

## Legislative Assembly of Alberta

Title: **Friday, June 7, 1991**

**10:00 a.m.**

Date: 91/06/07

[Mr. Deputy Speaker in the Chair]

head:

### Prayers

MR. DEPUTY SPEAKER: Let us pray.

From our forests and parklands to our prairies and mountains comes the call of our land.

From our farmsteads, towns, and cities comes the call of our people that as legislators of this province we act with responsibility and sensitivity.

Lord, grant us the wisdom to meet such challenges.

Amen.

head:

### Introduction of Visitors

MR. HORSMAN: Mr. Speaker and members of the Assembly, I am pleased to introduce to you His Excellency Pedro Alves Machado, the ambassador of Portugal. His Excellency was recently appointed to the position as ambassador from Portugal to Canada. He is making his first official visit to our province. He's led a distinguished diplomatic career which has included postings in Italy, England, Saudi Arabia, the United States, and most recently as the Portuguese consul general in Paris, France.

Alberta's relations with Portugal are strengthened considerably by the large and active Portuguese community in our province. While here the ambassador will be briefed by officials on our province's resources and capabilities, and he will have an opportunity to partake in an agricultural tour.

He is accompanied by Mr. Miguel de Calheiros Velozo, consul in Vancouver, and by Mr. Luis Freire, the honorary consul, recently appointed to that position here in Edmonton. I would ask that the ambassador and his party rise and receive the warm welcome of the Assembly.

head:

### Notices of Motions

MR. DOYLE: Mr. Speaker, I rise to serve notice that after question period I would like to propose the following motion under Standing Order 40:

Be it resolved that the Legislative Assembly of Alberta congratulate the Edson Kinsmen and the community of Edson as the slow-pitch capital of Canada for hosting this weekend 230 slow-pitch teams from across the Northwest Territories and western Canada.

head:

### Introduction of Bills

#### Bill 40

#### Conflicts of Interest Act

MR. STEWART: Mr. Speaker, on behalf of the hon. Attorney General I request leave to introduce a Bill being the Conflicts of Interest Act.

[Leave granted; Bill 40 read a first time]

head:

### Tabling Returns and Reports

MR. DEPUTY SPEAKER: The hon. Minister of Recreation and Parks.

DR. WEST: Yes, Mr. Speaker. I would like to table four copies of the answer to Motion for a Return 191.

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

MR. WICKMAN: Thank you, Mr. Speaker. I wish to table in the House four copies of information and documentation pertaining to the response given by the minister of lotteries which clearly demonstrate our information was in fact correct, our repeated attempts to send to his office written forms to obtain that information, and a news clipping where he states very clearly that it was going to be provided to us constituency by constituency and it never was.

MR. DEPUTY SPEAKER: The hon. Member for Lloydminster.

MR. CHERRY: Mr. Speaker, it's my pleasure to table four copies of the 1990 annual report of the Advisory Committee on Heavy Oil and Oil Sands Development.

head:

### Introduction of Special Guests

MR. DEPUTY SPEAKER: The hon. Member for Stony Plain.

MR. WOLOSHYN: Thank you very much, Mr. Speaker. Today I'm very honoured to introduce nine students and two teachers from Memorial composite high school in Stony Plain. The reason I'm honoured is that they are the 1991 Canadian national champions of the Canadian Academic Decathlon recently held in Okotoks. They had the privilege of taking pictures with myself and the minister a little earlier, and the minister had the opportunity to chat with them. They are Jacqueline Soohen, Susan Belsey, Gavin Brooks, Susan Bruxvoort, Lloyd Johnston, Garry Keller, Andrew Breckenridge, Joel Lewin, and Cyan Thomas. They're accompanied by their teacher/coaches Mrs. Aileen Munro and Mr. Charles Wegner. I'd ask them to rise in the members' gallery and receive the warm welcome of the Assembly.

MR. HORSMAN: Mr. Speaker, to have had the opportunity for two days in a row of introducing Medicine Hatters to this Assembly is quite remarkable in view of the distance from Edmonton, but I'm pleased today to introduce a school group from Webster Niblock school, one of the outstanding schools in Medicine Hat. I might say that all my children, my three daughters, went through that school, grades 1 to 6. It is an outstanding school in our community. There are 28 members in the party, and their teacher Jim Grossman is accompanying the group as well as parents Jacquie Machmer, Evelyn Mercer, Margaret Lintott, Elsie Rombough, and Jim Fehr. I would ask that the students and their escorts rise and receive the warm welcome of this Assembly.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I'm privileged today to introduce Stan and Jean Stadnyk, who are residents of Edmonton-Gold Bar. The Stadnyks are not only esteemed members of our community; they're also the proud grandparents of one of our excellent pages, Mica Arlette, who is to your right, Mr. Speaker. The Stadnyks are seated in the members' gallery. I'd ask that they rise and be welcomed by the Assembly.

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

MR. EWASIUK: Thank you, Mr. Speaker. I'm pleased today to introduce to you and to members of the Assembly 24 students from Sifton elementary school, which is located in Edmonton-Beverly. They're accompanied by their teachers Ms Galbraith and Ms Laudenklos. They're seated in the public gallery. I'd ask them to rise and be welcomed by the Assembly.

MR. DEPUTY SPEAKER: The hon. Member for Lacombe.

MR. MOORE: Thanks, Mr. Speaker. On behalf of my colleague from Clover Bar, it's a pleasure to introduce to you and through you to the members of the Assembly 28 students from the Holy Redeemer school. They're accompanied by teacher Lori Chotowetz. They're seated in the public gallery, and I'd ask the Assembly to extend them the traditional welcome. Hopefully, they're up there. I can't see if they are, but I'd ask them to rise if they are.

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

MR. CHIVERS: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to the members of the Assembly, on behalf of the Member for Edmonton-Highlands, 16 students from St. Leo school, accompanied by their teacher Mrs. Linda Luczak and four parents: Mr. Michael Purcell, Mrs. E. Alexandre, Mrs. Wendy Reichert, and Miss Susan Venne. I would ask them to rise and receive the usual warm welcome of the Assembly.

MR. DEPUTY SPEAKER: Edmonton-Whitemud.

10:10

MR. WICKMAN: Thank you, Mr. Speaker. I wish to introduce to you and through you to other members of the Assembly a most distinguished guest, Stephen Bennett, the former chairman of the Development Appeal Board. He's in the public gallery. If he would stand and receive the warm welcome of this House.

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### Oral Question Period

#### Aboriginal Rights

MR. DEPUTY SPEAKER: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. Last year there was a great deal of anger and frustration and pain experienced by aboriginal people across this nation because of unresolved issues relating to aboriginal self-government. I think we're all united in our desire to avoid another long, hot summer of conflict, and I'd just like to ask the Premier exactly what progress his government is making with respect to recognizing the inherent right for aboriginal self-government.

MR. GETTY: Mr. Speaker, the hon. member is familiar with the moves of this government to provide self-government for the Metis people, who are our responsibility. We signed the agreements last year. The Metis people felt that it was historic, that for the first time they were able to have land, own land, and were able to participate fully in the opportunities that exist in this wonderful province of ours, and they are looking forward

to building their communities and building companies and businesses in their self-government.

As far as the Indian people, that's the responsibility of the federal government, although perhaps they can in fact look at the model we've established with Metis people and would be able to work towards something along those lines. I think quite a successful opportunity presents itself there. One of the things the hon. member mentions is aboriginal self-government. Now, I'm not sure that the hon. member has ever tried to define that term, and we'd be interested I'm sure in any debates within this Legislature that might try and define what that means.

MR. FOX: Mr. Speaker, the mood in the country is quite clear: Canadians want these long-standing issues relating to aboriginal self-government resolved. Progress is being made with some provincial governments. Indeed, the government in the province of Ontario issued a groundbreaking and historic decision yesterday stating very clearly

Ontario recognizes that under the Constitution of Canada the First Nations have an inherent right to self-government within the Canadian constitutional framework and that the relationship between Ontario and the First Nations must be based upon a respect for this right.

I would just like to ask the Premier: given that he has some record he can be justifiably proud of, will he now take the next step, follow the lead of Ontario, and announce the same thing in the province of Alberta?

MR. GETTY: Well, Mr. Speaker, I gather Ontario's talking about it. We've done it. I mean, talk about leadership: we have actually done it. Let's see Ontario follow the Alberta moves. They're talking about it and hardly taking a leadership position. I also say to the hon. member that Ontario did not define self-government, and that is what the discussion has to involve. I should also caution him that as part of constitutional matters we have a constitutional select committee going across Alberta and aboriginal matters should and will be raised. I understand they are being raised. So we should hardly be taking a firm position now while the people of Alberta give us grass-roots input to the whole constitutional area.

MR. FOX: Mr. Speaker, this government has not recognized the principle of the inherent right for aboriginal self-government, and that's one of the problems. Rather than trying to pull himself up by the bootstraps, which will never get this off the ground, will the Premier not recognize that an important recognition of principles is the important first step towards negotiating individual settlements with aboriginal people in the province of Alberta, because each situation frankly is quite different?

MR. GETTY: Mr. Speaker, do I understand from the hon. member that he wants the government to ignore the input coming from the people of Alberta on these constitutional matters? If that's their position, fine, as long as we know it, because we are spending a lot of time getting input from the people of Alberta. I just want to finally say to the hon. member that he is tilting at windmills here when you can see that the government of Alberta is the only government in Canada that has moved with aboriginal people that we're responsible for and has provided self-government.

MR. DEPUTY SPEAKER: Second main question.

MR. FOX: I'd like to designate the second question to the Member for Stony Plain.

### **Teachers' Retirement Fund**

MR. WOLOSHTYN: Thank you, Mr. Speaker. For over 20 years this government has refused to discuss the Teachers' Retirement Fund with the Alberta Teachers' Association. Recently, through the efforts of the Minister of Education, a memorandum of agreement was apparently reached between the government of Alberta and the Alberta Teachers' Association, a precedent-setting agreement which would have resolved all outstanding issues. To the Provincial Treasurer: since the agreement was arrived at in good faith and, further, since the teachers were accepting obligations that were acceptable to both them and the Minister of Education, on what basis did the Treasurer see fit to undercut his own colleague and veto this agreement?

MR. DINNING: Well, Mr. Speaker, nothing could be further from the truth. We have been engaging in very long and strong deliberations and discussions with the Alberta Teachers' Association, and I've got to thank the Teachers' Association and the teachers of this province for taking a very constructive and positive approach to a problem that they recognize and that we have recognized for a long time. We are still continuing those discussions with the teachers, and I look forward to the proper resolution of this problem within the next number of months.

MR. WOLOSHTYN: Recently an emergency resolutions meeting was canceled because the agreement was vetoed.

Mr. Speaker, cost-of-living allowance adjustments and unfunded liability costs are two areas that were compounded by the negligence of this government over the years, and those are problems the teachers were willing to be flexible on. If you don't pay your Visa bill this year, it can bankrupt you next year. Again to the Provincial Treasurer. The Provincial Treasurer is going to extraordinary lengths to prop up the fiction that he has a balanced budget this year. Is the Provincial Treasurer intentionally avoiding the issue of unfunded liability at this time so that the costs of resolving these problems again can be deferred for another budget year, from this budget year to the next?

MR. DINNING: Mr. Speaker, this government takes its financial responsibilities very seriously, but let's make it very clear to the hon. member. He knows full well that this government has lived up to the spirit and the letter of the agreement the Teachers' Association and the government struck in 1956. We have lived up fully to the letter and the spirit of that agreement.

Mr. Speaker, quite properly the teachers have joined us in recognizing that there is a problem with the long-term viability and security of the Teachers' Retirement Fund. There is a problem, we've both acknowledged it, and we're both finding the solution to that problem.

MR. WOLOSHTYN: Mr. Speaker, I repeat: the Alberta Teachers' Association and Alberta Education had a memorandum of agreement in order to straighten out these problems, an agreement which apparently was undercut by the Provincial Treasurer.

Now I'll try and give him a question that he can answer. We are now six months away from having to have legislated changes

in place so the TRF, the Teachers' Retirement Fund, and other public pension plans can continue to be registered under federal legislation. When – when, I repeat – is the Provincial Treasurer going to discharge his responsibility, as he promised in this Legislature, so that these pension changes can be implemented in order to ensure that all public service plans continue to be registered?

MR. JOHNSTON: Mr. Speaker, first of all, I'm somewhat surprised to see that the ATA has handled negotiations in this fashion. I don't really think it's appropriate for this member to come between the negotiations that are ongoing between the Minister of Education and the ATA. I'm sure that this member, who knows very little about anything, has got this one absolutely wrong. Let me advise the Members of the Legislative Assembly and all members who are now either participating in a pension plan or receiving pension benefits from the plan that, as I have said before, this government recognizes the importance attached to this part of their program with respect to securing their future on retirement. I have said before that we will be moving toward a resolution to this problem, and in fact that is the case.

