

Legislative Assembly of Alberta

Title: **Wednesday, June 12, 1991**

2:30 p.m.

Date: 91/06/12

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving both our province and our country.

Amen.

MR. GOGO: Mr. Speaker, it's not every day, obviously, that anyone has a birthday, let alone a fifth birthday. Today's a very special occasion, I'm sure, to you, sir, and to all of us as this is the fifth anniversary of your election to this august body as Speaker of the Assembly. I'm sure all hon. members in the House will join with me in not only congratulating you and wishing you happy birthday but wishing you many more of the same.

Thank you. [applause]

MR. SPEAKER: Thank you.

head: **Introduction of Visitors**

MR. R. SPEAKER: I would like to take this opportunity to introduce to the Legislative Assembly a very special guest along with a special friend who are in your gallery here today. I'd like to introduce the hon. Alf Hooke, who served in this Legislature from 1935 to 1971, along with a student of his. I'd like Phillip Klein to stand. Phillip Klein is the father of my colleague the Minister of the Environment. Mr. Speaker, these two gentlemen, principal and student in the school at Rocky Mountain House, have graced our Legislature today, and I think they have brought many honours to the province of Alberta. If the two gentlemen would like to be seated, that would be fine.

At the pleasure of the House, Mr. Speaker, I would like to make one or two remarks with regards to the contribution of the hon. Mr. Hooke in his years in this Legislature, if that would be permissible.

HON. MEMBERS: Agreed.

MR. R. SPEAKER: Mr. Speaker, Alf Hooke as a colleague and friend of a number of years became a person that I knew very well and a person who gave some very sage advice to myself as a new member of the Legislature. He was successful in nine elections in his 36 years as a representative in the province of Alberta, was a teacher in Trochu and one or two other places in Alberta, and held seven portfolios: Provincial Secretary, Economic Affairs, Public Works, Municipal Affairs, Public Welfare, and Lands and Forests and also was Deputy Premier for some 14 years. He holds the record of being the longest serving member of one single government in Canada at the present time. He represented the constituencies of Red Deer and Rocky Mountain House.

I want to say that I've learned a number of things, one of them being that Mr. Hooke had and has a great sense of humour. One of the items he gave to us at a number of

members' parties was poems with regards to Little Albert, and he was a very great person that was able to tell the story of that young gentleman in a number of circumstances. There's a couple of things that he said today. One of the things: his vision has been impaired somewhat lately, but he said that that has brought about a benefit; he can see many of the political issues today more clearly being somewhat visually blind than he did when he had 20/20 vision. He also said to pass on to you, Mr. Premier, that with his 36 years of experience he's ready to take on any portfolio again.

One of the experiences we had together was when I first became a member in 1963 representing a rural constituency. I thought I should go in and talk to the Minister of Municipal Affairs. One of the questions he raised with me, feeling that I might have the answer – I don't think I did; I'm sure I didn't – was: what is the definition of farm for the purposes of assessment? When I took over this portfolio in 1989, that same question rested before me. Progress is slow in government.

One of the other hidden attributes that Mr. Hooke has is the ability to be a hypnotist. I've witnessed that on a number of occasions, not only in this Legislature but in private home settings. One of the things that he had a great capability of doing was to have long-term speeches. In the days when the rules were very flexible and very open, he was one of the ministers – I noted this in my first year here in this Assembly. The introduction would start on the first day of a speech, on the second day would be the body of the speech, and on the third day would be the conclusion. I always wondered when I gave my three-minute speeches how anybody could do that. Now, what I've learned over the years is that you do catch some kind of a disease in this Assembly that protracts a lot of statements.

Mr. Speaker, we welcome Mr. Hooke and wish him the best of health and thank him very much on behalf of the people of Alberta for the great contribution he has made for all of us.

head: **Notices of Motions**

MR. SPEAKER: The Member for Westlock-Sturgeon.

MR. TAYLOR: Yes, Mr. Speaker. I'd like to serve notice to you and through you to the Assembly that I intend moving at the end of question period a motion

that the Legislative Assembly of Alberta recognize and extend congratulations to Ovide Mercredi on his election as the leader of the Assembly of First Nations and express its hopes that the Alberta government will agree to co-operate with the Assembly of First Nations to resolve the many outstanding issues concerning the aboriginal peoples of Alberta.

MR. SPEAKER: Under Standing Order 40 hopefully that will come forward. Are there sufficient copies for distribution so we can have a look at them, please? Thank you.

head: **Tabling Returns and Reports**

MR. GOGO: Mr. Speaker, I'm pleased to table the 1989 annual reports of both Grant MacEwan Community College and Olds College.

MR. FJORDBOTTEN: Mr. Speaker, I'd like to file with the Assembly today the response to Written Question 395.

MR. DINNING: Mr. Speaker, I wish to file with the Assembly today the response to Motion for a Return 382.

MR. SPEAKER: Smoky River.

MR. PASZKOWSKI: Thank you. Mr. Speaker, I'd like to table the 1990 report of the Alberta Social Care Facilities Review Committee.

head: **Introduction of Special Guests**

MR. ROSTAD: Mr. Speaker, I'd like to take this opportunity to introduce to you and through you to the Assembly 20 students from the Bawlf elementary school in Camrose constituency. They're seated in the members' gallery, and I'd ask that they rise and receive the warm welcome of the Assembly. They're escorted by their teacher Margaret Piro, bus driver Allen Kennedy, and parent Linda Nikiforuk. Thank you.

2:40

MR. CARDINAL: Mr. Speaker, I'd like to introduce to you and through you to the Assembly over 20 parents, students, municipal councillors, and school board members here from the town of Lac La Biche and area. They're here to meet with the minister to talk about some of the issues I've talked about, inequities in the education system, and I commend them for that. Also today there are another 100 people doing the same process in Lac La Biche. I would ask the members and students and councillors to stand up and be recognized by this Assembly.

MR. McINNIS: Mr. Speaker, it gives me a real pleasure to introduce students from Archbishop MacDonald high school today, because a year ago we were in a life-and-death struggle over whether that institution would survive. I should point out that Archbishop MacDonald has been a mother lode for pages in this Assembly. We presently have five pages who are students at Archbishop MacDonald. They are John McGee, Susan Dioszeghy, Jannet Nguyen, Monique Higham, and Darya Fustukian. The group today is led by Mr. Bill Kobluk. There are 20 grade 10 students in the gallery, and I'd like them to stand and please receive the welcome of the Assembly.

MR. TRYNCHY: Mr. Speaker, it's my pleasure today to introduce some 24 grade 6 students from the David Ovans elementary school in Sangudo, in my constituency. They're accompanied by their teacher Mr. Lonnie Stewardson and parents Chris Williams, Debby Harapchuk, Marj Mills, and Carin Percy. They're seated in the members' gallery. I'd ask them to rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Edmonton-Calder.

MS MJOLSNES: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and to members of the Assembly on behalf of my colleague from Edmonton-Centre a group of 12 adults, and they are seated in the public gallery. They are with a group called Options for Adults. They are accompanied by their teachers Mrs. Lois Kathnelson and Mrs. Teri Belyea. I would ask that they please rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**
Alberta-Pacific Terminals Ltd.

