That is totally inadequate. The government really should take away that 25-day limit on the 25 departments so we can have more time on some of the major departments to debate them fully.

The other thing that I have to point out is that the budget as it's presented is also really not adequate information to work from, and I'll just do a quick and simple example. If you turn to TR and T estimates in the element details, the supplementary information to the budget, for example – which gives more details than the big budget document itself, or at least is supposed to – and if you look at the vote 2 section, you'll find about 15 different categories. None of them are very specific; none of them tell you what's really going on. For example, vote 2.1.2, Electronics/Microelectronics is the headline: budgetary,

\$2.384 million; nonbudgetary, nothing. That's all the information there is in that whole Electronics/Microelectronics section. Now, that doesn't tell us whether some of that money goes to the microelectronic research centre or whether that money goes to some companies, and there is no way to tell from here.

You can skip down to 2.1.8, for example, Medical Research Support: again no indication of where that \$370,000 is going. Or 2.1.4, for example, Computers and Software: there's nothing in that section. If you go down to the bottom of the page and see 2.2.4, again Computers and Software: again nothing in that section. Yet this government gave a considerable amount of money to Myrias during the last fiscal year, which is also recorded here on the side.

Now, what that tells me – and the same is true in the Treasury Department and in the Economic Development and Trade department – is that these estimates are not where the action is with this government. I mean, the estimates for TR and T were some \$65 million, I believe, and Economic Development and Trade some \$70 million – I forget what Treasury was, off the top of my head – but the dollars spent in those departments do not reflect the commitment that this government makes with taxpayers' dollars in terms of loans, loan guarantees, or investments. The public accounts book shows that in the '89-90 fiscal year, for example, the government had put out over \$3 billion – I think it was \$3.2 billion or some such number – into loans, loan guarantees, and investments of one kind or another, some of it through program funding, some of it through ad hoc funding. Yet the budget doesn't reflect all those dollars. Oh, sure, a couple of years down the road when we get the public accounts, it sort of records some of them, but not very specifically, or not specifically enough; for example, with the export loan guarantee program, where they will not say what companies got what money.

The budgetary process in this province is totally inadequate, and the government really should be able to do better than that in accounting for the taxpayers' dollars.

I want to go specifically to the Bill and talk a little bit about schedule A, for example, which records – this is on page 1 – that the government is asking for supplementary requisitions for last year of \$594,026,808.30. We know by now that whenever the Treasurer brings in a budget, he's going to ask for a lot more money during the year and that the final expenditure is going to be quite a lot larger than the budget projections. Now, that practice is probably going to be worse this year than ever before, and I'll explain why I think that, if you would just like to turn to the budget speech, the book the Treasurer reads out of when he brings in his budget and brags about government policy and how wonderful everything is. You know, I wish they'd quit saying how wonderful everything is and get on with some realistic assessment and really tell the people of Alberta where we're really at.

In terms of expenditures, for example, if you look at page 36 of the Budget Address, what you find is that they'll show the actual expenditures of '89-90, then the estimates for '90-91, and a forecast for '90-91. There's a lot of useful information in the Budget Address book, but you've got to know how to read it to get past the kind of nonsense that this minister likes to pass off to the population, in order to see what's really happening. Then he does the estimates for this year, and whenever he talks about the comparisons between this year and last year, he always compares this year's budget to last year's budget, even though sitting right beside last year's estimates is last year's forecast, which was done near the end of the year and should be a much more accurate reflection of what really went on last year. In

other words, it should include that \$600 million of supplementary requisitions. And it does, because if you look at the estimates for 1991, the Treasurer had projected that he would spend \$12.2 billion. However, in his forecasts he admits that he spent \$12.98 billion. That's an increase of \$782 million, more than even the supplementary requisitions indicate, because of course there were probably some statutory expenditures involved in that expenditure figure.

4:10

So now the Treasurer has the gall to try to tell us in his budget for this year that he's going to get by on \$12.58 billion. That's a reduction of some \$400 million from the forecast of last year. Now, when we know that last year he couldn't hold the expenditures to what he said he was going to hold them to – he had to spend an extra \$600 million – to believe that he can actually cut back \$400 million this year is sheer nonsense. I mean, he likes to talk about fiscal responsibility, but in fact he will not succeed. The major items – Education, health care, social services, Transportation and Utilities, Municipal Affairs – all got an increase. He can put in figures and say that he's going to cut TR and T and he's going to cut Economic Development and Trade and he's going to cut Career Development and Employment, and he's cut all the business departments, but it isn't the money they spend in their departments that's the problem in this province; it's the money they spend with the minister's say-so and then the cabinet approval behind closed doors and the secret spending of billions of dollars. The government isn't going to spend less money, and claiming that he's going to cut those particular departments is not going to be very helpful in maintaining the economy of this province, particularly as there are cuts in career development and retraining programs that career development cut.

So on the expenditure side the Treasurer is in trouble. He has tried to claim that he is only going to spend a billion dollars on servicing the debt. That may be the case if interest rates stay down or come down even more. However, he can hardly at the same time claim that the \$12 billion in the heritage trust fund is going to generate 1 and a half billion dollars. If you turn to the revenue pages, that's what he's claiming.

He talked a bit about fair taxes a while ago, but he might notice on the revenue page in the taxation section that he's indicating that personal income tax is going to go up by a considerable amount of money. Now, that means that he's saying that the economy is going to continue to boom and do fairly well. Well, I want to take him up on the points he made about that. He was bragging again that his 1.5, 1.6 figure for growth this year is the right one, yet it's only a couple of weeks since the Conference Board of Canada revised their analysis of what's going to happen and said that the growth in Alberta would be .4 percent for this year. In fact, the Minister of Economic Development and Trade knew that two days before he did his last press conference and quoted this number, just as the Treasurer stands here and quotes this number of 1.5 or 1.6 growth for the year. They should at least be consistent and look at all the figures and come up with a composite one of the number of different . . . They're quoting the Conference Board, saying that the 1.5 figure came from the Conference Board. They should at least get their facts straight and stay up to date on it and be honest when they put out the figures rather than just picking the highest one over the last four months. They should at least pick the last one.