**10:20**

As recently as last week, Mr. Speaker, I met with the board of all five plans of the province of Alberta administration, and in doing so, we came to an agreement on two parts. First of all, we came to an agreement that we will proceed through the fall of this year to deal with the big problem that faces these plans and to ensure that those people who receive benefits under the plan will be able to have them when they go into retirement; that is, to ensure that the fund is well established and well funded. Secondly, we'll have a series of other recommendations which we'll discuss with the boards and the members and have an opportunity for their input into how this plan and these changes and these suggestions for improvement will flow. At the same time, I had a discussion with the various boards on the matter of the imperatives imposed by federal regulations and legislation on us as a government and on our plans, wherein certain offside benefits now being provided to members have to be considered and have to be dealt with because under the federal legislation they will in fact not be allowable for tax purposes and the benefits will be offside.

Accordingly, Mr. Speaker, I can advise the House that I have agreement among all five provincial plans, and I believe the Minister of Education will confirm that the ATA and he will be able to reach an agreement to allow amending legislation to proceed this spring which will correct the question of being offside of federal legislation. As a result, sometime next week I'll be introducing legislation to do just that.

It was with a spirit of co-operation and consultation that we worked, Mr. Speaker. I consider the information and exchange of ideas among the boards as important and privileged to some extent. I think it's unfortunate that the Member for Stony Plain would abuse negotiating processes, as he has done in this House today.

### **Senior Citizens Programs**

MR. DECORE: Mr. Speaker, 30,000-plus senior citizens have now registered their unhappiness by signing petitions and asking the government to roll back the drastic cutbacks on seniors. Today I received some information from one of the ostomy suppliers in the city of Edmonton that deals with seniors. I'm told that the average ostomy senior needs to pay out about \$3,600 a year for ostomy supplies, but because of these cutbacks

– the amount given by the government is reduced – that senior will have to pay an additional sum, and the total sum paid by that senior will go up to about \$2,100 a year. Now, if you're a millionaire it's easy, but if you're living on a meagre Canada pension plan it's very, very difficult. My first question to the minister responsible for seniors is this. Given that 16,000 seniors have asked the government to roll back these regressive cutbacks, will the minister agree to do that?

MR. BRASSARD: Let me fill in just a little bit of the background, Mr. Speaker. It's recognized that we're all living longer and healthier and far more actively than we ever did before. There's no question that our seniors are more involved than they ever have been in active daily living. In fact, I met with a group the other day. There were 12 of us at the table, and 11 of those people were over 92 and I think they all looked healthier than I did. One of the people at a meeting I was at three weeks ago was 104, and he looked very healthy. There's no question that we're in changing times, that our programs by necessity are going to have to change to meet those increasing demands. Our fastest growing segment of the population of Alberta is those over 75, traditionally those who have been thought of as needing more intensive assistance in one way or another. There are going to be changes to our programs. There must be changes in order to meet the increasing demands and the changing demands. We have said that perhaps we could have consulted more with our seniors, and we have committed ourselves to do that; we have already taken steps to correct that.

I think I would rather have the Minister of Health answer specific questions as to ostomy supplies because she is more familiar with these than I am.

MR. DECORE: Mr. Speaker, the question was very simple: 16,000 people that are completely unrelated to petitions that were signed or started by the ND Party or the Liberal Party have asked for rollbacks on these drastic cuts to seniors. My question is this: will you agree to the request of those 16,000 that signed it independently? Will you agree to the request to roll back those cutbacks?

MR. BRASSARD: I don't know how many times we're going to have to deal with the same question over and over again, but let's deal in terms of specifics, Mr. Speaker. Let me just outline some of the programs we have in place and ask the member if he'd like to roll some of these back. We spend over \$50 million on the Alberta assured income program in this province, \$36 million on social allowance – and I'm only talking about seniors here – 9 and a half million dollars on the widows' pension program, \$163 million towards our Alberta health care insurance premiums, and another \$129 million towards the Blue Cross premiums on behalf of seniors. We have \$38 million for extended health benefits, \$44 million towards our Aids to Daily Living, \$52 million towards long-term care, \$408 million to long-term care centres, \$50 million to the senior citizens' renter assistance program. I could go on: \$71 million to the property tax reduction program for seniors, \$35 million for the seniors' independent living program, \$40 million for housing, for senior citizens' lodges. Seven million dollars for FCSS goes directly to seniors. Where would the hon. member like to me to start cutting back on those programs?

MR. DECORE: Mr. Speaker, I asked a simple question twice, and there is no answer being given by the minister, and that's the problem you're having with the seniors. My question is this:

given that the minister refuses to cut back, given that the government won't cut back, why do you go through the charade of meeting with seniors at the end of this month, giving them the false hope that they're going to get cutbacks? Why do you do that? Why do you fool them?

MR. BRASSARD: You know, it's an old adage, Mr. Speaker, that the reason history repeats itself is because people don't listen. I guess the same rule would apply in this House. We covered this topic as thoroughly as we could, and I think the hon. member has had his answer many, many times. We will continue to maintain the best program coverage anywhere in Canada for the seniors of Alberta. We're committed to do that, and we intend to continue with that program. We have already started the process of consulting with the senior citizens; that is ongoing and is taking place. So I don't know what more I can tell this member that will help him understand the situation.

Thank you.

### Oldman River Dam

MR. BRADLEY: Mr. Speaker, the Oldman dam is now full and water is running over its spillway. Yesterday in Lethbridge the federal environmental review panel's hearings into the safety of the dam concluded. My question is to the Minister of Public Works, Supply and Services. Would the minister advise the Assembly as to any information he has about the conclusions of the federal panel's experts regarding the safety of the Oldman dam?

MR. KOWALSKI: Mr. Speaker, I would anticipate that within the next several weeks a report will be finalized by the EARP panel as a result of the safety meetings in Lethbridge in the last two days. The observers we've had observing the hearings have provided me with information that the presentations made by the technical advisors to the environment assessment review panel have made statements that the Oldman River dam is, one, well-designed and, two, safe.

10:30

MR. BRADLEY: A supplementary question, Mr. Speaker, to the Minister of Public Works, Supply and Services. Would the minister advise the Assembly as to the government's position regarding recommendations which the federal panel may make relating to the safety of the dam?

MR. KOWALSKI: To repeat, Mr. Speaker, the position of the government would be that we would want to receive a report from this particular panel, and any conclusions that might be provided or recommendations for improvements would be very seriously reviewed by the government, in fact would be acted on. I might point out that there was a presentation made by the Peigan Nation in the last two days that raised some questions and the need for further consultations with respect to the emergency preparedness plan. All members will recall that in the province of Alberta all municipalities have designed, through Alberta public safety services, a local emergency preparedness plan, and there were a few questions raised by the Peigan Nation. We want to ensure that they are very much up to date with all of the information, in fact are participants in the emergency preparedness plan.

So not even waiting for the EARP panel to provide us with a report, we've arranged to have discussions beginning on Monday with the Peigan Nation to make sure that any questions they would have with respect to the emergency preparedness plan

would be answered and they would be fully aware of all the steps that would be taken in the very, very, very remote event of any concerns with respect to the safety of the Oldman River dam.

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

### Employment Statistics

MR. SIGURDSON: Thank you, Mr. Speaker. This government doesn't like to use the R word, but there are 116,000 unemployed Albertans that are convinced we're in a recessionary trend. Instead of this government doing something proactive to create employment programs, the government has sat back and done absolutely nothing. Would you believe that last month another 10,000 Albertans joined the unemployment ranks?

MR. JOHNSTON: Tell the truth.

MR. SIGURDSON: Mr. Speaker, the Provincial Treasurer says that I should tell the truth. Well, I am telling the truth. And if you want to be so callous, maybe you should join the unemployment lines too.

I would ask the Minister of Career Development and Employment: how can the minister justify this government's do-nothing attitude when the unemployment rate has gone up by almost 30,000 Albertans for this period this year?

MR. WEISS: Well, Mr. Speaker, we heard somebody say that they're telling the truth, and while the hon. member points out certain facts, he's very remiss and fails to advise the Assembly of the more relevant and factual information. The factual information is that Alberta leads all Canada on an annual basis with over 21,000 more Albertans working than in any other province. We lead all other provinces. In actual fact, there were 1,248,000 Albertans working at the end of May, which, for the same period last year, is higher than ever before. Those are the facts.

Mr. Speaker, when the hon. member refers to what is this government doing, would he rather we not approve such projects as Al-Pac to create diversification and build this province?

I think this is important as well, Mr. Speaker. The hon. member often refers to Ontario as a leading province. They're leading all right: leading at the bottom of the line. Ontario has the lowest growth rate in Canada at some 179,000 less jobs for the same period. The most important part of that statistic is that those job losses are what's termed in the industry as structural job losses – they are permanent – in the manufacturing and processing industries, where Alberta is in a growth period and in a positive gain.

MR. SIGURDSON: Well, Mr. Speaker, I'm certainly glad that the Minister of Career Development and Employment is learning how to ask questions, because after the next election he may very well, if he's returned to this Assembly, have the opportunity to ask questions of these members when we're sitting on that side because you're not doing anything.

Mr. Speaker, last year at this time there were 88,000 unemployed Albertans. This month the report shows that there are 116,000 unemployed Albertans, and that, sir, is shameful.

More importantly . . .

MR. DEPUTY SPEAKER: More importantly, hon. member, the supplemental question. This is not a debate.

MR. SIGURDSON: Absolutely.

The unemployment rate for those between the ages of 15 and 24 is well over 13 percent. Through his department this minister has cut summer temporary employment programs by 50 percent. Surely the minister would now admit that at the very least that decision was absolutely wrong while our unemployment rate is on the rise. What is he proposing to do for the unemployed youth of this province?

MR. WEISS: Well, Mr. Speaker, the hon. member is great to bring out statistics and information, but I wish he would be factual. The actual number of students employed in this province to date is some 88,000 versus 92,000 for the same period last year. Yes, that is down 4,000, but it must be remembered, to all hon. members of the Assembly, that normally June and July are the growth periods, are the employment periods in that sector. So if we see the trend that is taking place with some 1,248,000 Albertans working and with the in-migration that's taking place, which is more positive, the only province that's accepting people on this basis because they're leaving Saskatchewan and Ontario to come to the job opportunities in Alberta – Alberta is fully integrating and will continue to lead in this employment statistic.

MR. DEPUTY SPEAKER: Now the Member for Calgary-North West.

### Myrias Research Corporation

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the Minister of Technology, Research and Telecommunications. On Wednesday I asked the minister a question regarding Myrias, a computer firm, whether or not the technology we have invested \$20 million in would in fact be remaining in Alberta. The minister flippantly brushed it off as an unimportant question. Yet recently we've seen confirmation from the man who negotiated the contract that in fact the U.S. Department of Defense does have a stake in it. My question to the minister today is simply this: given that the provincial government has subsidized the U.S. government, for whatever reason, to the tune of almost \$20 million, will the minister today tell us how much stake the U.S. government has in this Alberta firm?

MR. STEWART: Well, Mr. Speaker, let's get one thing straight. The hon. member has again referred to \$20 million of investment. This government invested \$9 million, 7 and a half million dollars by way of loan and 1 and a half dollars by preference shares. That's the extent, and I wish the hon. member would keep those figures correct.

Mr. Speaker, the matter of the sale of Myrias assets is before the court. A receiver has looked into the whole matter of the technology, the rights to that technology. He's received a legal opinion with respect to that. He is prepared to recommend that to the court, and in turn a purchaser, fortunately an Alberta company, has come along and is prepared to put up a substantial amount of the money in order to invest in that technology.

MR. BRUSEKER: Well, the minister has conveniently overlooked Vencap and AOC, which were also created by this government and had investments.

My supplementary question is: given that the primary, in fact the only financier for Datek to date since its inception has been the provincial government through AOC and the Treasury Board, to the tune of \$3.22 million, I want to know how much

provincial money, taxpayer money, you're giving to this company to buy a company that taxpayers already own. How much more are you going to give them?

MR. STEWART: Well, Mr. Speaker, the hon. member is once again just not correct. The fact of the matter is that there is over \$20 million of private-sector investment in Myrias. This is not a total government operation. We had some pref shares, but again I say that from the standpoint of the assets that were purchased, they were purchased by an Alberta company, preserving jobs in Alberta, further developing the technology here in Alberta, and I'm very pleased that there is a company of that stature that could come along and take over. They're investing a substantial amount of money, they're comfortable with the arrangement, and they're comfortable with the technology and the rights to that technology. Although we obviously regret Myrias going out of business last fall, that technology is here and will be further developed in Alberta for Albertans.