MR. MARTIN: Mr. Speaker, to the Minister of Economic Development and Trade. As part of this government's irresponsible and costly habit of throwing loan guarantees at failing companies, this government has more than \$12 million of loans and loan guarantees tied up in Alberta-Pacific Terminals. As we speak, this company is desperately trying to stave off bankruptcy

by presenting a proposal to the Alberta government to reorganize its debts. Well, we've taken a look at this proposal, and frankly the writing's on the wall. The taxpayers of this province are going to have to pay again. For one, Alberta-Pacific Terminals wants the government – listen to this – to write-down its debt, it also wants the remaining debt to be interest free, and it only wants to repay if the company makes a profit. It's clear the taxpayers are going to take a bath. My question to the minister is simply this: will the minister finally come clean and now admit that the taxpayers of Alberta are going to lose millions of dollars on this project because of this government's mismanagement and secret deals with its friends?

MR. ELZINGA: First, Mr. Speaker, let me correct the assumption that the hon. member is working under. He's indicated that we have exposure in excess of \$12 million, which is incorrect. It is less than \$12 million, and it's important that we be factual. The hon. member has the information available to him. A loan guarantee was offered some time ago for \$9 million under my responsibility. We issued another \$3 million loan, recognizing the importance that port facility played to the exportation of Alberta goods. I appreciate the hon. member offering his suggestion whereby we should reject the restructuring plan. We're presently analyzing that restructuring plan and hope to have a response as to our acceptance or rejection of that very soon.

MR. MARTIN: Well, Mr. Speaker, first of all, let me apologize to the minister. It's only \$11.6 million, but that doesn't include the Treasury Branches, which would take it over \$12 million.

More importantly, Mr. Speaker, because of this government's shrewd negotiating skills and failure to protect taxpayers' money, Alberta-Pacific Terminals is threatening to exercise an option in the secret deal made with the government to convert the money it owes the government into almost worthless shares if the government does not go along with its proposals, something the government agreed to. So either way the government loses. It either accepts some ridiculous proposal that will cost Alberta taxpayers big or the company converts the government's status as a creditor into worthless shares, Mr. Speaker. My question is: why did the government make such a sweetheart deal with this company? Is it because they are incompetent or because these were friends of the government? Which is it?

MR. ELZINGA: Mr. Speaker, I appreciate the multiple choice question the Leader of the New Democratic Party puts, but he has to add a number of other multiplicities to it. The reason we involved ourselves was so we would have greater access to export markets for products that are produced within this province. That's the long and the short of our involvement in it.

I should indicate to the hon. member also that there are certain sensitivities in the event that there are court actions. It limits us as to what we can say leading up to those court actions in the event that they do occur, but it's important that we put the truth on the record rather than again the misrepresentations and the campaign of false information that this member indulges in on a consistent basis. We wanted to make sure we could export products that are produced within the province of Alberta to markets other than our own. We recognize that the NDP does not support the trade agreement. We recognize that they want to draw a wall around Alberta so we can slowly wither away and die within this province, but we're not going to buy

that suggestion on their part. We want to make sure that we continue to have access to markets other than our own.

MR. MARTIN: You know, this is such absolute nonsense. Here's the truth right in here, Mr. Speaker. That's the truth. Read it. The fact is that this government made another stupid deal with its friends, and the taxpayers are going to lose the money. Rather than talking about trade and access to markets, what he'll have is access to the people's money.

I want to ask him why this government would agree to this secret deal with this company that allows it to essentially extort the government into owning this failing company unless it agrees to take a bath on its proposal? That's the bottom line.

MR. ELZINGA: Mr. Speaker, the stupidity of the hon. member amazes me. I've indicated to him that there is no secret deal. We have not yet determined whether we're going to agree to the restructuring proposal that has been put before us. In due time I'll be happy to indicate to the hon. member, as I will indicate to this Legislative Assembly, what we are going to do. We're going to exercise every measure possible to make sure that we protect the interests of the taxpayers' dollars. At the same time, we're going to make sure that we continue to have access to markets other than our own because of our involvement, and we highlighted that on a number of occasions. Because of the involvement of this government we recognize that there have been some that have not worked out to the degree that we would have wished, but because of our success rate we've got the strongest economy in Canada. We're going to continue to involve ourselves to a limited degree to make sure that we can create meaningful employment for all Albertans.

Premier's Trade Mission

MR. MARTIN: My second question is to the Premier, Mr. Speaker. We understand that in about a week the Premier is going to dash off, entourage in tow, to Paris, London, and New York. The entourage, I'm told, includes the Premier, his adviser, his executive assistant, and their spouses, and he's going to sell trade for us. Let me first of all say that I find no problem with the Premier leading a true trade delegation to bring business to the province, but there is a right way and there is a wrong way to go about doing this. It seems that the Premier is going to choose his usual way: the wrong way. My first question to the Premier is simply this: why is he not prepared to release an itinerary for this so-called trade mission?

MR. GETTY: Mr. Speaker, as we've already said before in the Legislature, it is true that I am going to Europe, the United Kingdom, and the United States. It is a trip that I wanted to make last year and then because of illness and convalescence was unable to. Nevertheless, we have been able to put the ingredients of the trip back together again. It's an excellent time to be telling people about the attractions of Alberta. I will be meeting with ministers of other governments. I'll be meeting with diplomats. I'll be meeting with the organization for economic co-operation. I'll be looking into such matters as GATT and agricultural reforms: many of these matters that really are important to our province. It'll be a busy trip. There's no particular pleasure, I think, in leaving home and traveling on a tight schedule to foreign countries. Nevertheless, I think it's something that should be done, and I hope it opens the doors for much larger missions that would follow with ministers of the government.

2:50

MR. MARTIN: Mr. Speaker, if you're doing all these things, fair enough. That's what I've said. I asked a simple question. If you're doing all this great work, all we're asking is: lay out the itinerary; lay it out and tell us who you're meeting with and why you're meeting with them. It's public money not private business. Why won't he do that?

MR. GETTY: Mr. Speaker, I've just given them a great deal of information about the trip. It is true that there are many private meetings with companies and with diplomats and with ministers of other governments, and those matters are meetings that we've arranged on a private basis. Frankly, I don't see any benefits in giving it to the opposition. I don't know how they would ever help.

MR. MARTIN: Mr. Speaker, this Premier has a strange idea. These are not private meetings. If they were, you'd pay for them out of your own pocket. This is public money, and that's the point. That's why we should have the itinerary. Obviously, we're not going to get it. He avoids the question.

Mr. Speaker, my third question is this. If this is – and I stress: if this is – a real trade mission and not just a holiday, why is the Premier taking along his adviser and executive assistant and their spouses instead of people from the Economic Development and Trade department, such as business leaders, such as labour leaders? That's what you usually do when you go on these sorts of trips.

MR. GETTY: No, Mr. Speaker, it isn't what you usually do. As a matter of fact, the hon. member would never know because no one is ever going to give him the responsibility to do it; that's for sure.

Mr. Speaker, it is important that using the benefits of the Premier's office, we're able to open the doors for larger missions that would come in the future. I hope we're able to point out to people, as they look across Canada right now, that there are provinces that are not as attractive for investing in, those provinces that support the philosophies of the Leader of the Opposition.

MR. MARTIN: Bring your slides back, Don.