Now, the Treasurer purported to tell us that the revenues are sound. He talked a bit about oil and gas. I'd just like to remind

this body that I have twice this spring outlined the Treasurer's projections in oil and gas for the last three years. Out of those six figures, on every one of the guesses he was wrong every year except once, and that was because of the Gulf war last year, which he had no possible way of anticipating or knowing was going to happen. He got a little bit more oil revenue last year than he anticipated. All the other figures in gas and oil he overestimated how much he would get in all of the last three years. So how he expects us to believe that gas, which is now trading at \$21 a barrel, is somehow going to generate \$23 a barrel average – you know he's dreaming. Sure, we're selling more gas to the United States; it's one of the reasons that our exports are up. I mean, some free trade deal: we're selling away our gas to the United States at fire-sale prices, and we're not getting any more money out of it. You know, this gas bubble in the States has been bursting for five years. It's still going. And now we've got a Mexico trade deal, and they've got cheap gas. That bubble doesn't look like it's ever going to burst, yet this government keeps promising and promising.

So, Mr. Speaker, the Treasurer's estimates of revenues are about a billion dollars overblown when you take all the three or four things into consideration that I've talked about. There is one more that I didn't mention. The bonuses and sale of Crown leases are not matching what the Treasurer said they would up to this point in the year, and probably will not. I mean, anybody looking at the numbers over the last few years would say that his estimate was probably \$150 million high, and it will come out that way.

Mr. Speaker, the Treasurer will have a deficit this year of 1 billion to 1 and a half billion dollars in spite of all the nonsense that he claims, and last year when he claimed to have a \$1 billion deficit, his own figures belie that. I mean, all you've got to do is turn to page 38 of this book and see that his net cash requirements are 1 and three-quarters billion dollars. All you've got to realize is that he's got \$195 million in there from the feds that he didn't get and that he did not include the heritage trust fund, and you know that the deficit for 1990-91 is going to be \$2.1 billion, or very close to it.

What this Treasurer should admit is that the oil price shock of 1986 touched off a series of debts in this province which he has not coped with. The first year it was a \$4 billion deficit, the second year it was a \$1.4 billion deficit, and the last three years have all been very, very close to \$2 billion: \$2.02 billion for the first of those three years, \$2.34 billion for the second last year, and last year \$2.1 billion, as I just illustrated a minute ago. So we have an institutionalized \$2 billion deficit in this province which this government has done nothing to deal with other than tinker a little bit and then get up and try to say we have the best tax regime in the country and we have the best of this and that and we have no sales taxes. We've got at least four sales taxes. We've got a sales tax on gas, we've got a sales tax on hotels, we've got a sales tax on cigarettes, we've got a sales tax on liquor, and there are two or three more that I can't think of off the top of my head. We've got \$60 million in fees that we charge all kinds of people.

You talk about small businesses. He was bragging a minute ago about this. Actually, small businesses are getting rather cheesed off with the kinds of charges they're being faced with these days. A couple of years back the government decided to just charge one big fee to incorporate a company and then there weren't going to be any further charges for things, yet recently they've reinstated charging them for filing their annual report. They're quite resentful of it; I've heard this from a few businesspeople.

These are the kinds of things that make one wonder if the Treasurer is really living in fantasyland or not. It's time that they abandoned their "everything is wonderful" approach to how we run this province. It seems like they've got to stand up and say, "Everything is fantastic; everything is wonderful," and put such great political pressure on the whole debate that it's very hard to settle down and have a reasonable debate of the numbers and the facts and an exchange of ideas about how and what we can do about these things.

The minister took great delight in talking about Ontario, so I am going to make some comparisons for him just a little bit so that he doesn't feel too lonely in his discussion of that debate or think that we on this side of the House are prepared to shrink from defending our brothers in Ontario. The fact of the matter is that the mess that Ontario is in is not the result of anything that the New Democrats have done yet. They have just started, and they will sort out the mess, the mess they've inherited from the Liberal Party and your federal cousins, the Conservatives, who ran high interest rate policies in this country until they forced this country into a recession: a most extraordinary monetary policy that is totally uncalled for and just hard to believe.

AN HON. MEMBER: You mean the Conservatives had something to do with this too?

4:20

MR. McEACHERN: The Conservatives federally had this high interest rate policy which even this government protested, but totally inadequately, I guess, because they continued to run it for far too long until the economy of this country has gone into a tailspin.

The other reason for the Ontario troubles is the free trade deal. This government jumped into the free trade deal; you know, we had to leap through this window of opportunity without any idea of where we were going to fall. They never did one study; not one study did this government do that they were prepared to release. I don't believe they ever did even one, yet they said we must do this quickly and now without stopping to think because, I mean, after all, Ronald Reagan may only be president just so long. Did they not understand that Ma Thatcher and Ronald Reagan led this country and this world in the wrong direction, that we're building a vicious . . . He talks about capitalism succeeding, but the fact is that the big corporations' agenda is not exactly a kindly philosophy or way of running an economy. Just in case he hadn't noticed, the Treasurer should take note of that. If he thinks that he's going to get more control and more say about the Alberta economy in a free trade deal that's really an economic union with the United States, then he's dreaming. If you move political power from Ottawa to Washington and financial power from Bay Street to Wall Street, Alberta is going to have even less say in its economic activities and how it operates as an economic unit.

For the Treasurer and this government to jump into a free trade deal which Brian Mulroney told them right from the first would bring with it some tax reforms – namely, heaping more taxes on middle-income people. Yes, taking a few off from the lower end of the tax rolls, but not very many, and setting up a society where rich and powerful corporations and wealthy people would be taxed less – people over \$100,000 are being taxed less now than they were before the tax reform – replacing the progressive income tax systems that we used to have in place at one time in large part, or at least to a certain measure, with a goods and services tax: if he thinks that's going to improve the

economy of this province or of this country, then he's just wrong, that's all. For this government to support a free trade deal knowing they were going to get a GST and then later claiming they don't want the GST and that they're upset about it is just totally hypocritical. There's just no justification whatsoever for this Treasurer now wasting taxpayers' dollars to go to court to try to stop the GST when he knows darn well that he's already lost the fight. It's amazing how long it took him to get around to bringing that lawsuit. Why didn't he do it right straight off before it was ever implemented? No; he dallied and dallied and dallied, and kept telling the people of Alberta how he was against the GST.