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

### Mobile-home Parks

MRS. B. LAING: Thank you, Mr. Speaker. My question is to the Minister of Consumer and Corporate Affairs. Mr. Minister, in the past year I've had a number of complaints from my constituents who are residents of mobile-home parks. However, when these complaints are investigated, it's found that the landlords are acting within the requirements of the Act. It seems to my constituents and myself that the Mobile Home Sites Tenancies Act does not go far enough in protecting the tenants and in helping to solve these landlord/tenant difficulties. Mr. Minister, are you planning to review this legislation in the near future?

10:40

MR. ANDERSON: Mr. Speaker, the question is an important one, and I appreciate the hon. member's representations with regards to that. As a result of those representations and some others in the House, we will in fact be reviewing the Act with an eye to suggesting to the House changes which might be appropriate the next time we sit.

MR. DEPUTY SPEAKER: Supplementary.

MRS. B. LAING: Thank you. Mr. Minister, will you be planning a public consultation process involving the mobile-home landlords and tenants as you review this legislation?

MR. ANDERSON: Mr. Speaker, there will certainly be consultation with both those in the industry and those who are tenants of mobile-home parks, much in the same way as we have had public consultation into the Landlord and Tenant Act changes which are now before the Assembly. I might just say that those changes are guidelines which we would use, should the Assembly choose to approve them, to look at the Mobile Home Sites Tenancies Act so there is some consistency between the two.

MR. DEPUTY SPEAKER: The hon. Member for West Yellowhead.

### Fuel Contamination Incident

MR. DOYLE: Thank you, Mr. Speaker. The victims of the Hinton fuel poisoning left their meeting with the minister of

Occupational Health and Safety on May 24 feeling discouraged and disappointed, especially with the minister's high-handed attitude. Besides getting empty promises when they asked the minister how they could have allowed trucks that had been contaminated by the poison to be resold, he said, and I quote: that's not my responsibility; that's Consumer and Corporate Affairs. I'd like to ask the Premier: when much of the problem in this case has been due to the government departments trying to avoid responsibility and when the Minister of the Environment has recognized this and said that interdepartmental co-operation will be improved, how can the Premier continue to allow this uncaring and unproductive attitude by the minister of Occupational Health and Safety?

MR. GETTY: Well, Mr. Speaker, I find it hard to believe that the hon. member is taking that position when the minister has met with him and the people several times. Just because he doesn't end up with exactly what he wants every time, he can hardly call the minister uncaring. I mean, he's sitting with, he's talking to the people; he's trying to help.

Now, I've already told the House that we are giving this a complete assessment and want to be able to put in place some type of review that will bring out all the facts and, hopefully, try and see if we can come to a solution to the problem. I've said that. I hope to be able to bring a response to the hon. member. For him to start saying now that the government is doing nothing – just go back in *Hansard* and you'll find that I've already made the commitment. So what brings this on?

MR. DOYLE: Mr. Speaker, Alberta Environment officials acknowledged in their meeting with the victims that they were pursuing leads to try and unravel the mystery, but they were having problems getting to the bottom of it. I'd like to ask the Attorney General: given this admission by the investigating officials, is the Attorney General now willing to call for a public inquiry into the matter so that a more comprehensive investigation will be conducted and Albertans can have a satisfactory answer to this mystery?

MR. ROSTAD: Mr. Speaker, twice now I've responded to the hon. member on this incident. At the direction of the Premier, my department is co-ordinating an investigation with all the other departments that are remotely and intimately involved in this incident. We are trying to establish what evidence there is and then, on the basis of that evidence, determine whether there can be a criminal action taken, a civil action taken, or in fact if a public inquiry would add further evidence. That is being undertaken as quickly as possible, and I'll report back to the House on that incident.

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

### Carbon Dioxide Emissions

MR. MITCHELL: Thank you, Mr. Speaker. The House of Commons committee on the environment has indicated, and I quote, that action should be taken now, not three to five years from now, to reduce substantially the rate of greenhouse gas emissions. Electrical generation companies in this province create electricity by burning coal, and in doing so, they produce literally one-third of the carbon dioxide emissions produced in this province. My first question is to the Premier: why has this government not yet imposed a price structure whereby users of

electricity are required to pay more for each additional unit of electricity they use rather than less, as is now the case?

MR. GETTY: I'm not sure I follow the hon. member. Mr. Speaker, he knows that the Public Utilities Board is the board which controls and regulates these prices. The hon. member I guess is saying that all Albertans should now have their electrical utility bills jumped. Well, if that's the position of the hon. member when the Public Utilities Board is not recommending that, that's fine. We understand where the Liberal Party stands. They want everybody in Alberta to pay higher electricity bills when the Public Utilities Board is saying that it isn't necessary.

MR. MITCHELL: Mr. Speaker, it was this government that just fired the chairman of the Public Utilities Board. I'd rather the Premier didn't try and convince Albertans that he doesn't have any influence over the Public Utilities Board. It's just completely obvious.

Mr. Premier, refrigerators in this province account for about 23 percent of the domestic electrical power consumption in Alberta. What is this government doing to develop a rebate scheme like the one currently operating in British Columbia to encourage the purchase of energy efficient refrigerators?

MR. GETTY: Mr. Speaker, the hon. member could pursue that matter with the Minister of Energy when he is in the House.

MR. DEPUTY SPEAKER: The hon. Member for Smoky River.

#### Beef Exports

MR. PASZKOWSKI: Thank you, Mr. Speaker. My question is to the minister responsible for Economic Development and Trade, who is also responsible for interprovincial trade. This past week I had the privilege of meeting with some representatives of the red meat processing industry in our area. They had identified some problems as far as the federal/provincial regulatory process is concerned in the beef grading business. They seem to be having some difficulties with the grading process when they try to move their product from Alberta into either British Columbia, Saskatchewan, or the Northwest Territories. My question basically is: is this government taking any action to remove these barriers that seem to be developing as far as our processing is concerned?

MR. ELZINGA: Mr. Speaker, it was just recently that I had an opportunity to discuss this very issue with the Associate Minister of Agriculture whereby she has indicated to me that a task force was established last August, when the agricultural ministers, both federal and provincial, met. They have put forward a recommendation to this task force that is going to come forward with recommendations with the hopeful removal of those barriers that the hon. member has suggested. One of the terms of reference that the task force is working under is a commitment to work toward common national technical standards with the provinces whereby they will agree to adopt the higher international or federal standards within a period of five years.

MR. DEPUTY SPEAKER: Supplemental question.

MR. PASZKOWSKI: Thank you. My supplemental is also to the minister. Do you have any time guidelines or is there a time frame that's established so the industry can develop a planning

process so that they can actually structure for the opportunities this will present?

MR. ELZINGA: Mr. Speaker, the task force itself plus various departments are working with farm leaders so that they can have the benefit of their advice, such as the hon. member is suggesting. In addition to that the agricultural ministers themselves will be meeting in this province in early July, at which time they will receive an update as it relates to the activities of the task force itself. I'm sure that the Associate Minister of Agriculture or the Minister of Agriculture will be more forthcoming with information after that meeting has taken place.

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

#### Senior Citizens Programs (continued)

MR. EWASIUK: Thank you, Mr. Speaker. My questions this morning are to the Associate Minister of Family and Social Services, also responsible for seniors. The cutting of \$123,000 in grants for seniors' education programs is just one more way that this government is paying for its mismanagement on the backs of seniors. In Edmonton alone some 470 seniors attend a popular three-week program at the University of Alberta during the summer. The cutting of some \$31,000 in grants, primarily to cover accommodation costs for rural students, means that seniors from outside the city will no longer be able to take part in this very valuable program because they won't be able to afford the \$430 for accommodation fees. My question to the minister is this: given that the tuition fees for the program already are expected to double or triple, why is this government cutting off the accommodation grants, thereby cruelly and unfairly victimizing rural seniors wishing to take part in this educational program?

10:50

MR. BRASSARD: Well, Mr. Speaker, I'd rather take this question under advisement for the Minister of Advanced Education, but let me just say that in the past seniors were able to access a three-week educational course for \$25 and three weeks of accommodation, accommodations evaluated at something like \$830, for a total of \$55. It's my understanding that the universities have elected to keep that in place. I understand that it is still intact, but I would prefer that the Minister of Advanced Education get back to the hon. member.

MR. DEPUTY SPEAKER: Supplemental question.

MR. EWASIUK: Yes. Thank you, Mr. Speaker. Although seniors who attend these courses are in fact willing to pay a bit more for the program – they're prepared to make a contribution – a tenfold increase in the overall cost to rural students is in fact insane. Although these programs have been offered for some 15 years and have seen an enrollment increase each year, the government has apparently cut the grants without any consideration of the effect on the seniors. Will the minister agree in this Assembly today to look more carefully at precisely what grants pay for and restore funding in areas where the cuts would effectively deny access for a significant percentage of seniors?

MR. BRASSARD: Well, as I've already said, we have a number of programs that are in place for seniors; life enrichment opportunities I might call them. We have family and community support services that address concerns of seniors within their

own individual areas, and we've put \$7 million into that program. We have Alberta Recreation and Parks local recreation programs. We've put half a million dollars into those programs. There are all kinds of programs for seniors in place, such as consumer help for people who need advice on consumer issues. We have travel discounts that have been allowed by bus companies. We have a Public Trustee for assistance with wills and estates. On and on and on: the program list is endless, Mr. Speaker.

Specifically towards the question the member is raising regarding postsecondary education opportunities, I'd defer that to the minister responsible for that area.

Thank you.

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

### Special Education Programs

MRS. GAGNON: Thank you, Mr. Speaker. The cost to school boards of providing service to seriously disabled students is taxing their budgets. They want as much integration as possible; however, they worry about spending education dollars for health and social services. I know that there was a conference at Mount Royal College recently where the matter of co-operation between departments was brought up. This comes from the special needs task force, which the minister set up. To the Minister of Education: could you tell this Assembly the status of the progress being made as regards co-operation between the departments which serve special needs students?

MR. DINNING: Well, Mr. Speaker, the hon. member is correct that the growing costs of providing special education to children who have special ed needs, as well as their families, is growing indeed. This province, this government is contributing approximately a hundred million dollars this year to those costs in 140 school districts across the province.

We undertook an effort about a year ago, working with the Department of Education, the Department of Family and Social Services, the Department of Health, as well as the Teachers' Association, school trustees, and a variety of other agencies across this province focusing on special education and special ed needs in the funding of those programs, in the co-ordination of services, and the evaluation of how well kids are doing given the programs that are there. The special education action plan that was released in February focused on the need for more co-ordination amongst government departments but also included agencies outside of government.

Mr. Speaker, we had a ministerial forum on special education in Calgary in the middle of May, and we brought together stakeholders from across the province to concentrate and focus on this important issue. I think there is an increasing coming together of the minds about the importance of this issue and about the need to put our efforts together in a more co-ordinated fashion. We will have a report out of the conference by September, and I expect that we'll be able to make far greater progress in the next budget year.

MRS. GAGNON: Mr. Speaker, I thank the minister for that response. However, in the meantime, there are school boards, specifically those in zone 3 of ASTA, who are wondering if they could have permission to bill other departments for services they are rendering to students; for instance, to bill the Department of Health or the department of social services?

MR. DINNING: Well, if there are medical services that are being provided by a physician to a student in a school, there is an opportunity now for that physician to bill the Alberta health care insurance plan. That is a fact, and that has always been there.

I think the services go beyond just medical services. As recently as Tuesday I met with school trustees in Red Deer, shared with them the experience of the likes of the Provost school division, which makes a habit, which makes it part of the culture of education in that community to bring in the various social agencies, the recreation board, the health unit board, the hospital, and the mental health services in that community so that they become an integral part of the education team in that school. It's working, and the chairman of that school division, Mr. Dick Chamney, was there to share his school division's experience with all school trustees. I think they sat up and took note of the ability of that community to bring together the resources, not requiring more dollars but co-ordinated, concentrated effort by all the stakeholders in education becoming partners in education in communities across the province.

MR. DEPUTY CHAIRMAN: Order please. Before proceeding to the Standing Order 40 application, could there be unanimous consent to revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Opposed? Carried.