MR. GETTY: Many people now are looking at the free enterprise traditions of Alberta. I think it's an outstanding time to be able to go and point out to people in the United Kingdom, in Europe, and in the United States the great benefits of investing in a province with such great free enterprise traditions.

As chairman of the agricultural committee of cabinet I also want to represent our farmers there to make sure that we can stress the importance of having fair markets and level playing fields in order that our farmers, who can compete with anyone, can reach markets at a decent price all over the world.

Constitutional Reform

MR. DECORE: Mr. Speaker, to the hon. Premier. A year ago the province of Alberta and the province of British Columbia were part of a plan that they called disentanglement. This was a plan to pull powers away from the national government, to weaken the national government, particularly in the areas of education, health care, and social safety net programs. As part of that plan, the Treasurer of Alberta was telling Albertans that there should be a separate income tax system. The Treasurer

of our province is back at it again. This time in collusion with the Mulroney government, which of course wants to give as much power to Quebec as they can take. My first question to the Premier is this. Albertans clearly want a strong national government. Why is it, Mr. Premier, that your government and you continue to press, along with the Mulroney government, for a position of decentralization, a position that Albertans don't want, don't care for, and won't buy into?

MR. GETTY: Mr. Speaker, I'm really surprised at the leader of the Liberal Party, who seems to so often have his facts incorrect, trying to guess what the people of Alberta's position will be. Obviously right now we're going through the process of constitutional hearings through the special select committee. We have had quite a few, and we're going on with more. I was quite disappointed that the Liberal Party voted against holding these additional hearings so that Albertans could express themselves. I can see now why they voted against it. They have picked a position without listening to the people of Alberta and want to, instead, dictate the Liberal philosophy. Well, we're not agreeing with that. We're going to get the information from the people of Alberta.

Now, the government of Alberta wants a strong, united country. It's the only way this country is going to be able to reach its potential: a strong, united country. We want a strong federal government. That's necessary in a strong, united country. But we don't want to be like the Liberals, who roll over and play dead. We don't want to be dominated by them. That's the key.

MR. DECORE: Mr. Speaker, I'm delighted to note that the Premier has considerably modified and softened his position. He never used to talk about strong national governments, never. It was this Premier who talked about decentralization and about the constitutional committee looking only at the degrees not the issue of decentralization.

My second question is to the hon. Treasurer. Mr. Speaker, the accounting profession says that a separate income tax system will mean more costs, more complexity, and more bureaucracy. Why doesn't the Treasurer simply admit that there isn't simplicity or reduction of taxes involved in this process; it is simply to weaken the national government? Will you admit that, Mr. Treasurer?

MR. JOHNSTON: Ah, Mr. Speaker, what humbug we hear from that Member for Edmonton-Glengarry today. The accounting profession has said nothing of the sort. We have put in place here a process which is going to look at the way in which tax fairness continues in the province of Alberta. We have maintained in this province the lowest tax rates of any province in Canada, taking a load off the low-income individuals in this province by selective tax reductions. Maintaining that commitment to Albertans, we want to ensure that we've examined every possible way to ensure that fairness in the personal income tax system exists in this province. We're proud of that record. That's a clear objective of this government, and that's what this plan is about: fairer, to ensure that the low-income people have an opportunity to not be taxed at the same levels as they are in Ontario or in other provinces, for example, and moreover to ensure that the simplification of that tax system is maintained.

Now, what we agreed to yesterday in Charlottetown, Mr. Speaker, was to initiate a study along these lines. This is a study which deals with the fundamental responsibilities under the

Constitution of the province, the right of direct taxation. If we can improve upon it, if we can review it, and if we can strengthen the way in which the tax system works, maintaining this tax fairness that I underscore, then we have done something. It must be done in the context of the responsibilities of government, not in the context of the ongoing discussion of the Constitution, because the two are not related.

MR. DECORE: Mr. Speaker, the Premier has done a flip-flop on the issue of a strong national government. [interjections] Laugh at it, but it's a fact.

My last question to the Premier is this. If the Premier is now saying that he wants a strong national government, is he also saying that the national government should be involved in setting national standards for education, health care, social safety net programs, and the environment?

MR. GETTY: Mr. Speaker, what in the world is the hon. member thinking of when he has members of his party on a select committee of this Legislature going about the province listening to Albertans? What is he thinking of when he is now asking the government to dictate in advance what the conditions would be that we are going to ask for in our constitutional discussions? Is that the kind of consultation with the people of Alberta we'd expect from this member? That's the kind of leadership I guess you have when you have a party membership that isn't worth anything. That's the kind of leadership I guess you have when you leave your city pouring raw sewage into a river because you don't have the guts to make a decision on how to fix it. That's the leadership that can't even provide something as basic as a garbage dump for your city.

MR. SPEAKER: Thank you.
Grande Prairie.

3:00

Northern Addictions Centre

DR. ELLIOTT: Thank you, Mr. Speaker. Yesterday afternoon there was a very important function which took place in the city of Grande Prairie: our Premier was there to open the new Northern Addictions Centre. I'd like to ask the Premier if he could bring the Assembly up to date on what this facility is and the scope of its functions.

MR. FOX: Don't you know? You live there.

MR. GETTY: Mr. Speaker, I would bet that every member of the Legislature, other than the Member for Vegreville perhaps, would really want to know about this Northern Addictions Centre because it's a remarkable addition to northern Alberta. It was a pleasure to be with the people of Grande Prairie yesterday because the community very much associates with and supports the facility. It's a beautiful facility. It's in a lovely location with a city park around it, and it is able to provide services in the area of substance abuse that is unmatched anywhere in North America. There is no other facility that has these services under one roof. It is a detoxification, treatment, prevention, and education service. I'm extremely pleased that our AADAC chairman, and the former AADAC chairman, for that matter, the hon. Minister of Advanced Education, showed the leadership, working with the MLA, to make this magnificent facility, which is a dream and a hope for many people in the north who are addicted, actually come true.

DR. ELLIOTT: Mr. Speaker, I wonder if the Premier would expand further on the geographic scope of this facility with respect to other parts of the province, the country, or whether we do in fact have a reciprocal agreement with other countries.

MR. GETTY: Actually, Mr. Speaker, it is true that the north has a disturbing number of substance abuse problems, and therefore there are dramatic numbers there, greater on a percentage basis than across the rest of Alberta. We know it strikes our native communities and remote and isolated areas, and it can really have a dramatic, damaging impact on a community; therefore, this great facility is sited in the north. This need was identified by the Northern Alberta Development Council. Through hearings all across the north they were able to establish that this was perhaps one of the greatest needs. Therefore, AADAC responded, and it has been built in northern Alberta.

I must say that we're pleased that it will be able to service all of Alberta. It probably will find needs to service from the Northwest Territories, probably from the east Peace River block of British Columbia, and it perhaps may even also be able to provide services to other people from the United States. I know it is without duplication anywhere in North America, and it's good to know that our government in Alberta is taking such a leadership role in this very important issue.

MR. SPEAKER: Edmonton-Kingsway.

NovAtel Communications Ltd.