It reminds me of the Reform Party. The reason the Reform Party exists in Alberta was because of opposition to the GST. Now they're all in favour of it. I noticed the other day they forgot to tell Ace Cetinski. He was still saying he's against it and thinks it's the most vicious tax ever. It's certainly true on that point, but his leader, Preston Manning, hasn't been told yet, I guess. You know, if we're going to jump from Tories to real Tories – that is, the Reform Party – God help this province.

Now, the Treasurer likes to talk a lot about how this economic plan in Alberta, which has not produced the balanced budget he claims it has, has diversified the economy of Alberta. Mr. Speaker, the diversification of this province has been done by the small businesspeople of this province with almost no help from the province of Alberta. The province of Alberta has bought the philosophy that what is good for Imperial Oil is good for this country and good for this province. Now, we happen to have oil in the ground. Imperial Oil is an integrated worldwide oil company, and its interests sometimes coincide with ours and sometimes they don't. What you have to do as a government is protect the interests of Albertans, the owners of the resource. But this government has chosen to say that deregulation and free trade, a commitment to exporting our raw resources to the United States at an incredible rate and with no right to stop doing that even in a time of shortage, is the way to go. I find that extraordinary. In fact, you can't help wondering why they didn't learn their lesson in oil and decide to try to diversify the economy with a different technique. But no, the same blinkers are still on.

They jump into the pulp industry in the same way that they jumped into the coal industry and in the same way that they have allowed the multinationals to control our oil industry. I mean, it didn't take a genius to see that once we got more pulp mills built in this province – why we would build just pulp mills and ship off raw pulp to Japan so they can turn it into paper and sell it back to us and the Americans, I can't understand. Why didn't we insist on some paper mills instead of just pulp mills? Oh, no, it's okay to use taxpayers' dollars, \$400 million, for a loan guarantee for Al-Pac to go ahead and mow down our forests, pulp everything, and ship it to Japan. Already the price of pulp is dropping. The dollar value of the exports of pulp last year was down from the year before, yet we're in the process of expanding the number of pulp mills in this province, polluting our rivers and endangering the lives of all the people downstream, using taxpayers' dollars. Giving taxpayers' dollars to Mitsubishi – I mean, that's really sensible, isn't it?

MR. CARDINAL: Get them on welfare, Alex. Maybe . . .

MR. McEACHERN: Well, Mitsubishi is on welfare. Mitsubishi's on welfare all right. So's Cargill on welfare. Why would we give money . . .

MR. CARDINAL: Most Indians are too, and they want to work.

MR. DEPUTY SPEAKER: Order please.

MR. McEACHERN: Yeah. Well, your government's been in power for 20 years and hasn't done anything about it yet. You just sold out when you joined them, that's all. I don't know how you can be so ignorant. It's just incredible.

If we're going to . . . [interjections] Sure, we will get a little bit of a bang out of a few capital project jobs right now. That's what's helping to hold Alberta – I make no bones about it – from being in as deep a recession as the rest of the country, but it's temporary, and we have not had the big boom period . . . [interjection] Well, it's temporary in the sense that the capital projects to build these pulp mills only last so long, and then you have to get down to the economics of what it is that you're doing. The pulp is not coming through with the money, and it won't in the long run. We're mowing down an incredible number of trees so Japan can have cheap material to make their paper. It doesn't make any sense as a way to develop our forest resources. There are a lot of other aspects to forestry development that would make much more sense. We could do it with local people, local capital, and much more diversity of use of our forest resources.

I don't understand why this government would jump into the pulp mill industry in the way they did and then claim it's a wonderful diversification policy. It's going to be a bust. It has, as I said, probably for the moment stopped Alberta from falling as deeply into the recession as the rest of the country, except for Newfoundland, by the way, which will be number one because of the federal government pumping incredible amounts of money into Hibernia, not because of anything that's fundamentally changed in Newfoundland itself. It's just the federal government pumping extraordinary amounts of money into oil companies to develop the Hibernia field, which may or may not prove to be an economic move in the long run. Probably not, because again it's relying on multinational corporations and huge amounts of taxpayers' dollars to subsidize them to do the industry.

I thought this government was supposed to be a private enterprise government. Now, if you really were, you'd put your faith in small Canadian entrepreneurs, not in huge multinational corporations and then give them welfare. I mean, that's basically the policy of this government: give welfare to big multinational corporations and hope that they will develop your economy for you. There are lots of economists that know better than that and have told the government not to do that sort of thing. It's typical with the loan guarantee kind of approach.

This government takes us into a free trade deal that is not good for our economy and then tries to make it so some Canadian companies can make it in that more difficult, that vicious competition that that free trade deal imposes upon all Canadians. Of course, the Mexico trade deal will be even more vicious, as our workers have to compete against the prices of wages in Mexico.

AN HON. MEMBER: No faith in the workers, eh?

MR. McEACHERN: I have a lot of faith in the workers. What I don't have is faith in the management and the governments that run this country.

We find this government then trying to get medium-sized companies to become big companies by sinking taxpayers' dollars into them. For instance, we'll take Myrias or GSR as an

example. The government was prepared to pump \$20 million into Myrias, \$30 million in GSR, and they should have known: either don't get into the game or else be prepared to play the game with the big boys. For instance, Myrias is competing against companies that can get \$130 million from the German government. So either you have to know that when you start and be prepared to put in the \$130 million or else you don't get in the game at that level.