The hon. Minister of Economic Development and Trade.

head:

### Introduction of Special Guests (reversion)

MR. ELZINGA: Thank you very much, Mr. Speaker. It's my pleasure, sir, to introduce to you a group from the Strathcona Christian Academy. They are a group I met with earlier and a group that we'll have an opportunity to meet with when we have our cabinet tour. I believe the hon. Minister of Recreation and Parks will be speaking to this school in 10 days hence when he is there. We have some 56 members. They're joined by Mr. Francis Poole, Mr. Doug Zook, and Mrs. Anderson. They're in the members' gallery, and I'd ask that they rise so we could extend to them a very warm welcome of the Legislative Assembly.

MR. DEPUTY SPEAKER: The hon. the Attorney General.

MR. ROSTAD: Thank you, Mr. Speaker. It's indeed my pleasure to introduce 51 students from Chester Ronning school, the number one school in Camrose. My son attends that school. They're a grade 6 class, and they're escorted by their teachers Mr. McClarty and Mrs. Jobe and by a parent, Mr. Inscho. They're in the members' and public galleries. I'd ask that they rise and receive the cordial welcome of the Assembly.

MR. DEPUTY SPEAKER: The hon. Member for Drayton Valley.

MR. THURBER: Thank you, Mr. Speaker. It's indeed my pleasure today to introduce to you and this Legislative Assembly some 50-odd bright, young students from the Calmar school. They're seated in the public gallery, and they're accompanied today by teachers Mrs. Hubick and Mrs. Halwa and by parents Mrs. Harmsworth, Mrs. Ashley, Mrs. Poeter, Mrs. MacLeod, and



Mr. Harrish. I would ask that they rise now and receive the warm welcome of this House.

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

REV. ROBERTS: Thank you, Mr. Speaker. Also with us today are 16 students from the Alberta Vocational College here in downtown Edmonton. They're in the public gallery with their teacher Georgia Ramos. I'd ask that they please now rise also and receive the welcome of the members here this morning.

head: **Motions under Standing Order 40**

MR. DEPUTY SPEAKER: The hon. Member for West Yellowhead on a Standing Order 40 application, on the question of urgency.

MR. DOYLE: Thank you, Mr. Speaker. I rise under Standing Order 40 due to the fact that this evening in Edson, in the riding of West Yellowhead, the slow-pitch tournament starts with some 230 teams from across Alberta and the Northwest Territories. People in the Kinsmen Club in Edson, like Jim Froggat and John Martini, spearheaded this, along with people from the Edson town council. Some five years ago the process began of following the leadership of these two individuals and the Edson Kinsmen. Today will be the beginning of one of the largest events held in the province of Alberta in regards to slow-pitch. It has encouraged good family life, good outdoors, and good partnership throughout the total province, and I want to say that the Alberta government certainly should be rewarded for being behind this project because they've helped in many ways to make sure that this great event came into being. Of course, I couldn't sit without thanking the Edson Chamber of Commerce, the citizens of Edson and area, and the many companies and corporations that helped bring this event into being.

I would like the Members of the Legislative Assembly to put their full support behind this great event, and it's great to see that parks and recreation are being treated in a most effective way. The Kinsmen have built ball diamonds, I believe some 21 brand-new ones sponsored by individuals and corporations. I would ask the Assembly to support this resolution.

**11:00**

MR. DEPUTY SPEAKER: Does the Assembly agree with the hon. member putting that motion?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.  
The hon. member will move the motion then.

#### **Slow-pitch Tournament**

Moved by Mr. Doyle:

Be it resolved that the Legislative Assembly of Alberta congratulate the Edson Kinsmen and the community of Edson as the slow-pitch capital of Canada for hosting this weekend 230 slow-pitch teams from across the Northwest Territories and western Canada.

MR. DEPUTY SPEAKER: Thank you. Having heard the motion by the hon. Member for West Yellowhead, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried.  
Is there a point of order?

AN HON. MEMBER: He's gone.

MR. DEPUTY SPEAKER: He's gone. All right.

head: **Orders of the Day**

head: **Government Bills and Orders**  
head: **Second Reading**

#### **Bill 45**

#### **Financial Administration Amendment Act, 1991**

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

MR. HAWKESWORTH: Isn't this amazing, Mr. Speaker? The Provincial Treasurer's so embarrassed about Bill 45 that he won't even take the opportunity in introducing the Bill at second reading to stand up and defend it or explain it, probably because he is so embarrassed that he should have to come to this Assembly asking for an increase in the province's debt ceiling by \$2 billion after he has been spending the last several months in a vain attempt to try and sell Albertans on the idea that what he has really attempted to do here is bring in a balanced budget. As I survey the Assembly this morning on this very, very important piece of legislation, I'm surprised that one of the three parties in the Assembly doesn't have a single member here to participate. At least the government's here and at least the Official Opposition is here to get on with the really important issues confronting the people of Alberta and to have a good debate about it.

I'm going to be very interested and intrigued to hear from our Provincial Treasurer in closing debate on this particular Bill, because obviously somebody, somewhere, sometime from this government is going to have to justify and reconcile this Bill with the promise made by the Provincial Treasurer and the Premier that this is a balanced budget that they're delivering this year. You know, Mr. Speaker, I still don't understand that if this government truly believes that the budget will be balanced, why is it that we have to go \$2 billion deeper in debt? The province can't have it both ways. Either the budget is balanced or it's a deficit. If it's a deficit, then you increase your borrowing. If there's no deficit, you don't increase your borrowing.

Now, I've asked the Provincial Treasurer on a number of occasions this past week that very question, and he's conveniently sidestepped the issue by attempting to convey the notion that this is simply a temporary borrowing authority that would last solely for a short period of time, perhaps 48 hours, while he arranges to borrow the money on one hand and have it in place to refinance debt that's going to be rolled over at a later time. Mr. Speaker, if that were the real reason, taking the Provincial Treasurer at his word in question period earlier this week, I would have thought that in order to back up that allegation, what he would have come in with with this Bill, Bill 45, the Financial Administration Amendment Act, would be temporary authorization to increase the debt ceiling of the province by \$2 billion, and there would be a sunset clause incorporated in the Bill that would say that at the end of such and such a period of time this authority to borrow the money would disappear. That would have accomplished what the Provincial Treasurer has

alleged is the real objective of this Bill: to solve a short-term money management problem.

If Bill 45, Mr. Speaker, is to address a short-term cash flow money management problem, the Provincial Treasurer could have incorporated in the Bill a provision to make this a short-term borrowing authority that would expire at some date in the future when the problem had been addressed. But no; that's not what the Provincial Treasurer is doing. This Provincial Treasurer is asking the Alberta Legislature for a permanent increase in the debt ceiling of the province, just as he has every year in the last five or six years that he has been Treasurer of this Province.

For example, Mr. Speaker, we had the occasion in the fiscal year 1986-87. The Provincial Treasurer introduced a Financial Administration Amendment Act to amend this particular section, and what were the provisions at that time? It was to increase the borrowing limit by \$3.3 billion, to raise it to \$5.5 billion. What was the track record of the Provincial Treasurer? In that particular fiscal year the province racked up a \$4 billion deficit. Then in the following year the Provincial Treasurer came in and asked for authority to raise the borrowing limit to \$6.5 billion. That would be another increase, another billion dollars.

#### **Speaker's Ruling Speaking Order**

MR. DEPUTY SPEAKER: Order please. The Chair regrets to interrupt the hon. member, but it seems like we are proceeding in a disorderly manner. The Chair would ask that in order to get us in order, the Provincial Treasurer introduce Bill 45.

MR. HAWKESWORTH: He refused.

MR. DEPUTY SPEAKER: No, I don't think he refused. I think that the Chair saw you first, before he saw the Provincial Treasurer attempt to get the floor, and that's what happened. With the hon. member's permission the Chair will call on the Provincial Treasurer to introduce the Bill so that we can be properly debating it.

MR. HAWKESWORTH: Mr. Speaker, I'm happy to facilitate the business of the day. I want to state for the record that when the Provincial Treasurer did not stand in his place with the calling of the Bill, I was concerned that the vote would have been called on second reading of Bill 45 without having any opportunity for debate, and I thought the Provincial Treasurer had been given lots of time to stand to his feet. He was present, the Bill was called, he didn't rise, and I was very concerned that the vote would have been called without having the opportunity to put any debate on the record. The Provincial Treasurer has been here many years longer than I have, and I would have thought that he would have wanted to make some opening remarks. I don't believe the Bill is improperly before the Assembly. It's been called by the Table officer, it's on the floor, and I thought it was quite proper and in order for me to move to my comments. If it would facilitate you, sir, in the orderly conduct of the business of the House and if it does not lose me my right to continue my remarks on Bill 45, I'm quite prepared to yield the floor in order to assist you and to assist the Provincial Treasurer in adequately moving the Bill and placing it before us. As long as it does not result in me losing my place . . .

11:10

MR. DEPUTY SPEAKER: If the member will give the Chair the opportunity, the Chair certainly gives that assurance to the

hon. member. The hon. member will be allowed to conclude his remarks after the Provincial Treasurer has had the opportunity of formally placing the Bill before the Assembly.

#### **Debate Continued**

MR. DEPUTY SPEAKER: The hon. Provincial Treasurer.

MR. JOHNSTON: Mr. Speaker, I'm very pleased to move Bill 45, the Financial Administration Amendment Act, 1991, for second reading.

Mr. Speaker, it is a matter of procedure that all members know that unless the Bill has been moved for second reading by the sponsor of the Bill, the words of the Member for Calgary-Mountain View were just as useless as they are in context. You have to have the procedural precision in place, and the member should know that by now. It was nice to hear his musings and his fulminations, but I tell you that when it comes to nonsense, we've heard the preliminary story already. So now that we have the procedure tied down, Mr. Speaker, and the House has settled down, I'd be glad to get into the introductory debate at second reading on the principle of this Bill.

I want to make a note to *Hansard*, to all *Hansard* records, that when I say "NDP Party," I do not want you to edit it. It's "NDP Party." Okay?

So the NDP Party has made their move. Now, I want to get into a discussion about why it is that we have to have this request, Mr. Speaker.

MR. SIGURDSON: It's as redundant as you are.

MR. JOHNSTON: Well, we'll see who's going to be around, Mr. Speaker. We've had some interesting exchanges already, and the soft political underbelly of the NDP Party has been exposed. We know that, and we understand their process. They're scrambling to get some kind of fingerhold on the people of Alberta, but the people of Alberta know full well the socialists' agenda; they know full well. The Marxist-Leninist rules are clear, commonly being put in place day after day, not fooling the people of Alberta, I can tell you.

Well, let's look at this Bill, Bill 45. Now, Mr. Speaker, every time we bring the budget in, we introduce a companion Bill, which is the Financial Administration Amendment Act, which increases the borrowing limits of the province of Alberta. I could escape this abusive exchange from the members across the way by putting in one Bill, maybe four or five years ago, increasing the debt limit to \$15 billion, and we wouldn't have this debate every time. But we're being truthful with the people of Alberta. We're presenting a plan and explaining to the people of Alberta how it is we're going to operate. That is to say, we bring in the budget, which puts forward a fiscal position. This year we have a balanced budget, and that still means, however, that there may well be some need to have flexibility in terms of the cash flow of the province of Alberta.

Now, I know the members of the socialist party across the way have no knowledge as to how cash flow and management and accounting and cash financial systems operate because none of them have had the responsibility to do it, none of them. I mean, the Member for Edmonton-Centre has a hard time reconciling the cash collections on Sunday; that's the extent of his business experience. Of course, the Member for Edmonton-Belmont - well, I mean, he gets his facts wrong all the time, so we know he would never understand management information systems.

Let me say that as a result, we are bringing forth a Bill today which allows for the increase in the debt of the province of

Alberta by \$2 billion. Now, it is reasonable to say that if you have a balanced budget, why do you need to have any additional borrowing power? That's a reasonable question. That's the question I intend to address here in principle right now. Let me say, Mr. Speaker, that there are two major reasons, probably three but two certainly, that we need to have this additional flexibility to increase the borrowing power – not necessarily the borrowing but certainly the potential borrowing power – of the province. The first major reason is what I consider to be the cash flow or the intrayear requirements of the province of Alberta. Now, I think even the socialist opposition would agree that your cash flow and expenditures aren't perfectly balanced throughout the year. In fact, you can see that at various times in the year, depending on the seasonality of the call upon the government for certain payments, we have a peak in our expenditures, a peak in our cash flow requirements.

That peak, as a matter of fact, can vary as high as \$1.4 billion to \$1.5 billion. That is to say, Mr. Speaker, that we could have an intrayear net cash requirement, based on this balanced budget, of 1 and a half billion dollars above our cash flow supplies. So over the period of the year, while it may well be balanced – in fact, this year we're showing a net cash surplus of \$92 million on the balanced budget position – that's exactly the point. You see, no one across the way understands the fundamentals of accounting. You may have a budget balance of \$33 million which is a surplus, but we may generate a cash flow increase above that of another \$60 million, which is, in fact, the case this year. We are actually generating \$92 million in surplus this year on the cash flow side.