MR. McEACHERN: Thank you, Mr. Speaker. To the Premier. Last Friday loyal Tory and party bagman Fred Weatherup was convicted in a Calgary court on multiple counts of fraud to the tune of \$9 million. This is the same Fred Weatherup that this government appointed to the AGT Commission and as a NovAtel vice-chairman. I suppose this is the case the Premier had in mind when he said on Monday that "appointments are filled by the best people that the government can obtain for the job." Will the Premier agree to immediately stop these insulting patronage appointments and begin a fairer system that sees that Albertans are appointed by what they know, not who they know?

MR. GETTY: Mr. Speaker, I'm not familiar with Mr. Weatherup's case. I do know he was not a director when he was charged, so I wouldn't get into his personal relationships with the courts.

MR. McEACHERN: You'd have to wonder who made the appointment, wouldn't you?

Mr. Speaker, Mr. Weatherup's fraud was committed in the years 1984 to 1989, almost exactly the same time period that he was vice-chairman of NovAtel. Would the Minister of Technology, Research and Telecommunications tell us what steps he has taken to see to it that this man, Mr. Weatherup, had nothing whatsoever to do with the \$204 million loss of NovAtel, or shall I say of the taxpayers?

MR. STEWART: Mr. Speaker, as the Premier has indicated, Mr. Weatherup was not a director of NovAtel or Telus at the time he was charged. There were circumstances, however, that came to light at the time that he was, and when those circumstances came to light, I asked the chairman of Telus Corporation to confirm to me that upon becoming aware of Mr. Weatherup's financial problems, the board had in fact put their

minds to the matter and examined whether or not there were any circumstances that would have prejudiced his position as a director. The board did put their minds to that, examined the situation, and concluded that it did not, and I have confirmation from the chairman of Telus board in that respect.

Speaker's Ruling Reflections on Nonmembers

MR. SPEAKER: I'm sure hon. members are well aware of *Beauchesne* 409(7).

MR. MARTIN: Yes, we are.

MR. SPEAKER: Thank you, but I'm quite certain also that members of our viewing audience are not.

A question must adhere to the proprieties of the House, in terms of inferences, imputing motives or casting aspersions upon persons within the House or out of it.

Calgary-North West.

Premier's Trade Mission (continued)

MR. BRUSEKER: Thank you, Mr. Speaker. I would like to question the Premier today about his upcoming trip. In a phone call to the Premier's office we learned that the trip is much like the government: there's no plan and there's no itinerary. Somehow that doesn't come as much surprise. We've done some estimates on the cost of this trip, and for 10 days it looks like it's going to cost anywhere between \$35,000 and \$60,000, depending upon where he stays and how he travels and how many go along. Unfortunately, the Premier's office won't tell us any of that information despite the fact that it's taxpayers' money at the expense here. Since all of this information has been denied not only to the Liberal caucus but to the Alberta taxpayer, who's paying for your trip, Mr. Premier, my question is: will the Premier today announce details, not simply Europe but which countries, which ministers, who the meetings are going to be with, and what the detailed itinerary is?

MR. SPEAKER: That's an exact repetition of what we already had in a previous question.

MR. GETTY: Yes. Mr. Speaker, as far as I know, when a question's been asked and dealt with, it's only a waste of hon. members' time to repeat it.

MR. BRUSEKER: Well, more sidestepping. I hear St. Andrews looks just great this time of year. I hope you have a great time.

My supplementary question to the Premier is: since he must be totally unprepared and he doesn't have any idea where he's going or who he's meeting with, how can he justify this kind of expenditure in light of all the cuts and expend this money on behalf of taxpayers and not tell them why he's spending it or how?

3:10

MR. GETTY: Well, Mr. Speaker, the hon. member is of course pursuing an absolutely disgraceful line of questioning. The hon. member doesn't know, but these kinds of missions take a great deal of work between our agents general, our department of intergovernmental affairs, and our Department of Economic Development and Trade. We work with very busy people in

these other countries to set up detailed, comprehensive meeting schedules, and that's what's going to happen.

Then let's deal with the matter of the dollars. Every dollar that's spent is laid before this Legislature in complete detail. It goes before our Public Accounts Committee. It is all there right down to invoices, so to have him ask those questions the way he is shows that he is really unaware of the way any Legislature works and unaware of how this type of very, very important mission operates.

MR. SPEAKER: Rocky Mountain House.

Fuel Contamination Incident

MR. LUND: Thank you, Mr. Speaker. For some considerable time now we know that several departments of the provincial government along with the RCMP have been investigating the contaminated fuel situation in Hinton. I'm sure everyone in this House is sympathetic and has a great deal of concern for those who have suffered loss or injury as a result of this contaminated fuel, but I know no one is more concerned than our Premier. I would like to ask him today: what exactly is the status of this investigation?

MR. GETTY: Well, Mr. Speaker, it is a matter that the hon. Member for Rocky Mountain House has raised with me and our caucus on numerous occasions. As I told the House once before, I asked the Deputy Minister of Executive Council, the deputy of our cabinet, to co-ordinate a review of the matter to see if in fact there is a need for an inquiry, whether there's a need for a police investigation, whether there's a need for some other type of follow-up, because as the hon. members know, the Department of the Environment, Occupational Health and Safety, Transportation and Utilities, and perhaps emergency services are all involved to some extent but not completely with an overall responsibility.

The report back to me is that this matter should now move to the Attorney General's department, and it should be co-ordinated under his Crown prosecutors division. I'm looking forward to how that develops, because we want to track down every possible angle here. It may be that the hon. member will get additional information from the Attorney General.

MR. SPEAKER: Supplementary.

MR. LUND: Thank you, Mr. Speaker. To the Attorney General then: what action is the Attorney General's department taking?

MR. ROSTAD: Well, Mr. Speaker, the department has appointed a Crown prosecutor, Mr. Leo Wenden, to co-ordinate the investigation, as the Premier had mentioned, of the RCMP and the numerous departments that have been involved. The thrust will be, as was mentioned earlier, to get an inventory of the evidence we have from the various departments and find from that as to whether any of the federal or provincial laws have been breached and recommend an action that can take place. We've set a deadline of July 5 or earlier for this report to come with an action plan from that time.

MR. SPEAKER: Stony Plain.

Pensions

MR. WOLOSHYN: Thank you, Mr. Speaker. Last Friday in the Assembly the Provincial Treasurer, when asked what he was

doing to solve Alberta's pension crisis, said that he had, and I quote, "met with the board of all five" of the province's pensions plans. It's somewhat peculiar that the executive in charge of pensions with the Alberta Union of Provincial Employees had to go to a pension conference in Ontario to hear the details of the Alberta government's pension reforms. It is outrageous that Alberta stakeholders have to go outside the province to hear details of what this government intends to do with their pension plans. To the Provincial Treasurer: will the Provincial Treasurer kindly share with this Assembly, as he has evidently done with other jurisdictions, the details of the changes he is planning for Alberta's public pension plans that he is involved with?

MR. JOHNSTON: Mr. Speaker, I'm sure the people of Alberta realize how confused that member is and how he continues to misunderstand what it is that we have said. Last Friday in the House I said that I had the agreement of all five pension boards that I am responsible for to deal with the question of federal tax changes as it impacts on those pension plans. I said I had that agreement; I have letters to confirm that agreement. I have not discussed it any further than that, and I'm not prepared to provide any additional details until I have a chance to provide the details to the pension board members themselves. [interjections]

MR. WOLOSHYN: Mr. Speaker . . .