Now, the Minister of Economic Development and Trade last Sunday on *Venture* said that he'd learned his lesson, and I guess it was that you shouldn't help little companies with venture capital. I think he learned the wrong lesson. That is the only thing that does make any sense if you're going to try to help get industries going: help your own local, indigenous businessmen get started on new industries and new technologies, but don't put millions of dollars – and eventually accumulate it, with a number of different companies, into billions of taxpayers' dollars – into trying to pick winners. You help them get started, but the idea's got to be good enough for them to be able to go commercial and take it from there with commercial funds.

4:30

What we've got is a government trying to pick . . . The Vencap model is sort of the typical way this government thinks. You pick a company and start putting money into it. Of course, you upset all the other companies that are competing with that company, because you've picked them out for special consideration. You try to get them to be big enough to compete with the big boys based in Japan or Germany or the United States. Well, it isn't going to work as a technique for developing the economy of Alberta. What you've got to do is start helping your own people back home, the little guys, the ones that are Canadians, the ones that are Albertans, the ones that are prepared to pay the taxes in this country to pay for our roads, to pay for our schools, to pay for retraining, which we need most desperately.

I could not believe the Minister of Federal and Intergovernmental Affairs the other day when he pooh-poohed the idea of a social charter as part of the free trade deal. I mean, if we're going to go into a North American economic union, which is basically what he's asking us to do with these fast-tracked talks with Mexico and the United States for a North American free trade association, you're going to have to have some protection for the workers or Canadian salaries and Canadian social services will drop down to the Mexican level. The Mexican level will not come up to our level, as he expressed the hope that they would. I mean the hope that they will rise to our level if we don't do something very specific besides just have big corporations buying and selling and using technological change to beat up on the workers as they've been doing for the last three or four years, particularly since the free trade deal has been talked about and is now in place. That's the agenda of the big multinationals. It's a vicious type of economy which is not cost-efficient or cost-effective. It is not cost-efficient or cost-effective for this country to lay off people and put them on welfare and export the jobs to the southern states or Mexico. It does not make any sense, because then you don't have a tax base to work from.

MR. DEPUTY SPEAKER: Order please.

The hon. Member for Edmonton-Mill Woods.

MR. GIBEAULT: Yes, Mr. Speaker. I am pleased to get in a few words on the second reading of Bill 46 today.

Speaker's Ruling Speaking Order

MR. DEPUTY SPEAKER: Excuse me, hon. member. The Chair made a mistake. The Chair meant to recognize the hon. Member for Edmonton-Whitemud because he had contacted the Chair earlier, and in the system of rotation it wouldn't be fair.

Would the hon. member concede to the hon. Member for Edmonton-Whitemud?

MR. WICKMAN: Thank you, Mr. Speaker. With the permission of the Assembly, because our critic of the provincial Treasury was unavailable this afternoon, myself and the Member for Westlock-Sturgeon would like to kind of do double duty. I would like to speak for 10 minutes and allow him to speak for about 10, thereby saving the Assembly about 10 minutes total, with your permission.

MR. DEPUTY SPEAKER: Well, it would have to be with the permission of the Assembly, hon. member.

MR. WICKMAN: I'm asking the permission of the Assembly.

AN HON. MEMBER: For what?

MR. WICKMAN: For me and Nick to split.

MR. DEPUTY SPEAKER: Order please. Would the Assembly agree to that?

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: The Assembly wouldn't agree.

AN HON. MEMBER: So now we're going to get 20 minutes of him. Lucky us.

MR. WICKMAN: Half an hour.

Debate Continued

MR. WICKMAN: Mr. Speaker, I think when we look at this budget, if there is a description, I guess a one-word description to try and find some proper terminology for it, I would describe it as a disaster. I listened with interest to the comments of the Provincial Treasurer as he went on and he went on and he went on. It was almost like he was anticipating or optimistically hoping that somebody would come in and hand him a note saying that the world price of oil had gone up 30 cents, whatever, in that period of time, hopefully giving him a little bit of light at the end of the tunnel. Because that light certainly is not there when one takes a look at that document, when one takes a look at the so-called balanced budget. When one looks at the fudging involved with those particular figures, it is not, in my opinion, a balanced budget.

I'll point to a number of examples. I guess when one talks in terms of a balanced budget, one talks in terms of a budget that is going to be balanced in the sense that it is going to have some stability to it. In other words, what occurs this year is compounded by next year. You have to create stability within the budget by laying down a concrete foundation so that budget next year can fall back onto this particular budget.

There are certain aspects of this budget that was introduced which are impossible that relate to this Bill 46; for example, the transfer of \$225 million in lottery funds. That opportunity isn't

going to be there next year to again transfer \$225 million in lottery funds, so that's kind of like a one-shot, band-aid approach, hoping to get over this particular year. You combine that with a number of other things that have occurred in the budget like some of the proceeds from the privatization of AGT or Telus: a substantial impact. You combine that as well with the impact of some of the dollars that would have been more properly capitalized in other areas such as the capital budget or the heritage savings trust budget. Another factor that one has to look at is the projected world price of oil and the so-called projected revenues from natural gas. Now, the world price of oil – virtually every expert that I've heard, virtually every expert that has made projections, projects an average world price of oil of \$21 a barrel. The Provincial Treasurer in his particular budget, if I recall correctly, based it on \$24 a barrel.

When you look at this whole number of various factors that are involved, the experts will analyze that budget – and when I say experts, I mean people that make a habit of studying economics, that know what they're doing, that look at the books and don't simply get up there and shuffle shoes a bit and try and make with some fancy talk. They talk in terms that this budget is in fact a budget that faces, or would translate into, a \$1 billion deficit in real terms. Discounting the factors that have been pointed out, taking away those bandages that the Provincial Treasurer has tried to apply to the budget, the real deficit is \$1 billion.