Now, I know the members across the way have no business background, no understanding of how the private sector operates, and no cash management experience. But putting that aside, if they listen carefully, they'll get a little lesson here today as to how it operates. The intrayear cash requirements are about \$1.46 billion to \$1.5 billion. That comes about as a result of a call upon the government to make certain expenditures which are not matched by the revenue inflows. For example, we have to make significant advances to all the major partnership programs. We do that on a basis of crowding it in the first six months of the year, and of course that's not matched by the revenue, which is generated in particular from corporate tax returns. We find that in the case of corporations, they usually calculate their December 31 year-end balances, and there's a significant inflow of cash in the first quarter of that year. Therefore, in the first quarter of the calendar year and the last quarter of the fiscal year, you'll see a significant increase in the amount of cash coming in to the government. But until we get that cash flow, Mr. Speaker, obviously we have to finance somewhat. To do that, we have to have that flexibility within our cash management profile. We need to have an intrayear cushion of about 1 and a half billion dollars. Now, that has nothing to do with increasing the deficit, and our budget projections are fully on track at the present time.

Now, the second item I could talk about, Mr. Speaker, is so-called contingencies. There are some contingencies which every reasonable person understands must be factored in. Those contingencies, for example, would be one of the questions of stabilization revenue. Now, the budget stabilization included in the \$92 million cash surplus that I talked about is \$195 million of stabilization claims. All members have had that debate here. We know full well that we're putting it up front, and whether or not the arbitration board, who should make a decision by the end of this month, comes down in favour of Alberta or not, I'm

not sure. We're confident; we certainly believe we have a good case.

But in terms of contingencies, every manager must plan for the potential that some of this money may not be collected. Two hundred million dollars, for example, among others I could give you, is part of the problem we could face. Now, that money has nothing to do with our budget deficit, because it's accounted for in terms of last year's financial position. It's taken into income last year. However, we have to have the cash this year, and that is a cash problem we could face as well, in the same way, for example, that we realize the second call on the AGT shares is also in last year in terms of revenue, but in terms of cash flow we'll be getting the money sometime in September. So you can see that there's a variation in cash flow back and forth, and we have to accommodate that. So the second reason why we have to have this debt limit increase is to provide for the contingency question.

Now, finally, the other reason we have to have the debt limit increase is because we have refunding taking place this year, refunding of debt which we issued five years ago, in 1986. You well understand, Mr. Speaker, that when the recession hit Alberta and the oil prices were disastrously low and the province had to go to its economic strength and its financial health to stabilize the economy and to maintain the programs of the province of Alberta, we had to borrow on the capital markets. We did that in a significant way in 1986. I can tell you, Mr. Speaker, that as of June of this year we will have about \$775 million in new financing requirements. As you look down the list, if you go to December of '91, you'll have a further \$1,025,000,000 outstanding coming due.

So you can see that in rough terms you're looking at about \$1.8 billion, plus there are some short-term borrowing requirements. But even with \$1.8 billion in fixed capital markets that is coming due this year, you can appreciate that you have to have the money in advance of the retirement date. You would never want to send a signal to the capital markets around the world that you defaulted on your payment or even any suggestion you're going to default on your payment. That would simply knock the credit rating of the province of Alberta, and we would have to pay more on the capital markets. We would not want to be like the socialist-driven Ontario government, where the credit rating has eroded three times in the past three weeks and no one around the world has any confidence in that government, and of course they have to pay more for their borrowings.

#### 11:20

Now, we would not want that to happen in this province, and the capital markets around the world are firm in their knowledge that that will not happen in this province. That's why we have to have that \$2 billion additional. You can expect that we would like to pay that debt down. We'd like to say to the people who now have our bonds around the world, "When you have a maturity date, we'll pay you cash out for it and we'll take it back and you won't have the liability anymore." But what we have to do is refinance that. We have to be prepared to pay out over \$2 billion in Canadian currency between now and the end of December, which we have to finance somewhere else, because if we have a balanced budget with only a \$92 million cash flow surplus, obviously we're not going to generate \$2 billion in excess cash. Even the socialists would understand that simple equation, Mr. Speaker. That's why, when we go to redeem these debentures – for example, the one in June – we'll have to set up a proposal, go to the capital markets, borrow \$700 million or \$800

million now so that we have the cash in place, and then when the bond comes due, we'll have to pay it off.

Now, you can expect that there's going to be a doubling of our debt requirements at that period. We have to borrow in advance of the maturing. Therefore, for a week, a month, or three weeks, depending how long it takes us to watch the capital markets and do the deal, we'll have twice the amount of outstanding liability for a month period alone. We have to have that flexibility. Two billion dollars is a lot of money. Now, I know to these people across the way a hundred dollars is a lot of money, because they never know how to manage finances; that's clear. But \$2 billion is a big problem in any capital market. Two billion dollars will be the requirement. As a result, Mr. Speaker, we have to have that flexibility, and that flexibility allows us to refinance our debt so that we can meet the responsibilities to the government of Alberta and the people of Alberta to roll that debt over. So there are three major reasons why the Financial Administration Act has to be amended, and those are the three reasons.

Now, finally, let me conclude by saying that there is no connection whatsoever between this piece of legislation increasing the debt limits and any spurious position by the socialists across the way that we have not stayed on our budget course. To the contrary, we have absolutely stayed on our course. The balanced budget is in place, and the people of Alberta understand full well how strong our economy is compared to the other provinces across Canada, which I recited in my speech two days ago. Moving second reading, now it's officially in place, the Member for Calgary-Mountain View should note, he can get on with his obfuscation, and we will then, once and for all, be able to borrow on the marketplace, provide for the intrayear financing, and thirdly, provide for some sort of a cushion should there be a change in the circumstances worldwide which may affect us on a contingency basis.

Mr. Speaker, that's why it's important to have this legislation, and that's why I would ask the Assembly to join with me in supporting this Bill on second reading.

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

MR. HAWKESWORTH: Why, thank you, Mr. Speaker. This is what I get for being such a good guy. Stand aside to let the Provincial Treasurer open debate and look what he does. He just carries on. It makes me feel like it's administering prunes or something, you know: look what comes out the other end once you do that. Anyway, it's nice to see the Provincial Treasurer moved to enter debate here and put a few comments on the record.

It's interesting, Mr. Speaker, that all the minister has done with his remarks this morning is confirm a number of things. First of all, he's living a lot closer to the line, on the edge, in terms of the province's debt limit than he has previously cared to admit. It means that the debt of the province is now extremely close to \$11.5 billion, and he has no margin. He has no way to move. He has very little flexibility. That's the first thing he's admitted. It also tells me that the deficit from last year is much higher than he has cared to admit as well, because otherwise why would we be living so close to the debt line that he needs this extra flexibility?

Finally, Mr. Speaker, he didn't address the point that I was emphasizing in my opening remarks, and that was that if this is only a short-term solution to a short-term problem, why did he not incorporate a sunset clause to this request in the legislation,

such that when the temporary cash flow problem is addressed, the borrowing authority would expire? He didn't take the opportunity to address that latter question, which leaves the distinct impression that this is a permanent request for a permanent increase to deal with a permanent problem, not a short-term cash flow problem, as he has attempted to convey to the Legislature.

So all that he's done, Mr. Speaker, is basically confirm what my fears are, and that is that he doesn't have a balanced budget and that what he's in fact requesting is a permanent increase in the borrowing and the debt limit of the province to deal with a deficit in this year's financial affairs of the province.

I just want to revisit, Mr. Speaker, the track record and the pattern that has been firmly established by this Provincial Treasurer for the past number of years. As you'll recall, I was in the middle of explaining that the Provincial Treasurer in one year increased the debt ceiling by, as best I can recall, \$3.3 billion. The track record that year was a deficit of \$4 billion. The next year he asked for an increase in the ceiling by another \$1 billion. The deficit for that year was \$1.4 billion. Then for the fiscal year 1988-89, another request, another increase in the debt limit of the province, another increase of a billion dollars, and there what happened? A \$2 billion deficit. Then for the fiscal year '89-90 the Provincial Treasurer asked us for an increase in the borrowing limit by \$2 billion. The deficit that year was \$2.3 billion. Then last year the Provincial Treasurer asked us for another increase, another \$2 billion increase. The deficit last year, I guess, has to have been \$2 billion, otherwise why would we be so close to the line that he has to come to the Assembly and ask for this \$2 billion increase in the borrowing limit? Because he's obviously run out of a cushion.

Mr. Speaker, I understand that we have some special guests in our Assembly this morning, and perhaps before they leave, I could yield the floor for their introduction.

MR. DEPUTY SPEAKER: Thank you very much, hon. member. The Chair certainly apologizes to you for this second interruption.

Might there be unanimous consent to revert to the Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

The hon. Member for Red Deer-North.

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

11:30

MR. DAY: Thank you, Mr. Speaker. I'd like to thank the Member for Calgary-Mountain View for pausing to allow a group to be introduced. I would be happy to extend the same courtesy to that member.

We're doubly happy to have two school groups from Red Deer today, from both North and Fairview elementary. Forty-two students accompanied by five adults – their two teachers Mr. Langstradt and Mr. Boyd, and parents Mrs. Robinson, Mrs. Jenkins, Mrs. Ckaczmar – are here today to engage in listening to the debates on the economy of the province. I'd ask them to stand and receive the warm welcome of the Assembly.

MR. DEPUTY SPEAKER: Thank you for your courtesy, hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: I'm always pleased to do that, Mr. Speaker, especially being asked so nicely, and glad to facilitate the business of the House and the needs of all of us to do the business of the province.

head: **Government Bills and Orders**  
head: **Second Reading**

**Bill 45**  
**Financial Administration Amendment Act, 1991**  
*(continued)*

MR. HAWKESWORTH: Mr. Speaker, the point that I'd like to emphasize and underscore by revisiting this history of deficit budgets by our Provincial Treasurer is simply that for each and every year that he has come to the Assembly and asked for an increase in the debt ceiling of the province, for each and every year he's done that, presto, magic, the Provincial Treasurer has achieved that ceiling. It just is natural and has occurred as consistently as night follows day. He asks for an increase in the borrowing limit, and bingo, there it is; we achieve it. So having looked at the track record of the Provincial Treasurer, we see today another \$2 billion request for an increase in the deficit; we conclude that there's going to be a \$2 billion deficit in this year's budget.

Now, that only confirms, Mr. Speaker, things that we've been saying from the very night the Provincial Treasurer gave his Budget Address: that his revenue projections were wholly unrealistic and that his expenditure predictions were unrealistic as well. The revenue: because we don't believe his projections in terms of Crown leases, we don't believe his projections in terms of oil price levels, we don't believe his projections in terms of natural gas revenues, we don't believe his projections in regards to tax revenues, we realize that there's a recession going on in Alberta . . .

MR. JOHNSTON: What?

MR. HAWKESWORTH: Eight point five percent unemployment rates, Mr. Speaker, are historically higher than they've been in this province for many years, since the last recession hit us and the last price collapse of energy in this province eight or 10 years ago. So we know that with that high of an unemployment rate, the Provincial Treasurer's projections for tax revenue are likely to be unrealistic.

So once you add all of these things up, plus the tendency that this government has adopted in recent years to finance basically the last month's operations of the province with special warrants, we realize that the expenditure pattern of the province is likely to be out of whack as well. In fact, if memory serves me correctly, there were several hundred millions of dollars worth of special warrants passed by the Alberta cabinet just within the last month or so of the last fiscal year, increasing the expenditures in the deficit dramatically. So we expect the same pattern to continue. This government has continually relied on having to meet its expenditures and its special needs that way. We don't expect that's going to change in this year.

We further recognize, Mr. Speaker, that the province is in the midst of discharging its portfolio of Alberta Mortgage and Housing Corporation. We saw last year that they had to finance those losses in part by going to cabinet for a special warrant. If memory serves me correctly, there was a \$58 million figure there as well. At some point those losing assets are going to be disposed of by the province this year. Perhaps the Provincial Treasurer is anticipating further losses once those properties are

disposed and is going to be looking at means and ways to finance those losses which he hasn't budgeted for.