MR. SPEAKER: Order please. We're waiting for others to quiet down so I can recognize you. Stony Plain.

MR. WOLOSHYN: Thank you, Mr. Speaker. Keeping the stakeholders in the dark seems to be the rule rather than the exception for the Provincial Treasurer. On a regular basis since 1985, when he was the then Minister of Advanced Education, and continuing until just a few months ago, he has been assuring the Alberta College Institute Faculties Association, who represent the faculties of 13 of Alberta's finest postsecondary institutions, that they would be consulted on any reforms to their pension plan. However, as late as last week the Treasurer still had not responded to a request from the Alberta College Institute Faculties Association which was made in March for details of the Treasurer's reform proposals. Given that the pension reform proposal now appears to be firmly finalized in the Treasurer's mind, how does the Treasurer defend his failure to consult stakeholder groups such as the Alberta Union of Provincial Employees, the Alberta Teachers' Association, and the Alberta College Institute Faculties Association after repeatedly promising they would have input into pension reforms?

MR. JOHNSTON: Mr. Speaker, the key words the member has said are "input into pension reforms," and that's the commitment I left with the pension boards. They will confirm it. I said I wanted to talk in a general way about some of the themes, some of the principles. We've had that discussion, and we have also come to some conclusions about how to handle this federal change, as I mentioned. I also committed that when I got the detailed proposals ready, and they should be ready in about the next week or so, the first people I would address the information to would be the board, and then we'd plan over the fall period to have an opportunity to discuss it with all interested parties. That's the process.

I'd point out to Members of the Legislative Assembly that this member thinks a COLA adjustment is a change in a soft drink.

MR. SPEAKER: Edmonton-Gold Bar.

Senior Citizens Programs

MRS. HEWES: Thank you, Mr. Speaker. A week ago the government received a 16,000-name petition circulated by the Society for the Retired and Semi-Retired and the Alberta Council on Aging. The petition asked that the government reinstate the cuts in services to seniors. We've heard nothing from the government since then. Well, the Liberal caucus is here to remind the government that this protest is not going to go away until the government retreats on this regressive attack on Alberta seniors. My questions are to the Associate Minister of Family and Social Services. I'd like to ask the minister: what is the associate minister's response to the petition?

MR. BRASSARD: Well, as I've said on previous occasions, Mr. Speaker, I have met with a number of groups. We have admitted that the consultation process that was undertaken could have been better, and we have pledged to improve that. In fact, we have structured a meeting later on this month with a representative group of agencies from across the province. I'm not going to pre-empt that discussion with those agencies.

MRS. HEWES: Mr. Speaker, my supplementary then is: why on earth should seniors bother to meet with the minister unless the minister is prepared to reinstate the cuts?

MR. BRASSARD: Well, I'm not sure that I really understand the question, Mr. Speaker. If she is asking me if I have a fixed position before I go into a discussion with this group, I do not. That is the purpose of the discussion. We are going to consult with the seniors' groups. We have promised to do that, and we will do this.

MR. DECORE: Sham.

MR. BRASSARD: And it's not a sham, as the leader of Liberal Party is indicating. Quite the contrary. We're very sincere in our efforts to increase communication between the seniors and our government.

MR. SPEAKER: Athabasca-Lac La Biche.

3:20 Environmental Laws Enforcement

MR. CARDINAL: Thank you, Mr. Speaker. My question is to the hon. Minister of the Environment. I understand that the Daishowa pulp mill has been fined \$75,000 under the provincial Clean Air Act and Clean Water Act, the largest environmental fine ever in the province. This shows that our government is serious about protecting our environment. I also understand that the city of Edmonton dumped 6 million litres of untreated sewage last week without any fines. I'm very disappointed that the opposition here worry about the Athabasca River, but who is worried about the North Saskatchewan River? No one. No one is worried. Are there any fish in that river? And he wants slides on an economic mission; he should have slides of the river. My question to the hon. minister is: are there two sets of laws in Alberta, one for Edmonton and one for pulp mills?

MR. KLEIN: Well, no, Mr. Speaker, there's only one set of laws in the province, but there are different circumstances under which those laws must be interpreted. In the Daishowa case clearly there was a circumstance that could have been prevented,

and the steps were not taken to prevent sewage from not being treated properly. They were subsequently charged and fined, and they were also charged under the Clean Air Act with improper burning.

I think the hon. Premier outlined the situation relative to the city of Edmonton very, very adequately. Unfortunately, due to the inaction of previous administrations, they have a situation in the city of Edmonton whereby if there's a heavy rainstorm, the sewage goes into the North Saskatchewan River raw. Now, we've had to give the city of Edmonton an operating permit which allows them to discharge this terrible stuff into the river. Otherwise, it would back up into basements and create a tremendous health problem.

No, there are not two sets of laws; there are sets of different circumstances. Indeed, we took the proper steps in the case of the Daishowa situation, and we have taken, unfortunately, the proper step in the case of the Edmonton sewage situation.

MR. CARDINAL: Mr. Speaker, my supplement. We all know we need good environmental standards across Canada, and I know Alberta leads the way. Can the hon. minister tell me if he is working on setting up standards across Canada that are the same as Alberta has? Maybe our Leader of the Opposition could help by getting his colleague in Ontario to clean up the 25 pulp mills they have of which eight are bleached kraft. Maybe the minister can pass him some information to educate him.

MR. KLEIN: Mr. Speaker, I've often alluded to the situation in other jurisdictions, and I've spoken to many groups about pulp mill standards in this province. I wonder why they would attack the highest achievable environmental standards in the world when they should be targeting those rotten, stinking, belching, polluting pulp mills in Ontario, Quebec, New Brunswick, and British Columbia.

Procter & Gamble Pulp Mill Emissions

MR. McINNIS: Congratulations where congratulations are due. I congratulate the minister on five counts to Daishowa under the Clean Air Act and one under the Clean Water Act. Hoping along with my colleague from Athabasca-Lac La Biche that this signifies a new direction in government policy, I would like to ask the Minister of the Environment if he has now prepared charges against Procter & Gamble in respect of 36 separate violations of their Clean Water Act which occurred during the summer of 1989, when he was the Minister of the Environment?

MR. KLEIN: You know, the hon. member is obviously getting information from his friends – my friends too – all John McInnis' friends. Friends of the Peace, Friends of the North, Friends of the Athabasca, Friends of the Oldman River: they're all the same friends.

Mr. Speaker, I had the opportunity to visit the Procter & Gamble mill in Grande Prairie with the hon. Member for Grande Prairie about a week ago. I would like to state that this mill has spent something in the neighbourhood of \$80 million to refit. It is now within .2 percent of reaching the highest achievable standard, which is absolutely remarkable. Yes, there were some problems with that mill some time ago, but I can give you every assurance that this mill has done everything possible to come up to the extremely high standards, the best environmental standards achievable in the world. It has made every attempt to come up to those standards and is operating now as one of the cleanest mills in the country.

MR. McINNIS: Well, Mr. Speaker, I got my information from Alberta Environment standards and approvals, and I didn't ask the MLA if charges should be laid or not.