When we look at that particular approach to fiscal responsibility or the management of the resources of Albertans, and we combine that with what's happened in previous years, and we talk in terms of a deficit, an accumulated deficit that is now in the neighbourhood of \$10 billion, \$11 billion, possibly as high as \$12 billion – but let's say a \$10 billion or \$11 billion deficit that has multiplied by approximately 20- or 21- or 22-fold since this particular government has been led by the current Premier. It's only six years ago that we saw a deficit of half a billion dollars, \$500 million. Now we talk in terms of a figure that is 21 or 22 times as great. We also add to that the growing unprotected liability of pensions. We add to that the deficits that are there amongst the Crown agencies that are controlled by the provincial government: the agencies, the corporations, and such. Then we start talking in an overall ballpark figure of a deficit of \$23 billion or \$24 billion. As to how anyone can sit back there and call that proper fiscal management, Mr. Speaker, I'm not sure at all.

I believe the most difficult part, the most harmful part of this whole budget and the feedback that I've heard from people within Edmonton-Whitemud, the taxpayers of Whitemud and other parts of Alberta that I've traveled to, is that in exchange for their tax dollars, in exchange for the taxes they pay through sin taxes, through personal income tax, through oil revenues, through user fees or whatever the case may be – even going out and buying a lottery ticket – they expect out of government that those dollars are going to be spent in a fashion that is going to preserve the integrity of fiscal responsibility. This Provincial Treasurer has certainly demonstrated that up to now he has not had the capability or the desire to do it.

4:40

In addition to that management of fiscal responsibility, taxpayers will say, "Because of the amounts of dollars that we do pay out . . . And our taxation in Alberta, let's face it, is getting to be more and more substantial all the time. When one does their income tax, we see the federal income tax and then we see a provincial bite of 46.5 percent of the federal amount. On top

of that we see one surcharge and then another surcharge if one's provincial tax is over a certain level. So by the time one is finished, one can very, very easily be paying 50 percent provincial tax as compared to federal tax.

In addition to that, one has to look as well at the other revenues that taxpayers provide to the province of Alberta, whether it be through direct taxation or indirect taxation, and those dollars are very, very substantial. In return for those dollars, taxpayers say, "At least provide us with a level of service that is sufficiently high, that is stabilized, that assures us of certain things so we have a measurement of government, we have a measurement of the efficiency of government."

Of the three, Mr. Speaker, to the Provincial Treasurer, that repeatedly come back – that Albertans out there, the taxpayers out there are disgruntled with, that they are fed up with and are unhappy with because they see those services deteriorate more and more and more as each year goes by – on a long-term basis or an ongoing basis the most common is probably health care. I don't believe there's any Member of this Legislative Assembly that has not had the opportunity to sit down with a number of people and hear cases, sad tales about the lack of beds, beds that are closed, the lack of opportunity to access a health care facility. Because the budgets have been cut so dramatically, the health care facilities and the care givers are no longer able to provide that service. It's changed.

For the thousands of dollars that the average taxpayer contributes to this government, that average taxpayer expects in return the right to be able to access a high-quality health care system. At one time in the province of Alberta we had a health care system that we could be relatively proud of, but that's gone. That has deteriorated to the point that there are cases out there of people being unable to access the health care system, of senior citizens lying in hallways in places like the Royal Alex hospital because there aren't beds there while they wait to get admitted, waiting there for hours and hours on end while we see some health care facilities in parts of rural Alberta that may have as little as one, two, or three patients in that entire facility. This government has not shown health care to be a priority. They have not demonstrated that they have enough concern about the health care of Albertans to come to grips with that particular, what I call, essential service.

Second to that is education. Whether one goes into the schools and talks to students, talks to teachers, whether one goes to the university and talks to profs, support staff, or parents, and most importantly parents, it is said more and more and more that the educational system is deteriorating in the province of Alberta at the same rate that the health care system is deteriorating. We see it at the elementary level; we see in the junior high school system and the high school system, where students are forced to repeat grade 12 a second time because there isn't access to the postsecondary system. I will say, Mr. Speaker, that there have been advances made in the elementary level. I'm quite proud of some of the schools in Edmonton-Whitemud. The minister has pointed out St. Mary, and I was proud to participate in the opening of that particular school. But let's do more of that. Let's build upon what is there, but let's address in particular the postsecondary educational system, where students are crying out that they are having difficulties accessing it because of the quota system, because of the high standards, because of the lack of facilities.

The third area, Mr. Speaker, that I believe hits home to all of us is the level of social services. I believe that most of us are prepared to accept the fact that there are disadvantaged Albertans, those Albertans who may not have the same opportu-

nity that many of us do, do not have the same opportunity to access jobs, training, retraining, whatever the case may be. They ask other Albertans, they ask taxpayers, they ask government to provide for their needs during periods of time when they can't themselves. When we talk in terms of the basic core of social services, I guess it's best demonstrated on that particular level by the deterioration as well of what's happened with the programs for senior citizens throughout this province. We've heard that repeatedly in this House, that there is a deterioration in this area.

So, Mr. Speaker, it's very, very clear that in three areas the level of service that the taxpayers are asking for which the government should be providing is not being met: health care, education, social services. On that note alone this budget is a failure, a complete failure; it's a disaster. You combine that with the information in that budget; that is not going to reflect in reality a year down the road. There is no other way to describe it than as a disaster. There are the young people out there, the young people coming out of the university. The U of A: 4,500 students graduated, and we hear job prospects for them are very, very dim, because there has been no attempt within this budget to stimulate employment opportunities or to create work or further diversify the economy to allow for those opportunities.

On that note, Mr. Speaker, I'm going to conclude. My colleague from Westlock-Sturgeon I guess farther down the road will have the opportunity to make his remarks on the particular aspects of the budget that he wants to talk about.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. I would like to also enter the debate at the final opportunity to debate the budget before it passes into the great beyond. I think the Member for Edmonton-Kingsway has done a masterful job explaining how over the years the Treasurer's numbers in forecast do not turn out to be so accurate in retrospect, with the single exception of the Gulf war hostilities. It took a global conflict to make an honest man out of the Provincial Treasurer for once in his career as a Treasurer. I think the Treasurer himself spilled the beans when he stated that his purpose in rising in the debate today was to confirm the assumptions that are in the budget, because in fact that's what we have, a lot of assumptions. And if you assume that the budget is going to be balanced, then it's balanced.