Write-offs, Mr. Speaker. As I've pointed out to the Provincial Treasurer already, in his schedule provided to the Assembly they've financed or set aside . . . I'll find it in just a moment, Mr. Speaker, once I go through the budget books, but I believe that the figure was somewhere less than a hundred million dollars. I could stand corrected, but the point that I'd like to leave with the Assembly is that the Auditor General pointed out that write-offs and compromises and so on on loan guarantees in particular have risen in the most recent public accounts to a figure of \$115 million. Now, the budget that the Provincial Treasurer has incorporated in his budget for this fiscal year nowhere approaches that particular figure, and already we've seen companies in which the government has an extensive financial commitment that have gone into receivership or have been shut down or closed operations. For the Magnesium Company of Canada in High River it could be in the order of - it's a very high figure there, and that's only one. We've already had other companies go into receivership or close down. The budget that the Provincial Treasurer has provided for those particular losses and write-offs is nowhere near adequate. He realizes that, and he realizes that the budget that he's provided to the Assembly is way out of whack in that area as well.

As well, the government in this current fiscal year is going to be faced with a problem over what to do with NovAtel. If not this week, next week, or if not next week, very shortly, the minister of research and telecommunications is going to be given a management report of a review of NovAtel's operations. What's going to happen? Is the government going to pull the plug on NovAtel and shut it down, or is it going to continue to finance losses with that company? Eventually, given the exposure that the Alberta government has in NovAtel, it's going to have an impact on the Alberta budget one way or the other, either keeping the company open or closing it. If it's closed, I should remind the Provincial Treasurer that there's almost a \$700 million exposure of the government of Alberta in NovAtel, either in loan guarantees - the figure \$525 million dollars is the one that comes to mind on that score - and in addition they've given NovAtel access to \$175 million in the revolving loan fund. Now, there's a \$700 million exposure.

If the government decides sometime after the Assembly recesses or adjourns that they're going to close down NovAtel, what happens to that \$700 million exposure? I know what the Provincial Treasurer wants us to do. He wants us to pass Bill 45 to give him a \$2 billion cushion in the debt ceiling so that he doesn't have to recall the Legislature in the event that they close down NovAtel and they have to finance those losses. That's what Bill 45 is about, Mr. Speaker. The flexibility is not so much in the refinancing of debt; the flexibility is what to do with the financial and political problems confronting the Provincial Treasurer at the moment. He's looking down the road. He's looking down the road, and he sees a big cloud. He sees lots of political problems, he sees lots of financial problems facing himself and this government in the months ahead, and he doesn't want to have to be in a situation in September or October where the government has run out of money, has run out of borrowing authority, and has to call the Assembly into emergency session in order to help him cope with the political and financial problems staring them in the face at that particular time.

**11:40**

So what he's doing is asking us in advance to give him that \$2 billion borrowing authority so he's not going to be embarrassed

when the bills come home in order to be paid. That's really what this particular Bill is about, Mr. Speaker, and it tells me that the Provincial Treasurer has no more faith in the balanced budget than I have, that in fact the problems, the pressures, the difficulties facing the implementation of this budget are so great that he's not going to be able to balance the budget and in fact he's going to need to go into the markets to borrow \$2 billion to cover the political costs and the financial costs facing him in the months ahead.

Now, running up a deficit budget by itself has its difficulties, and I respect that and understand that. I also understand why provincial treasurers from time to time are faced with financial circumstances in their budgets and their economies that require them to do deficit financing. What I object to, Mr. Speaker, is a callous – I guess it's the only word I can think of at the moment – disregard for the public, that the Provincial Treasurer is not prepared to level with them as to what he's really up to. That's what I object to. If the Provincial Treasurer had come into this Assembly and said, "I need to borrow \$2 billion in order to finance the following deficit budget," that's one thing. That's at least being honest. That's at least taking it on the chin, facing up to his obligations as an individual in a responsible way. But to come into the Assembly and say, "I've got a balanced budget," when in fact the opposite is true – he's going to run up a \$2 billion deficit – that's what I object to, the unwillingness to be candid and open with the people of Alberta as to what in fact are the financial obligations of the province. Cooking the numbers, making up the numbers in such a way that it looks on paper as if it's a balanced budget, knowing full well that those objectives cannot be achieved: that in my mind is what is most objectionable about both the Budget Address and Bill 45 which is on the table in front of us.

We know the Provincial Treasurer is under considerable pressure. We know his assumptions that went into the budget are being discredited each day. What we believe would be prudent and responsible on his part would be to bring in a new Budget Address that reconciles the realities of the day with the provisions being requested by him in Bill 45 to increase the debt ceiling of the province by \$2 billion. Then at the end of the day, Mr. Speaker, if he comes in with a 1 and a half billion dollar deficit instead of \$2 billion, he looks good, instead of what he's doing now. Coming in with a balanced budget and ending up with something closer to a billion and a half or \$2 billion, he looks awful. It would be better for him to be honest with the downside scenarios that are facing him today, coming into this Assembly and leveling with us and with the people of Alberta about what those are, and doing that now. At the end of the day, if he performs better than that, he looks good, but what he's doing now is coming in, pretending he's got a balanced budget, and when the full figures are known, the bottom line is known at the end of the day, he's going to look like he is just out of control, that he doesn't have the management of the province's finances in hand.

I have a lot of respect for the Provincial Treasurer. I know he's smart, I know he's astute, and I know he thinks he knows what he's doing. But let the record show that he really knows what he's up to by asking for a \$2 billion deficit. That's really what the circumstances are facing him, and that's where he hasn't been forthright and honest and open and candid with the people of Alberta in his Budget Address. That's where I object to what he's trying to pull off here.

I'm always an optimist. When it comes to the Provincial Treasurer, it's like hoping that some day he'll be on his own personal road to Damascus, and the light will shine and he'll be

blinded, and in all of that there will be a conversion, maybe on the road to Lethbridge-East. I don't know. One of these days driving down Highway 2 he'll be blinded by a light and he'll realize, Mr. Speaker, that what he has been doing is wrong, and he will start to do things differently. That's what I'm looking forward to, that sometime in all of this he will realize that the hon. Member for Calgary-Mountain View is right on, that he needs to be more honest about what he's doing, more open with the people of Alberta about the realities facing the province, and level with them as he really ought to do.

That's what we're saying is the first thing this Provincial Treasurer should be doing, not trying to hide what he's doing, not trying to cover it over, pretend that this \$2 billion deficit he's asking for, this \$2 billion increase in the debt ceiling, is not really an increase in the debt ceiling, it's something else altogether. All of these just hide, try and place under a bush, what he's really doing. I would rather, Mr. Speaker, that he leveled with the people of Alberta, took a realistic look at his own budget, leveled with the people about what really is in here and told them, "Hey, things are not as rosy as we would have you believe; we need to raise the debt ceiling of the province by \$2 billion in order to face the financial circumstances that we're under at the moment." That would have been the correct course for him to take. Bill 45 is the real bottom line, the really crucial document in the entire budget process of what really is involved in the 1991-92 fiscal year. Bill 45 is the key piece of legislation in regards to the province's finances. It says that we need to borrow another \$2 billion to deal with the province's finances. This is what truly is facing the Provincial Treasurer and the people of Alberta, something which I wish he would be more honest and candid about.

Now, Mr. Speaker, the Provincial Treasurer made reference to the province of Ontario. I'm surprised he doesn't have more sympathy with the provincial Treasurer of Ontario, because in our own province in 1986 when the price of oil dropped by – I don't know; it was down to \$10, \$12 per barrel. It put this Provincial Treasurer in a very difficult situation, and he ran up a \$4 billion deficit for that fiscal year. He should understand what happens to an economy when the forces of free trade and other factors are having an impact on the Ontario economy, that the provincial Treasurer there has responded to those circumstances. He's also responded to a major loss in transfer payments from the federal government as well.

In 1987 this Provincial Treasurer brought in a deficit on a per capita basis of \$1,700 per Albertan, which, by the way, compares to what the provincial Treasurer in Ontario has brought in, something in the order of \$1,076 per person in Ontario, something much smaller than this Provincial Treasurer implemented in 1987.

**11:50**

MR. DEPUTY SPEAKER: Thank you. The hon. Member's time has expired. The Chair might point out that in these calculations the clock was stopped at all times when the hon. member wasn't making his remarks to the Bill.

#### **Point of Order Speaking Time**

MR. SIGURDSON: A point of order, Mr. Speaker. I'm just wondering, sir, if you could advise the Assembly whether or not the member's 30-minute allotment started after the Provincial Treasurer moved for second reading.

MR. JOHNSTON: What's the point of order?

MR. SIGURDSON: I'm asking a question.

MR. JOHNSTON: What's the citation? What's the point of order?

MR. SIGURDSON: Citation 29.

Mr. Speaker, I'm wondering, sir, if you could advise the Assembly if the member's time allotment was started before or after the Provincial Treasurer moved second reading of Bill 45.

MR. DEPUTY SPEAKER: No, it did not. The Chair interpreted the rule that every member has 30 minutes on second reading. The hon. member did have two interruptions, one by the Provincial Treasurer and one for the introduction of special visitors. The Chair just pointed out that the clock was stopped for those entire things and that he did receive his full 30 minutes for addressing Bill 45.

MR. SIGURDSON: Well, on that point of order, Mr. Speaker, second reading began after the Provincial Treasurer finally realized that he had . . . [interjections] Oh, no, no, no. Look, with due respect to the Speaker, the Speaker sat in his chair waiting for the Provincial Treasurer to stand up and move second reading. Now, he didn't come by the moniker Tricky Dicky for nothing. He waited, hoping that some member would call for the question. Nobody called for the question, so my colleague the Member for Calgary-Mountain View stood up and started to speak. At some point the Table officers advised you, sir, that in order for the business of the House to be conducted, the Provincial Treasurer would have to move his Bill. When he moved his Bill, debate started over again.

My colleague the Member for Calgary-Mountain View has not had 30 minutes on second reading. He is due whatever period of time was deducted prior to the Provincial Treasurer moving second reading.

Sir, I would request that you give us a proper interpretation of where the 30 minutes starts.

MR. DEPUTY SPEAKER: The hon. Member for Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. On the point of order, the Member for Edmonton-Belmont has raised citation 29 in our Standing Orders, but he has omitted to actually read the citation, and I need to do that in order to clarify the issue. Citation 29(c) clearly states

A member other than the mover, speaking in debate on a Bill proposing substantive amendment to more than one statute, shall . . .

Oh, I'm sorry. Has 30 minutes . . .

MR. SIGURDSON: Try (d), yeah.

MR. GESELL: Yes, right.

MR. SIGURDSON: I'll help you out any way I can.

MR. GESELL: Thank you very much.

(d) except as provided in clauses (a) to (c), no member shall speak for longer than 30 minutes in debate on a motion or a Bill. Now, the member obviously has spoken on the Bill, even though the motion for second reading of the Bill followed afterwards. He actually spoke on the Bill, Mr. Speaker. Now, the citation states, "in debate on . . . a Bill." The comments were related to

discussion on the Bill. I can't quite see any other interpretation being put on the remarks the member made.

MR. DEPUTY SPEAKER: Thank you, hon. member. The Chair feels somewhat embarrassed about this whole matter, but the hon. Member for Calgary-Mountain View, when the Chair first interrupted him, was quite concerned that he be allowed to complete his remarks that he had commenced. He started his remarks on Bill 45, and he was debating Bill 45. The Chair understood that he wanted to make sure that if he got interrupted, he was going to have his full time that he had started on. That's the Chair's assumption.

Hon. members, if the hon. member sincerely feels that he has not been given proper time to express the thoughts that he wanted to express, then the Chair is prepared to look at that, but the hon. member himself wanted the undertaking of the Chair that he would not be deprived of any time because of these interruptions, and that was the undertaking the Chair gave him.

MR. HAWKESWORTH: Mr. Speaker, I believe the whole question revolves around: at what point is second reading initiated? Is it at the time the Clerk calls for a Bill? In which case it can be passed without any intervention by the mover or any other member of the Assembly. If that's the case, then it was moved at that point when it was called and my remarks were directed at second reading. If that's the case, Mr. Speaker, then it was a courtesy that I allowed the Provincial Treasurer. I yielded the floor in order to allow him to intervene and then I got back in and completed my remarks in the 30 minutes allowed. If, however, the Bill was not given second reading until the Provincial Treasurer completed his remarks, then as he said, my comments between the time the Table officer called the Bill and the time it was moved by the Provincial Treasurer were basically words filling the air and, therefore, were not related to my 30-minute time period.

If it's your ruling that second reading was initiated at the moment the Table officer called the Bill, then I have no objection. My 30 minutes clearly have been used up, and I'm quite happy to take my seat. If, however, your ruling is that second reading was only moved at the conclusion of the Provincial Treasurer's remarks, then it would seem to me I still have some time remaining.

MR. DEPUTY SPEAKER: Order please. The Chair is prepared to make a ruling.