My question is a specific one. An official of Alberta Environment stated to local people that Procter & Gamble would not be charged because they'd notified the department. Is it the policy in Alberta that as long as you notify the department, you can dump as much stuff as you want in the river and you're not going to have any charges? Let's have the truth of the matter.

MR. KLEIN: No. Absolute nonsense. It's so typical of the kind of misinterpretation of facts and documents that this member constantly brings up in the Assembly.

Mr. Speaker, the Procter & Gamble mill was undergoing a very serious refit to bring their standards up to the highest achievable standards possible. Yes, there were certain days where they went above, but on the aggregate they were below their licensed limit. They were below their licensed limit on chlorinated organics; they were below their licensed limit on biochemical oxygen demand; they were below their licensed limit on total suspended solids and on colour and odours. Overall, that mill has done a remarkable job under the circumstances.

MR. SPEAKER: Question period has expired. Before we go on to some other matters, might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

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

MR. SPEAKER: The Minister of Culture and Multiculturalism.

MR. MAIN: Thank you, Mr. Speaker. I'd like to introduce to the Assembly today a great Albertan. A singer, songwriter, an artist of considerable international repute: Tim Feehan is in the gallery today. He's been in Edmonton for the last while. He'll be traveling with me to Calgary in a short while to continue the introduction of a new, exciting piece of video and music that will, I believe, continue to keep Alberta in the forefront in its multicultural policies. I ask Tim to stand up and receive a warm welcome.

Point of Order **Factual Accuracy**

MR. SPEAKER: Calgary-McKnight, point of order.

MRS. GAGNON: Thank you, Mr. Speaker. During a response to a question posed by the leader of the Liberal Party during question period, the hon. Premier suggested that the two Liberal caucus members on the Select Special Committee on Constitutional Reform voted against a second round of hearings. The record will show that that is absolutely not the case. We voted against September hearings; we wanted July hearings. I wanted to set the record straight.

MR. SPEAKER: Thank you for the information, hon. member. It's certainly not a point of order.

head: **Motions under Standing Order 40**
3:30

MR. TAYLOR: In asking the Legislature to give unanimous consent, I'd give a brief rundown. Mr. Mercredi was elected

the Manitoba regional chief in November of 1989. He graduated in law from the University of Manitoba in '79, 10 years earlier. He has practised law in The Pas, Manitoba, from '79 to '83, and in the community has been involved as commissioner for the Manitoba Human Rights Commission, also a member of the Alcoholism Foundation of Manitoba, a member of the Senate ad hoc committee on native studies, and involved in many community-oriented activities.

Mr. Speaker, this time in Canada's development, certainly for whoever leads the First Nations or our native peoples, treaty people, is probably one of the most onerous times that they could come upon, because I think it's no secret, as anyone involved in constitutional hearings will tell you, that approximately two out of three people feel that one of the most pressing problems in our society today is to solve the issues that we have with our native peoples, put them to bed once and for all. Of course, whoever is heading the Assembly of First Nations is going to be a very important part of that. Also, the reason I ask that the Alberta government and Alberta Legislature recognize him is that it's the responsibility no longer of just some corner of the federal government or some department of the federal government; it's the responsibility of all of us to get behind.

Consequently, I move that we send him our best wishes.

MR. SPEAKER: Careful reading of Standing Order 40 really makes all of us realize that this is simply a request for the matter to proceed, so there's a request for unanimous consent that the matter proceed. All those in favour of granting the request, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Thank you. The matter's carried.

Assembly of First Nations

Moved by Mr. Taylor:

That the Legislative Assembly of Alberta recognize and extend congratulations to Ovide Mercredi on his election as the leader of the Assembly of First Nations and express its hopes that the Alberta government will agree to co-operate with the Assembly of First Nations to resolve the many outstanding issues concerning the aboriginal peoples of Alberta.

MR. SPEAKER: Hon. member, any additional comments to make with regard to your motion?

MR. TAYLOR: No, Mr. Speaker. I have very little more to say. I actually said it first because I thought I had to justify asking for unanimous consent. I was on a bit of a Hobson's choice. If I said nothing, someone would say, "Well, why didn't you say something?" Consequently, I feel that I've introduced the subject. I have outlined the person's qualifications, and I think by this unanimous endorsement of the motion, there is no question that he will get our good wishes.

MR. SPEAKER: The Solicitor General.

MR. FOWLER: Thank you very much, Mr. Speaker. As the minister responsible for native affairs in the province of Alberta, I know that the government will in fact be supporting this motion that is now before us. The very idea of a message to

Ovide Mercredi is entirely appropriate in my view on his election as president of the Assembly of First Nations. He has served well in the vice-presidency of this particular group and now steps into the shoes of Mr. Georges Erasmus, who is the retiring president of the Assembly of First Nations. I think in congratulating Mr. Mercredi, we should also be willing to acknowledge the work of Mr. Georges Erasmus, who held that presidency during a time period when there has been increasing recognition of the difficulties and problems that the aboriginals of Canada have.

It goes without saying that the Alberta government will co-operate fully in the resolution of any problems that the First Nations peoples do have. This has been adequately demonstrated by the hon. Premier, Mr. Getty, in his work with First Nations people of this province. In fact, I'm of the view that Alberta does not take a backseat to any jurisdiction in this country in dealing with the native people.

I would hope, however, that in proposing the motion, the hon. member from the Liberal opposition is not suggesting that we step in and assume the responsibility of the Canadian government as it appears to be ready to have the Canadian government assume the responsibility for education, which is solely ours under the Constitution. I hope that it's not expected that we will take over from the federal government their responsibility for natives and Indian reserve lands. I suspect that that's not the case, but we must be very careful in how far we do go in attempting to provide that co-operation in resolving those problems.

Having said that, I certainly agree that Mr. Mercredi has a very large job in front of him. There's no doubt in my mind that he will serve the native people well. That does not mean, of course, that we expect him to be a soft negotiator. It's my experience that if all parties negotiate honourably and negotiate very hard, that's entirely acceptable and ends up in agreements which are entirely acceptable as well. So I know the government side will support this motion.

MR. SPEAKER: Thank you.

Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'm pleased to be able to make a few brief comments on my behalf and on behalf of the New Democrat caucus here in the Assembly this afternoon. I'd like to extend my congratulations as well to Mr. Mercredi for his successful campaign to be elected leader of the Assembly of First Nations.

I had the occasion to meet Mr. Mercredi a few months ago when he spoke at a seminar at the Stoney Indian reserve at a conference sponsored by Treaty 7 on the question of aboriginal self-government. I was very impressed at that time with his sincere comments and his ability to speak clearly and articulately about his vision for the future. Although he's a quiet-spoken individual, I can assure all members of the Assembly here that he is going to be a very strong advocate for the Assembly of First Nations throughout his term. I feel confident that he's going to be providing excellent leadership for that organization.

I think it's also appropriate, as the Solicitor General quite correctly pointed out, to use this opportunity to express appreciation to Mr. Georges Erasmus for the leadership he's provided to the Assembly of First Nations during his term of office over the last six years. It's been a tumultuous six years, but under his leadership the Assembly of First Nations has plotted a steady course. What has occurred under his leadership is that the profile of aboriginal rights has taken on renewed

significance for all of us in the political arena, indeed for all Canadians. I think a lot of that can be attributed to the work that he has done on behalf of the Assembly of First Nations.