MR. PASZKOWSKI: What is a budget?

MR. McINNIS: The Member for Smoky River asks: what is a budget? A budget is a forecast of revenue and expenditure based on realistic information and on policy decisions made by the government. I think there are deficiencies on both scores. I don't wish to dwell on the material already dealt with by Edmonton-Kingsway. It is a fact that the forecasts of revenue are often generated for the purposes of producing a bottom-line outcome. I can see the staff of the Treasury plugging assumption after assumption into the computer, seeing which ones will produce the number zero or a positive number at the bottom line. It is, I suppose, a coincidence that the budget is at or near the zero point, within a very small fraction of a percentage of the zero point. If you keep on plugging in assumptions, you're bound to get to a zero point sooner or later.

My concern about the budget, apart from the fact – I mean, the budget has not been balanced at this point. A set of

assumptions has been put forward, and if all the assumptions prove to be true, then maybe there'll be a balanced budget. But we'll wait and see at the end of the year whether in fact the budget has been balanced. The projection is also balanced by the reclassification of revenue. You take funds which have previously been lottery funds and reclass those as general revenue funds; that helps to influence the bottom line as well.

Well, my concern about the budget as an overall statement of direction for our province is that it's deficient in several respects. I think the Member for Edmonton-Whitemud put his finger on the difficulties in the areas of health, education, and social services, which are among the paramount responsibilities of a provincial government under our Constitution. Now, it is a reality in this country, Canada, that the federal government has been withdrawing from its commitments to health, education, and social service programs over a number of years, and those cuts are really starting to bite right now. I think in fairness we should recognize some of the dilemmas put on the Provincial Treasurer and the entire provincial government as they attempt to cope with federal cutbacks at a time when the needs of people for services are certainly not being cut back; in fact, they're growing in many respects.

4:50

Different governments take different approaches to these problems. The approach of the provincial government in Alberta is to make generous revenue assumptions to influence favourably the bottom line, but it's also to cut back on those vital services at a time when they're needed. That's certainly not the approach taken by the government of Ontario at the present time. They're prepared to take responsibility for it. If the Treasurer had read the entire statement by Moody's Investors Service, he would have seen very clearly that the rating agencies recognized the cautious nature of the projection of revenues and expenditures over a period of time, the fact that these assumptions about revenue especially were on the conservative side, if I can use that language. They were not unrealistic; they were not designed to pump up a bottom line and try to make things look good for the voters. So they recognize that, and I daresay that if a similar analysis were done by those investment agencies of this government, they would find that the assumptions made are wildly excessive.

That's one facet, but the other facet is that the government of Ontario decided not to go the cutback route, not to sacrifice humanity in order to make the bottom line more appealing in the short term. Now, I recognize that there will be those who will criticize and misinterpret and distort that, but we'll see where they are a few years from now; we'll see where Alberta is a few years from now. Perhaps that will be a better way to judge.

In particular, I think this budget lacks any real foresight in terms of what the nature of Alberta society will be 20 and 30 and 40 and 50 years down the road. That's really, I think, the signal failure of the budget documents in front of us. It is a cutbacks budget, it's a budget which manipulates assumptions to produce a bottom-line number, but it's also a budget that's particularly deficient in the area of building toward the next economy.

The next economy in Alberta will be based in part on forestry development because that's, for good or ill, the course that's been charted by this provincial government over the last several years. The signing of eight or so forest management agreements covering one-third of the landmass of the province of Alberta, the licensing of six major polluting pulp mills in the province of

Alberta – and why is it, hon. members, that Alberta, aside from the southern United States, is the only place left on this earth where they host the chlorine bleached kraft pulp industry? Why is it that neighbouring provinces in particular require zero effluent before they will license pulp mills? Why couldn't we get nonpolluting projects in the province of Alberta?

We had in this session, albeit unauthorized, a release of information from the Alberta forest service about their view of the dog's breakfast that they're being required to administer courtesy of the politicians in the provincial government. The fact is that there's been a sixfold increase in forest lands put under direct management control of the international pulp industry. The fact is that the government has already agreed, on the basis of zero public input, on the basis of very inadequate studies, on the basis of no research whatsoever, to a doubling of the annual allowable cut in those forests. The same forest industry which has slashed and burned its way through British Columbia and southeast Asia and the tropical regions of South America is now being invited to Alberta and being given all kinds of guarantees of what they'll be allowed to cut. Guarantees of harvest under forest management agreements, guarantees of loan obligations through the Treasury: guarantee after guarantee for the pulp industry, but nothing to ensure that Albertans will be informed and involved in those decisions.

You know, this government woke up rather too late to the fact that people were upset that they hadn't had an opportunity to have a say about what happens to this third of our province which is being signed away in forest management agreements. They announced a public involvement program after all of the agreements had been signed. Well, the Alberta forest service tells us that the public involvement program is a total waste and a scam because there are absolutely no resources, no personnel, nothing committed to informing the public, let alone involving them in decisions. In fact, nothing has changed. It's still the same old game played by professional foresters, professional bureaucrats, and professional politicians. It's not good enough. This budget has failed to address that question, in a way which, according to the Alberta forest service, amounts to a breach of the public trust. Breach of the public trust, Mr. Speaker, is the strongest language I've ever heard from government officials in description of the operation of government programs on a day-to-day basis. In violation of the legislative mandate, the legislation is currently written in breach of the public trust. Here they are on one hand saying that we're going to involve people in decisions, we're going to have high environmental standards, and on the other hand they're doing absolutely nothing to carry out those commitments.

To say it's a PR sham I think is an insult to the venerable profession of public relations, where some hon. members have had past careers, including the Member for Calgary-Fish Creek. Public relations does not involve misrepresenting the facts to the public. It involves, perhaps, putting your side of the story forward in the most favourable light and perhaps even selecting information which will tend to make a point, but it doesn't involve saying one thing to people in a public way and doing quite another in private. But courtesy of the Alberta forest service, it's now been revealed that that's exactly what this government is involved in.