The Table called the Bill, and it is the Chair's opinion, until better advice can be offered, that second reading began. However, the hon. member himself pointed out that it was rather strange that the Provincial Treasurer in his introduction hadn't introduced the Bill. The Chair interpreted that as feeling the hon. member would be more comfortable if there had been a more normal method of the Provincial Treasurer introducing the Bill to let the Assembly know what we're talking about. That's why the Chair interrupted, because in fact the hon. Provincial Treasurer could have waited till after the debate was over and in closing the debate could have moved the Bill. But it was called, and the Chair feels that second reading did commence when the Table called the Bill. Therefore, the ruling has been made, and the Chair is not prepared to hear anything further on this point of order.

Now, is the hon. Member for Stony Plain rising on a point of order?

The hon. Deputy Government House Leader.

### Debate Continued

MR. STEWART: Mr. Speaker, I beg leave to adjourn debate on Bill 45.

MR. DEPUTY SPEAKER: The hon. Deputy Government House Leader has moved that debate be adjourned on Bill 45. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

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

[Eight minutes having elapsed, the Assembly divided]

**12:00**

For the motion:

Ady	Gesell	Paszkowski
Black	Johnston	Severtson
Bradley	Jonson	Shrake
Brassard	Laing, B.	Sparrow
Cardinal	Lund	Speaker, R.
Cherry	McClellan	Stewart
Clegg	Mirosh	Tannas
Day	Moore	Thurber
Drobot	Musgrove	Weiss
Elzinga	Oldring	West
Fischer	Osterman	Zaruský

Against the motion:

Bruseker	Hewes	Roberts
Chumir	Laing, M.	Sigurdson
Doyle	Mitchell	Woloshyn
Ewasiuk	Mjolsness	

Totals:	For – 33	Against – 11
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[Motion carried]

[On motion, the Assembly resolved itself into Committee of the Whole]

head: **Government Bills and Orders**  
head: **Committee of the Whole**

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: I would ask that the committee please come to order.

### Bill 47

#### Appropriation (Alberta Capital Fund) Act, 1991

MR. DEPUTY CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to this Bill?

The hon. Provincial Treasurer.

**12:10**

MR. JOHNSTON: Mr. Chairman, I thought I would take an opportunity to put on the notes with respect to this Bill 47, Appropriation (Alberta Capital Fund) Act, 1991, some of the particular views that the government holds and underscore why it is so important that the Legislative Assembly approve this piece of legislation.

All members know that the rules of the House now are governing the procedures of this Bill, and while we are debating the Alberta Capital Fund Act, Bill 47 – at least that will be my focus of reference – in fact all Bills will be proceeding through committee at this point. We'll speak, I guess, until 12:45. We may even get a chance to hear from some of our other colleagues across the way. I suppose with a bit of luck I could go most of the time, but I don't think I'll take that advantage.

What I will do, Mr. Chairman, is deal with three issues, because you see, the debate we've just had on Bill 45, the financial administration Act, wherein I've asked for an increase in the borrowing capacity of the province of Alberta, does in fact articulate with this piece of legislation, the Capital Fund legislation. The reason it does is that this appropriation Act, the Alberta Capital Fund Act, is a recommendation to the Assembly on behalf of the people of Alberta to suggest that we should be able to spend \$285,550,400. That is in schedule B of the Bill, and, as well, schedule A of \$5.6 million is included. Why it's important is that these are capital projects, projects which have a fairly long duration, projects which touch all Albertans: in particular, projects which are important for young Albertans, advanced education facilities, important to maintain the quality of life, such as investments in environment and municipal affairs, and construction of health care facilities, some \$129 million of health care facilities, together with infrastructure investment in water projects and other government facilities. These are important investments, Mr. Chairman. They are infrastructure investments, they have a long life, and they provide future benefits to subsequent generations of Albertans.

But why it's important to bring this Bill in the context of a borrowing Bill deals with the way in which we finance our capital projects. The way we finance the capital projects, Mr. Chairman, is through Alberta capital bonds. Alberta capital bonds. The reason I raise Alberta capital bonds, of course, is because we went to the people of Alberta over the past couple of weeks asking them if they would like to invest in Alberta capital bonds, bonds which will be used for the support of these particular facilities. Most people know of the strength of Alberta in terms of its financial record. Albertans have confidence in the future of this province, and Albertans are willing to participate in that future. Albertans like the idea of investing in Alberta. They like to use their surplus dollars to invest in hospitals, education facilities, and infrastructure investments. Moreover, they like the idea that the province, when it has to pay interest on its borrowing, has that payment go back to Albertans.

Mr. Chairman, I want the record to show that this last issue of Alberta capital bonds has been so successful: over \$600 million worth of bonds sold to Albertans to support these facilities. What an amazing testimony to the strength of this province, to the stewardship of this government, and to the commitment that Albertans have in the future prosperity of our province. These are real votes, dollar votes, over \$600 million worth of votes of confidence in this government. Now, that's the kind of performance the people of Alberta like, and that is a clear measurement of the success of this government carrying out its policies of diversification, of building for the future, of



securing opportunity for Albertans, and dealing with the prosperity which is now under way in this province: a clear vote of confidence. The total amount of borrowing outstanding there, Mr. Chairman, is now close to \$1.3 billion, and up to the last bond issue over \$350 million worth of interest went back to Albertans; not to the people in Switzerland, not to the people in New York, but to the people of Alberta.

So I say again that this capital bond issue, articulated with the projects that it finances, is a strong, strong endorsement of the policies of this government as reflected by the response by the people of Alberta. I thank the people of Alberta for their confidence, and I know that they're not listening to the socialists across the way.

I want to say one other thing about the speech of the Member for Calgary-Mountain View. He said there's an "r" word. The "r" word. Now, Mr. Chairman, in my mind, the only "r" word that applies to the NDP is "rubbish." There is no recession in this province. The people of Alberta know that. They've invested in the future of this province. They've put \$600 million this past couple of weeks into this province, and they know that the real economic growth is taking place here.

Now, you heard my colleague the minister of employment talk about the success story of this province. I've said in the House before that Alberta has one of the best employment records of any province in Canada. We're generating new jobs at a time when the in-migration has never been at a higher level. Not only are we absorbing the young people who are going through the system itself in terms of generating jobs, but we're taking those people who have lost faith in the socialist policies of Ontario, for example, and are moving here to this province. We're generating jobs here, Mr. Chairman. We're generating new investment. We're planning for the future. As I've said before, it's a superb sunrise in Alberta, and those detractors should be wary of the consequences of their misleading statements. The only "r" word that's applicable to this province is "resurgence," and that's what's happening. There is no recession at all.

Now, Mr. Chairman, I know that members of the Assembly have had a long opportunity to debate this piece of legislation. All colleagues have extensively provided data as to the reason for the call upon the budget. The members of the opposition have had opportunity to question my colleagues, the ministers responsible, and I know in looking at this piece of legislation that it is based on profound wisdom. Investing in the future, strengthening the economy, diversifying the economy, building for the future of the young people like Sue Johnston, who happens to be in the Assembly right now, so they have a secure place to be in the future of this province. That's why we're very proud of our excellent record in terms of universities, colleges, and health care facilities that make our province, without question, beyond compare with any other province in Canada.

That's why without any hesitation, Mr. Chairman, I recommend this Bill to the members of this committee.

Thank you, sir.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I have a number of comments about this Capital Fund and how it's expended and some of the specifics of it, particularly looking over not just this one fiscal year but looking down the road a ways, too, to get some sense from the Treasurer just what we're committing ourselves to here with the expenditure of some of these funds.

For instance, I have never gotten clear from government just exactly the formula they use to determine that in constructing certain facilities, they thereby are committed to certain operating funds to, obviously, operate the facility once it's built. For instance, in the construction of hospitals and nursing homes, there was a formula I was once told about. It was sort of: for every \$100 spent on capital, \$30 would be needed to be spent in operating year by year by year for the entire life of the facility. I'm told that that has now in fact risen to almost \$50; half of every construction dollar is going to be used for operating in the successive years. That's a pretty big commitment.

Now, we know the Treasurer has to balance a number of books and a number of funds, and we on this side of the House are continuing to press in terms of how he ever possibly manages to do that when in fact there seems to be such a shell game going on so often. Does he not realize that in the expenditure of these capital funds, it's going to put an even further strain on the General Revenue Fund in the upcoming years? For instance, by spending \$129 million on construction for hospitals, I would argue that folks out there in the health care field would tell you that that means that by next year at least \$50 million of new dollars would have to come from the General Revenue Fund to continue the operation of that new construction of hospitals. I'm not quite sure what the formula would be for housing or special waste facilities or posteducation. I think the figure might well be a bit lower.

12:20

But as we hear from this government, they want to cut back on the General Revenue Fund and cut back on services throughout the province. They must have learned the lesson, as they did in the health care field, that you just can't go around building buildings, buying equipment, cutting ribbons, having photo opportunities at election time and not realize that that is going to have a direct bearing and further strain on the General Revenue Fund. So we want some formula that government uses to calculate these future needs and what in fact we're committing ourselves to by virtue of this vote and its seven sections under schedule B.

Another point I wanted to raise was some concern I'm hearing out there that in fact this was kind of a bonus year for the announcement of new construction, particularly, for instance, in the city of Edmonton. We've got the Grant MacEwan campus going up and the Royal Alexandra hospital expansion finally under way. I know there's work at the Cross Cancer Institute currently going on and some other rather big-ticket items. What I'm hearing from some is a concern that yes, we've announced a go-ahead, and yes, here are the funds to get into the ground, but when all these projects sort of hit the expensive construction stage, which could be next year or the year after, there in fact might not be the money in the Capital Fund when we're at that expensive construction phase of these new facilities.

So again I'd like to ask the minister what he and his department officials have done to look downstream a bit here to know, with the number of dollars allocated for construction for these projects in these initial start-up years, is there going to be enough money in the Capital Fund when we get to that crunch or to that crunch period next year or the year after when a number of these projects would come on stream? Now, I've heard the Minister of Health say time and time again that we have to sort of do some long-range planning in health and that a number of projects are on hold because we have to let only a few of them out at a time. Because you can do some studying, you can do some planning, you can do some drawings and the rest, but once you get in the ground, it's going to be a lot of dollars not just

that year but the year after and the year after that. So I would have appreciated from the minister a three-year plan here where there's a Capital Fund commitment, particularly with projects that take two or three years to construct: how that commitment has been budgeted for and planned for, for the entire period of construction.

Again, the minister earlier, with respect to Bill 45, talked about the peaks and the valleys in terms of the strain on the government's coffers month by month, day by day. He had to go to the Assembly here to get a further allowance to raise the ceiling to \$2 billion because of the ups and downs of the cash flow in the General Revenue Fund. I want to know what he's using for a ceiling in terms of the ups and downs of the Capital Fund and the construction, which itself is a very flexible, up and down kind of draw on budgetary dollars.

Then another question I'd like to ask. Some of us have looked at some accounting, some understanding of assets, and it seems to me that one thing we hear about often from the government is construction, is capital, is assets, or, as the Auditor General would call them, deemed assets. What I'd like to hear more of a discussion about is the whole issue of depreciation. Now, in the limited accounting instruction and reading that I've done, I realize that there are several different formulas for calculating depreciation allowance on certain assets. I for the life of me can't go into them all now, but I do recall that it is very complicated, and again there's lots of smoke and mirrors in terms of how anyone in the private sector in building up an asset has to write down the depreciation allowance each year on their balance sheets. Here we have the building up of a lot of assets in the province, \$285 million worth. I'm wondering what calculations are done by government, by Treasury to know how the depreciation of these assets is going to be calculated. We have this issue in the heritage trust fund, as I said, with the deemed assets and what the fund is worth, yet there are many, the Auditor General and other accountants, who regularly say that the depreciation allowance is just not figured in as it needs to be and as it should be and that that accounting procedure needs to be tightened up quite a bit.

Not only that, but it seems to me . . . Again what I've heard from some people in the hospital sector, and even the Minister of Advanced Education said awhile ago: how do we build buildings and ensure that there's going to be a certain life span to them? We're building social housing, special waste facilities, colleges, universities, hospitals; is there a plan that yes, we're going to invest these dollars in this asset and it's going to stay put? It's going to be valuable to us for what: 10 years, 20 years, 30 years? What assurance is there that the construction is of good quality and that the buildings themselves will last and endure over time? Now, I think it was with respect to Lister Hall that the Minister of Advanced Education had some problems. I've heard of some hospitals down in Black Diamond and other places in southern Alberta where they built them on some rather shifting sands, brand-new hospitals that are going to have cracks in them and all the rest.