Just a few comments about the next few months and years, Mr. Speaker, regarding the challenges facing Mr. Mercredi and the Assembly of First Nations. They are without a doubt challenges facing every single one of us, including all of us who are in this Assembly. The death of the Meech Lake accord occurred in part with the objection of one MLA in the Manitoba Legislature, that being the New Democrat Elijah Harper. The reason for his objection to the introduction of the Meech Lake accord for ratification in the Manitoba Legislature was because of the lack of recognition for the concerns of aboriginal people in past constitutional negotiations and past constitutional agreements. He made it absolutely clear that in this current round of constitutional negotiations that we're about to begin, Canada's relationship to aboriginal people is going to be a key element.

In that regard, Mr. Mercredi and the Assembly of First Nations are going to play a crucial role in terms of the ongoing relationship, the ongoing communications, the ongoing negotiations all of us are going to be engaged in. That negotiation will require responsible leadership from all of us, Mr. Speaker. There's no doubt in my mind that Mr. Mercredi, as the head of the Assembly of First Nations, is going to provide the kind of responsible leadership, the strong leadership that aboriginal people are wanting and expecting in this next round of constitutional negotiations.

3:40

Currently, as everyone knows, Alberta, along with all the other provincial Legislatures under the amending formula, is going to be very much involved in a successful resolution to constitutional change and constitutional amendments. In that regard, we may very well be called upon to endorse or perhaps ratify a constitutional amendment regarding aboriginal rights. If that is the case, it's important that we have communications from the very beginning, and I think this step being taken today by the Assembly to express our congratulations is a good one. I hope that the government and the select standing committee will be able to establish ongoing communications with the Assembly of First Nations in the months and years to come, especially in regards to the recognition of aboriginal rights in the Canadian Constitution.

On behalf of all of us, Mr. Speaker, sincere congratulations to Mr. Mercredi on his election last night.

MR. DECORE: Mr. Speaker, I wish to rise as well and express my congratulations to Mr. Mercredi for his win. I think all Canadians look forward to his strength. The background is there in terms of his involvement with his own people and with Canadians. I'm sure that we're going to be able to solve a lot of problems.

Mr. Speaker, I know Albertans were pleased with the kind of work that the Premier and the government did in dealing with the Metis of Alberta, but I want to take up on an issue that the Solicitor General raised, and that is that he commented about the fact that this was really a matter for the federal government, that we weren't going to step in and fill the void, as it were, for the federal government. I think that's been too much of the problem in Canada: this feeling that there is a void and leave it up to the feds; they should solve the problem. I think all of us have to solve the problem. We have a number of land claims in this province that are in difficulty, treaties that had been

signed that are causing difficulty to the natives of Alberta, treaties that weren't signed, definitions in those treaties that are totally unacceptable in today's parlance.

The government of Saskatchewan I think has done some interesting things in filling the void, at least from their end. They attempted by establishing a treaty commissioner to deal with the problem of land claims. There was a problem in that because the treaty commissioner linked with a committee of the federal government, and it didn't work. The new treaty commissioner that was established in Saskatchewan did an analysis of what went wrong and what should be taken up as the way to solve the problems for the native people in Saskatchewan. The conclusion of that report – and I'm sure the Solicitor General has seen it – says that the federal government must be involved; the provinces must be involved. Part of the solution is money, and another part of the solution is land. There are many treaties, many unsigned treaties that require land to be used as part of the settlement. That clearly, then, involves the provincial government.

I'm asking that the attitude of the government change. The mind-set should be one of not filling a void but of actively engaging the native community, the aboriginal community, asking them to participate in the solution of the problems and finding the mechanisms to do that.

Thank you.

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

HON. MEMBERS: Question.

MR. TAYLOR: If I may make a summation, I much appreciate the time given to discuss the area because I think it's one of the highest profile questions we have facing our Canadian society today. I can only say amen to the hon. Member for Edmonton-Glenarry's point that too often it is said that it is a federal responsibility. What we forget is that we are the creation of the people that made the treaty. In the 1870s and '80s when the deals were made with our native peoples, this was a territory, and to try to rat out of it now because in 1905 we were made a province, by saying that no, we don't have a responsibility is one of the things that's been wrong with the whole negotiating process. This is one of the reasons I mentioned that Alberta recognize and work with, because we are in effect heirs to what our territorial forefathers worked out with the treaties. To try to say no, that it's not our responsibility, although we inherited and took over a lot of the land and the areas that maybe did properly belong to some of the native peoples – we cannot now just erase or wash our hands like Pontius Pilate and say that it is an Ottawa problem. It is very much an Alberta problem, because we inherited the problems from our forefathers.

Thanks.

MR. SPEAKER: All those in favour of the motion as moved by the Member for Westlock-Sturgeon, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries, let the record show unanimously. The appropriate certificate will be issued together with a copy of the *Hansard* and forwarded to the new leader of the Assembly of First Nations.

Speaker's Ruling

Submitting Motions and Amendments

MR. SPEAKER: Before we proceed, the Chair needs to clarify what appears to be some confusion in some quarters of this House with respect to the introduction of motions and amendments. Just a reminder that because of some confusion that occurred yesterday from at least two of the caucuses, the Chair does need to point out that it is the practice of this House to submit typed copies of amendments, whether they be to motions for returns or motions that are at committee stage, that those typed copies of the suggested motions or amendments be conveyed to the Chair, whether it be in the formal part of our sitting or whether it be the Deputy Speaker acting as Chairman of Committee of the Whole. In that way we are able to ascertain whether or not the motions and amendments are in order.

The Chair also needs to point out that because Table officers have perhaps only had a chance to deal with it on a cursory basis – they've been able to be involved to look at a proposed amendment or a motion at an early stage – the matter still has to be cleared by whoever is chairing either the committee or chairing the House as a whole. Again, we need it in written form because of the fairness that is involved in terms of having the motions or amendments copied in sufficient numbers so that all members of the House can see exactly the issues before the House. We would appreciate your continued co-operation on that basis.

Yesterday we had to do some quick work on behalf of one of the cabinet ministers. It was basically a housekeeping matter in many ways; nevertheless, the Chair has the right to expect from the government benches that this direction will be adhered to as well as from private members of the House.

Now, last night there was an unfortunate misunderstanding, I understand, which resulted in the Member for Calgary-North West making this statement to the House. Point of Order, Procedure:

On that point, these amendments were submitted to Parliamentary Counsel on May 10 on my behalf, and so far he has not seen fit to return them to me until today.

That is at variance with the facts of the issue. Preliminary drafts of the amendments in question were delivered to the Parliamentary Counsel office about a month ago; corrections were made and returned immediately to that particular caucus. I assume in this matter it was delivered back to the office of the Member for Calgary-North West. It then becomes a matter of the research department in your particular caucus to deal with and then, if there are any changes after they've been typed up, to get them back to Parliamentary Counsel or to the Clerk or the Assistant Clerk so that we may then have another look at them before they are presented to the House.

3:50

This is in accord with various references that you can find in *Beauchesne* and *Erskine May*. If perchance you do not wish to follow that practice, then the House needs to be apprised again. If there are delays in the House before your amendment is read to the House, so be it, because the necessary perusal of the appropriateness of motions and amendments must, indeed, be taken by the Chair and by the Table officers.