The area of recycling is one of the most bitter disappointments about this particular budget, because for two years now the Minister of the Environment has promised anybody who will listen to him for more than five minutes that there will be a comprehensive waste reduction and recycling strategy which will enable all kinds of things to be done. Anybody who has an

interest in recycling has been told: "Be patient. Watch for it. It's coming, the comprehensive waste reduction and recycling program." Well, what did emerge was nothing of that kind, Mr. Speaker. What emerged is a grubby little scam document which is entitled *Action on Waste*.

I think the title of that document is more than a little interesting, because in the fall of 1989 there was an unauthorized release of information from the Public Affairs Bureau in which that agency, then under the guidance of the hon. Member for Barrhead, said that the government really didn't have to do anything about environmental issues to obtain ownership of the issue: interesting language for public servants, public officials to use. In order to establish ownership of the issue, all they had to do was to get Albertans to buy into broad objectives and into some type of a process. They suggested using the term "action on environment" as a way to describe this bold initiative. Call it action on environment, throw out some broad and lofty policy objectives that people will buy into, then tie them up in all kinds of red tape, and you've got the issue won. Well, have a look at the *Action on Waste* document. It begins with the lofty, broad statement of policy that we're going to reduce waste by 50 percent by the year 2000, and then it proceeds to get bogged down in 'administrivia' obscuring the fact that there is no money to do anything under this policy. There is no activity planned which has any hope in God's Earth of achieving a 50 percent reduction in waste in the province of Alberta by the year 2000. Throw out a broad policy objective, get people to buy into it, tie them up in process, and you hope that it goes away.

Well, Mr. Speaker, it's simply not good enough. That perhaps is a metaphor for the entire budget. It has an appealing broad objective in front of it which masks all sorts of unpleasant realities. The unpleasant reality is that the Alberta forest service has said most definitely that under the current regime there will be widespread environmental damage in the forest. Not may be, not could be, but will be: a warning coming from the province's professional foresters which we as a province ignore at our peril and at the peril of our legacy in this great province of ours.

5:00

The appealing objective of a balanced budget which masks the reality of hurtful cuts in seniors' benefits. You know, when I listen to these hon. members from the government side talk about how people are being misled, I think of the woman I spoke to last evening who just made out an order for medical supplies that she needs. She's a cancer patient. She now, instead of paying nothing towards them, pays \$150 for a three-months' supply. That's going to go on and on, and it's going to affect many of them. It's rather patronizing in the extreme to say that people who had that experience are confused about what's going on. They're not confused; they know exactly what's going on.

The appealing objective of a balanced budget which masks the fact that there is no progress made towards development of a recycling industry in the province of Alberta. I may not be an expert, but I do know one thing: if you don't have a collection system in place, you've got nothing in terms of a recycling industry. Nobody is going to locate businesses for recycling unless they have a reliable source of supply of raw materials. That comes first. You can talk about corporate assistance, you can talk about industrial plans, you can talk about all kinds of things, but if you don't have that source of raw material, you don't have anything at all.

As an exercise in the Kowalski blueprint of how to scam the public, the budget would have to be interpreted as a success. You've got a very broad objective that's appealing to a lot of

people which masks underneath it a lot of very unpleasant realities which you have to find out about on your own.

I just hope that we start to get a more realistic assessment of these things from the provincial government, and I leave it to other members to participate further in the debate.

MR. DEPUTY SPEAKER: The hon. Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. My points are fairly short. Rather than commenting on the philosophy of the budget, which was touched on pretty well by the Member for Edmonton-Whitemud and the Member for Edmonton-Jasper Place, I want to talk a little bit about oil and agriculture.

The minister quite rightfully said - he's ruined my reputation in Liberal circles for some weeks now, Mr. Speaker, by saying that he took advice from me. I want to deny that to the House so that I would at least be able to go back to my caucus with my head high.

Nevertheless, I was going to talk a little bit about gas and oil. I think his call on oil marketing is pretty good. I must admit it's probably what I would say. Gas marketing is a bit of a difficulty in that we are sort of cutting our own throats. I for some years have argued that we should have a border price for our gas. Then we would fix our royalty at that rate, and we'd know what we're going to get for royalties. Now, if the competing gas companies sold their gas cheap, as is often happening, it still wouldn't matter; we'd get the same royalty.

This was the same system many years ago when I broke into the oil industry. I operated in the Middle East with a large multinational. The Arabs used to say: "Well, I don't care, Mr. Taylor, what you sell your oil for in England or North America. As far as we're concerned . . ." And in those days it was 2 and a half dollars a barrel. They would charge 2 and a half dollars a barrel, the royalty on that, and sometimes we'd have to sell the oil for \$1.60, \$1.80 somewhere else.

MR. FOX: Was that before the war?

MR. TAYLOR: Which war are we talking about here? No, this was the Israeli war of independence. The hon. member is asking me how far back in history we have to go.

What I'm pointing out is that throughout the world it's been a time-acknowledged system of governments that own raw resources to set the price at what they want to get royalty paid on and then let the companies that are handling the oil or gas or guano or whatever it is that they're selling sell it at whatever they want in the marketplace, but the royalty would be fixed. So I would suggest to the minister - mind you, I may not be able to go back to Calgary again for some time - that they decide what the border price for natural gas should be and that royalties be fixed on that. It would simplify the budgeting of the government quite a little, first of all.

Secondly, I think it would stop the fire sales of natural gas that we're now getting. Take a small operator, and I've been that way, up to your armpits with snarling bankers on one side and on the other side a gas line utility company that only wants to pay you so much; you're going to break the market every time. That's what's happened. Our gas has tumbled from \$2 to a dollar in the last year or so strictly because there have been enough small companies that had pressure on them by the banks to unload their inventory to buyers across the border. I think the Alberta government would be doing themselves a double service by setting a border price, the first one being that they

would stabilize their income and the second that they would in effect give support to any of the smaller companies, Mr. Speaker, to keep the price up. A small company could always say to the banker: "Well, I don't want to break the market. The government insists on me paying a royalty on \$2.50 gas," or \$2.80, whatever it is, "and I can't sell it to you at \$2; I'd be losing too much."