So I think we need to have some further discussion and debate about not just replacement but the need for our construction funds in our capital funds to go into buildings that are going to last and endure, and then some formula for replacement of buildings. Do we know, for instance, with these postsecondary education facilities that we're building, if there is a plan that we're committing to our children and our grandchildren that 30 years from now we're going to have to redo them all over again? Or is it going to be something we need to look at in 10 or 20 years, as I've already mentioned?

Finally, I guess my last point is again really just sort of one for economic analysis and debate from the minister. It's just how much of a Keynesian he really is over there. It seems to me that there's still a view out there in the economic world – it might not be Milton Friedman; he might, I'm sure, stay closer to that side. *Capitalism and Freedom* is a book that I'm sure is on the Treasurer's bedside table. But just what is in the Treasurer's mind and that of the government, the degree to which . . . As we have said, in the province of Ontario it is the role of government to spend capital funds and capital dollars on infrastructure, on projects to create jobs and to stimulate the economy. If the money's here, I know they'll say, "Well, we're going to go with Al-Pac," or OSLO or Lloydminster or other big projects. But when those projects fall flat, when OSLO doesn't proceed as we think or when some of the bankers financing Al-Pac get a bit soft-footed and some of that investment falls flat, what is the role of government?

In the Treasurer's mind, to what degree and how much would these construction dollars, \$285 million in capital funds, spur economic activity, job creation, and help in the whole economic mix? Now, again I'm sure the minister has seen this debate in many circles. I don't think it's a big one here. I thought it was argued that it was sort of the Keynesian approach of the Lougheed government to use capital funds and the trust fund to build hospitals and build all kinds of things in that sort of Keynesian way or with that Keynesian view in mind. I'm wondering. Things may be dwindling now and there may not be the same commitment to that philosophy. But I think, rightly so, that in the province of Ontario – and if the Treasurer wants to get up and berate Bob Rae and Pink Floyd about what they're doing there, that's fine. We are taking some risks; there's no question. But two, three, and four years from now, we will see who and how those risks have paid off. It seems to me that the building up of the infrastructure of roads, sewers, municipal structures, and a whole variety of things that the government could be committed to in terms of capital funds is a responsible way of spending from the public purse which can help to stimulate economic growth and is very defensible, particularly in a longer range strategy.

So those are four points I thought I'd throw out in these few minutes in the dwindling hours of this debate on this Bill and hope that there's more.

Thank you.

12:30

MR. DEPUTY CHAIRMAN: The Member for Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. I'm going to speak only briefly on this matter about the concept of capital funds in general. It's rather interesting that we even have a Capital Fund. Lou Hyndman and Merv Leitch probably never even dreamt of capital funds. They weren't known in their days. Those were days of solid balanced budgets, halcyon days when Alberta stood strong and tall rather than cowered as it does now.

Why is it that we have a Capital Fund? It's kind of ironic that the Capital Fund materialized at the very same time as very significant budget deficits materialized in this province, in that very black year of 1986 when we saw the fallout of the very negligent manner in which this government entered into deregulation without providing any protection for the downside that this province would incur, particularly in respect of natural gas where we had a 25-year overhang and there was no staging given for the introduction of the deregulation process. We're

going to see very soon, Mr. Chairman, the impact of the downward pressure on natural gas as a result of those errors.

So there we were in 1986 and the government is faced with this major deficit problem. They have all kinds of options as to what they do, but what does Mr. Accountant decide to do? Well, Mr. Accountant decides it's time to start bringing out that bag of accounting tricks that he's learned over the years, and lo and behold he introduced a Capital Fund, the result of which is that you capitalize a large number of expenses and reduce your budget deficit commensurately.

Now, it's significant to note, Mr. Chairman, that Alberta was the only province in this country – and top gun is pointing both pistols at me with approval – to establish a Capital Fund. Well, we now have company. Is that something to crow about? Is that something to smile and to top gun about? What is the company that we have? That company is none other than the province of Ontario, which has now given us the \$9 billion-plus deficit. This is the province that that Provincial Treasurer couldn't wait to criticize. The day that the Ontario budget came out, there he was with the release in hand as soon as he stood up: smiling, beaming, critical. What do we see now? In that very same budget we see that government using exactly the very same type of profligate accounting methodology that this Treasurer uses, and he supports it. He's now referring to it with approval. What we have is Pink Floyd in Ontario; we have Magic Dick, Red Dick, who has been described earlier in this House – and I'm going to steal the term – the Ronald Reagan of Canadian politics. He's going to leave this province with a debt legacy so deep you won't be able to count the numbers. Here we find that he and the New Democratic government in Ontario share exactly the very same ideas with respect to this Capital Fund, the only two governments in Canada, the only two; there they are. Well, we'll soon have some more undoubtedly. If the polls are accurate, we'll soon have two other new governments in other provinces, and we'll have two more capital funds and two more provinces going deeper and deeper into debt because they can't manage.

Now, the justification for setting up these capital funds is the theory that projects should be financed over their life. Well, that raises a question here in terms of: by what standards is it that the government picks some capital projects to be funded through the Capital Fund? Many other types of capital expenditures with long lives are funded through the General Revenue Fund, a significant amount of funding through the General Revenue Fund. It's very similar to the dilemma of why certain expenditures are made through the Heritage Savings Trust Fund; for example, the \$6 million for the Premier's council on family life. Why are some expenditures made through the heritage trust fund and not through the General Revenue Fund? Well, many reasons may be given, but the real suspicion that we have is that these are decided on a basis of convenience, the convenience of the government to reduce the amount which is reported as a deficit, in the case of the Capital Fund some \$200 million-plus per year.

Our suspicions are aroused even further by the reality that there are a number of other accounting tricks that this government has been using over the past five or six years. The Auditor General from time to time comments on these. The latest trick that he's picked up on: of course, those who've been watching it from the opposition side have been aware of this and picked up on it a long time ago. The newest trick that has been made public by the Auditor General is that of delaying losses in respect of loan guarantees: restructure a little bit, tailor, move the guarantee loss into a perpetual loan with interest payable

only in the event there's income and the capital payable only in the event there's income and pretend that the guarantee and the amount owing are in fact going to be realized by this province. That's one trick.

The second trick, of course, is, as I referred to earlier, the use of the Heritage Savings Trust Fund, where expenditures of over a hundred million dollars per year are parked – for example, \$6 million for the family and drug abuse foundation – where they don't appear in the General Revenue Fund. I can't help but note that if we go back two years ago and look at the Provincial Treasurer's Budget Address, when he got near the end of the address he said, not with very great pride but with some direct honesty, that the combined deficit – this was the number he gave to Albertans – was two point whatever: one point five, one point seven. The combined deficit included the Heritage Savings Trust Fund two years ago. All of a sudden that number disappears. There's no longer any combined deficit. It's just a simple statement of deficit. The amount of reported deficit to Albertans was reduced by a hundred and some million dollars simply by virtue of that reporting device. We noticed, and we're telling Albertans.

Now we have, again, this Capital Fund. What is it? Is it really a philosophical and a supportable basis of financing that is behind this? Or is it this continued desire of the Provincial Treasurer to reduce the reported deficit by parking some expenditures in this separate fund? We have some grave doubts about the way in which this is done, Mr. Chairman, particularly noting that this has been picked up by the New Democratic government, by Pink Floyd, in Ontario. We think that a strong case can be made, as has been made and accepted by every other government in this country, except those the finances of which are run by Pink Floyd and Red Dick. We think that the philosophy of pay as you go has a great deal to commend it in order to keep governments out of the troubles they've been getting into. We know there are arguments on the other side. We think that it's incumbent on this Provincial Treasurer to make those arguments in a much more persuasive manner than he has made to date, and we're not going to be supporting this legislation because of that.

MR. JOHNSTON: Oh, Sheldon, you crush me.

MR. CHUMIR: Thank you. Peace.

MR. JOHNSTON: Peace.

MR. DEPUTY CHAIRMAN: The hon. Provincial Treasurer.

**12:40**

MR. JOHNSTON: Mr. Chairman, I might take a few moments just to clarify many of the misleading statements that have been made and, in other cases, in fact respond to the legitimate questions which have been raised. I'll start by dealing with my colleague from Edmonton-Centre, who raises some questions about the idea of matching the costs and depreciation, which to some extent is part of the question raised by the Member for Calgary-Buffalo.

I think it is a very sound economic principle that in fact governments now have taken dollars that are invested in assets and put those in a separate fund, for the very simple reason that many Albertans and many citizens understand that if you have an asset, it has a longer use life than one year. You see, what we're doing here is simply matching the use of the asset with the time in which it's used. Traditionally governments have

written off fully the cost of an asset. They've written it off against the department's operating, and as a result no future track was kept of the use potential of that asset and it wasn't matched against its application today. So this particular fund does that in a very real economic sense: matches the use of the asset with its depreciation, if you like.

What we have done in terms of our accounting is to bring into each department's budget approximately one-thirty-fifth of the cost of an asset. So we're matching its use potential over its 35-year life with the costs of operation. I should say as well that the actual costs of financing are being charged to the department of Treasury, and those normal kinds of costs are operating. Now, under the great days, the "halcyon days," to quote the Member for Calgary-Buffalo, we didn't have to borrow money; we simply had all this cash sitting around so we could spend the money directly. We could, therefore, afford to write off the cost of an asset on an immediate basis.

I think there's a change taking place in all governments. I must say that in the case of Ontario they have in fact copied what Alberta has done. One out of 50 isn't bad; emulation is the greatest form of flattery. I can assure you that in the next few years ahead you'll see other provinces form capital funds. It is, in fact, a real economic response to the way in which the best use of the asset is matched against the actual time frame in which that asset's expended.

Now, the second thing we find is that the only time you get a relief in terms of deficit is in about the first year when you make the correction. So as the Member for Calgary-Buffalo has pointed out, we did this in 1986, and I can show you right now from our analysis that the impact on our budget with respect to the Capital Fund over the period of five years is essentially neutral. There is no impact and no benefit to us in using the Capital Fund in terms of the impact on our budget because of course we are charging against the General Revenue Fund the actual depreciation plus the costs of amortization.

So the member knows that he is part of the socialist philosophy, similar to the NDP Party, sic, and I want to make it very clear that they're the ones that in terms of profligacy got all other provinces in trouble. Now, the problem in Ontario is in fact that the Liberals there were the ones who started the spending spree and started to increase taxes. That's why they were defeated, defeated clearly on that basis. So I make no apologies at all for the change in position, and the combination of the two parties in Ontario is going to be a disastrous mix.

Mr. Chairman, I think our time is about limited. I would simply ask you to deal with the process.

**Bill 46  
Appropriation Act, 1991**

**Bill 47  
Appropriation (Alberta Capital Fund) Act, 1991**

**Bill 48  
Appropriation (Alberta Heritage Savings Trust Fund,  
Capital Projects Division) Act, 1991-92**

MR. DEPUTY CHAIRMAN: Thank you, hon. Provincial Treasurer. The Chair must now, according to Standing Order 61(4), place a single question before the committee with respect to all appropriation Bills before it. Therefore, I would refer to Bills 46, 47, and 48 and ask all members in favour of these Bills to indicate by saying aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY CHAIRMAN: Opposed, please say no.

SOME HON. MEMBERS: No.

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

[Eight minutes having elapsed, the Assembly divided]

**12:50**

For the motion:

Ady	Fischer	Shrake
Black	Gesell	Sparrow
Bradley	Johnston	Speaker, R.
Cardinal	Laing, B.	Stewart
Cherry	Lund	Tannas
Clegg	Mirosh	Thurber
Day	Moore	Weiss
Drobot	Osterman	West
Elzinga	Severtson	Zarusky

Against the motion:

Bruseker	Ewasiuk	Roberts
Chumir	Laing, M.	Sigurdson
Doyle	Mitchell	Woloshyn

Totals:	For – 27	Against – 9
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[The sections of Bills 46, 47, and 48 agreed to]

[Title and preamble agreed to]

MR. STEWART: Mr. Chairman, I move that the committee now rise and report.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills and reports the following: Bills 46, 47, and 48.

MR. DEPUTY SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

Order please. Before recognizing the Deputy Government House Leader, the Chair would bring to members' attention that Sharon Anderson, who has been in the service of the Legislative Assembly for the last nine years – this is her 10th session – will be leaving that service effective today. But don't despair; don't despair. While her presence has been very refreshing and illuminating and generally a happy experience for all of us, she is not moving outside the building. Commencing next week she will be at the front door, in the employ of the Department of the Solicitor General. [applause] On behalf of all members present we say thank you and say that we're grateful that you will not be leaving the scene, just merely at a different location within it.

MRS. ANDERSON: Thank you very much. Thanks to all of you.

[At 12:57 p.m. the Assembly adjourned until Monday at 2:30 p.m.]