The other area I wanted to touch on was the tar sands plants. The philosophy of a government putting money into a tar sands plant has always been a little beyond me. We are self-sufficient in Alberta, Mr. Speaker. Canada is pretty close to self-sufficiency. Therefore, when we subsidize a tar sands plant, we're trying to add to American self-sufficiency in energy. Well, to me, if the Americans or the oil and gas companies want self-sufficiency in oil, they should pay; they should put their money into the tar sands plants.

[Mr. Speaker in the Chair]

It makes no sense to me to ask the Alberta taxpayers to put money into something that will guarantee energy supplies to a foreign country. If that foreign country wants energy supplied, okay. Of course, there's nothing wrong with selling to a foreigner at a profit. But the idea of taking the risk, taking our own money to ensure that Americans' little tootsies are kept warm through the long, cold winter months ahead and they can run their automobiles, makes no sense to me whatsoever. If, indeed, tar sands are as good an idea – and I notice in the budget here a certain amount of money is set aside for developing that – if they're that good, why don't those big, hairy-chested, free enterprisers that exist south of the 49th parallel put their money in it? They're not, so I think the minister should take a quick look at that.

I move on to agriculture, Mr. Speaker, and NISA. There seems to be absolutely no logic to the fact that this government is the only province in Canada that is not now participating in the national income stabilization account for farmers. It's the only one in Canada. It may well be that the other nine provinces, bless their little Tory, NDP, and Conservative pointed heads, don't know what they're doing, but the point is that I think three governments, three different parties running other provinces in Canada think it's a good deal, insurance for the farmers. Why the Treasurer is dodging this is beyond me. I understand through the grapevine that nearly all the agricultural MLAs want to join it. They can add just as well as anybody else and see that there's a direct benefit of about \$30 million a year minimum and as much as \$50 million a year to join in the NISA program. We are chiseling or gypping the Alberta farmer out of anywhere from \$5,000 to \$9,000 a year in equity that could be borrowed on at the banks. Why there's no move on NISA is beyond me. I can only surmise that somehow or another the Treasurer is the fly – or the way he operates, the bumblebee – in the ointment. I have not heard anybody interested in agriculture, be they NDP or Conservative, in this House or outside this House, that doesn't agree that NISA is a good deal, yet we stand maybe to lose for the income of our people in Alberta \$30 million to \$50 million a year, which is very hard to figure out indeed.

5:10

The last is on the GST, which I'll agree is a federal matter. I'm not sure just how it fits under the budget, but I think it does in aid to small business. Many of our small businesses out in our small towns buy from a wholesale house and pay GST. When they sell to the consumers that come into their small

hardware store or their oil and gas place, whatever it is, they get GST back, of course, and they remit the difference. If they sell to government purchasers – in other words, the different government departments throughout the province that are working in the towns, and they appreciate the money being spent, whether it's for gasoline or supplies or other things – the Alberta government does not pay GST. That means our small-town businessman is stuck with having to pay GST to the wholesaler and he can't recover it from the Alberta government, which is legitimate enough, but there doesn't seem to be a system. I think the only way it can maybe be handled is if the province would take it on themselves – if they're trying to help small business and there's money budgeted in the small business – to help the small businessman recover that GST that he cannot recover when he sells to government employees.

I will now vacate the floor and let my earnest friends get on with it. Thank you.

MR. SPEAKER: Edmonton-Mill Woods.

MR. GIBEAULT: Thank you, Mr. Speaker. I'd like to get a few comments in on this debate as well on second reading of the Appropriation Act. This Act has provision for the Department of Health appropriation, and I have to get on record my concern about the Department of Health and the cutbacks and reductions in health services that are facing the people of this province, in particular the situation that is facing people at the Grey Nuns hospital, which serves the southeast part of Edmonton and region, particularly my constituency of Edmonton-Mill Woods.

Recently, as members may know, the hospital was put in a position by the province where they had to lay off almost a hundred employees, mainly nurses and some management and administrative staff as well. Mr. Speaker, you cannot simply eliminate a hundred employees or thereabouts and not have an effect on service. Increasingly this is a kind of financial plan of this government, to continue to slash and hack away at health services and education services that are so highly valued by the people of this province, while at the same time they seem to find a bottomless pit of cash to give away to their various corporate pet projects. I really have trouble with this Bill in terms of that appropriation for Health which is causing so much difficulty for many of my constituents. Another example is the long lineups and the lengthy lines for elective surgery. Many of my constituents have been waiting for as much as a year for elective surgery, and this is totally unacceptable. I'm not going to support a Bill that does not address these serious shortcomings and stresses in the medicare system which Albertans and Canadians generally have worked so hard to build up and which is being eroded year after year by this government.

I also want to get a few other comments in. One of the other items of this Bill is provision for advanced education, and there's another area of crisis. The University of Alberta here in Edmonton has just recently talked about declaring a state of financial emergency, to instigate a further round of layoffs of employees. More and more we are seeing a tightening of the system for advanced education, reduced opportunities. There's quotas on almost every faculty at the universities now. It's getting more difficult for our young people to get a university education. What that means, Mr. Speaker, is that we are not going to be as competitive as we should be in the international economy, and that's what this government reminds us repeatedly of the necessity for. We're also, I think, going to be in danger

of generating social conflicts in the province that are really not . . .

MR. SPEAKER: I hesitate to interrupt the hon. member, but under Standing Order 61(3) I must. Therefore, the question is now called on second reading of Bill 46, the Appropriation Act, 1991.

[Motion carried; Bill 46 read a second time]

Bill 47

Appropriation (Alberta Capital Fund) Act, 1991

[Motion carried; Bill 47 read a second time]

Bill 48

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

[Motion carried; Bill 48 read a second time]

[At 5:16 p.m. the Assembly adjourned to Thursday at 2:30 p.m.]