Thank you.

Point of Order**Explanation of Speaker's Ruling**

MS BARRETT: A point of order, Mr. Speaker.

MR. SPEAKER: Another point of order. Thank you.

MS BARRETT: Thank you. Further to your observations with respect to amendments, I'd like some clarification with respect to flexibility of those rules. The clarification sought is this: is it an iron-clad rule that no one on the spot can handwrite an amendment and have it photocopied, circulated, and submitted to the Table officers during committee? Or is it understood that where possible, one should do that beforehand; where not possible the latter is permissible?

MR. GOGO: On the point of order, Mr. Speaker. I don't think it is appropriate to put a question to the Chair.

MS BARRETT: Well, he just gave a ruling. Who am I supposed to ask?

MR. SPEAKER: The Chairman of the committee.

MS BARRETT: On the point order. Of whom would the Government House Leader have me ask the question then?

MR. GOGO: Write the Parliamentary Counsel.

MS BARRETT: No. This is rules pertaining to the House, Mr. Speaker. I'm asking for a clarification on the rules. And you can keep the microphone off all day if you want; I still would like to know.

MR. SPEAKER: Who's got the microphone off, hon. member? What's your complaint about that?

MS BARRETT: It hasn't been on at all.

MR. JOHNSTON: Somebody's missed your words, Pam.

MS BARRETT: Oh, don't get snooty, Dick. I'm asking an honest question.

MR. SPEAKER: Order please.

MS BARRETT: How iron-clad is the rule?

MR. SPEAKER: Order.

MRS. HEWES: That's a legitimate question.

MR. SPEAKER: Order. Perhaps the member would . . .

MS BARRETT: I'm not legitimate; I'm a bloody opposition member, aren't I? You can't be legitimate.

MR. SPEAKER: Order. Perhaps the member will go back and review what was said, but for the expeditious working of the House, this is the procedure which has been followed in large measure in this House for many years. It's a procedure that hopefully would make the operation of the House that much more expeditious.

The second part of the statement was this: if you do not wish to follow it, then please be prepared to suffer some delays while the Chair, whether in formal sitting of the House or whether in Committee of the Whole, would then have to deal with the motion or the amendment to see whether it is, indeed, in order.

The other variance has been that if it is a short matter such as deleting one particular word or two words or something like that, that obviously is something that can proceed, but it still has to be checked out to see whether it is, indeed, in order or it doesn't make an Act or a portion of an Act meaningless. This is just simply a matter of common sense.

The other part of it was the admonition to the Member for Calgary-North West that he had his facts wrong yesterday.

head:

Orders of the Day

head:

**Government Bills and Orders
Second Reading**

head:

Bill 45**Financial Administration Amendment Act, 1991**

[Adjourned debate June 7: Mr. Stewart]

MR. SPEAKER: The Member for Calgary-Forest Lawn.

[Mr. Deputy Speaker in the Chair]

MR. PASHAK: Thank you, Mr. Speaker. Bill 45, which amends the Financial Administration Amendment Act is clearly an admission on the part of the government that either directly or indirectly it attempted to mislead the people of the province of Alberta in the Budget Address presented by the Hon. Dick Johnston, Provincial Treasurer, in this Legislative Assembly on April 4, 1991, because this measure purports to . . .

Speaker's Ruling**Referring to a Member by Name**

MR. DEPUTY SPEAKER: Order please. The Chair thought the hon. member was quoting from something, but the hon. member should know that we don't use names in this Assembly. We either have constituencies or positions, like the Leader of the Opposition or the Premier or the Provincial Treasurer. Please.

MR. PASHAK: Well, I'm not going to quarrel with you, Mr. Speaker, on that, and I'll accept that admonition, but I thought that on the introduction, when you're talking about the person that had introduced the Bill, it was permissible to mention that person by name, but in any event . . .

MR. DEPUTY SPEAKER: It was introduced by the Provincial Treasurer, hon. member. It wasn't introduced by . . .

MR. PASHAK: I accept that.

Debate Continued

MR. PASHAK: In any event, Mr. Speaker, the opposition at the time the budget was introduced pointed out that this would be a very difficult target to make, at least the target, that is, of having a balanced budget. As I've indicated, Bill 45 would seem to recognize that because it provides for increasing the capacity of this government to go into debt by borrowing an additional \$2 billion - which could be approximately equal to the actual shortfall that will occur as a result of this budget.

MS BARRETT: The so-called balanced budget.

MR. PASHAK: Well, yes. The so-called balanced budget. We were concerned at the time for a number of reasons about the budget as it was introduced in this Assembly because it provided for incredible hardships to a number of Albertans in a number of significant categories. As we've raised on a number of occasions in this Assembly, senior citizens were particularly hard hit by this budget. There are increases in home heating costs to seniors, and even such matters as the provision of canes, walkers, crutches, and even oxygen costs went up for seniors.

Now, we're particularly concerned about this aspect of the budget, Mr. Speaker, because seniors are in a category unlike other Albertans. Most other Albertans have some opportunity if financial measures go against them to recoup at some later point in their lives. They may shift jobs. They may get into higher paying jobs. They have all sorts of opportunities open to them that most senior citizens do not have. Most senior citizens are on inflexible, fixed incomes so that when cuts are made to seniors programs, they create a particular hardship for those people.

I'd just like to enter into the record a letter, a copy of which I received, that was sent to the hon. Premier. It's from a lady in my constituency who is a senior citizen with chronic obstructive pulmonary disease. She happens to be on oxygen 24 hours a day. Here are some of the concerns that she set out in her letter:

As of July 1, 1991 -

1. Every person on oxygen . . . will pay \$500.00 per year. [If you have] a limited income where is this money to come from?
2. No disposables will be paid for - this [includes] the tubing etc. . . . the machines - oxygen and compressors.
3. The Gov't will have nothing to do with air compressors, she points out, that connect people in this category to machines. They'll provide no home services, no repairs or cleaning. There'll be a limit on the amount of checking. These oxygen machines will only be checked twice a year instead of the normal every three months. Oximetry, which are blood gases tests, will be conducted at a hospital.

She says, and this is to the Premier:

For your information this is an invasive procedure through an artery; the pain is excruciating. There is the problem of transportation, wheel chair, oxygen and other medication to contend with. Even with an ambulance or handibus this is most stressful for the aged in poor health. We are exhausted before the trip begins.

Point of Order Relevance

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

MR. DEPUTY SPEAKER: The hon. Minister of Advanced Education is rising on a point of order.

MR. GOGO: Under Standing Order 23, Mr. Speaker, I have great difficulty - looking at Bill 45 which is before the House, the Financial Administration Act, which asks for an increase - relating that to the hon. member's comments about some announcement by the Minister of Health concerning Aids to Daily Living. I would ask your direction.

MR. DEPUTY SPEAKER: On the point of order.

MR. PASHAK: On the point of order, yes. When the Provincial Treasurer introduced this measure, he talked on a wide

range of subjects, including his own budget and implications of that budget, economic policy of the government, et cetera. So I think if justice is to be served in this Assembly, Mr. Speaker, that privilege that was accorded to the Provincial Treasurer should be accorded to members of the opposition.

MR. DEPUTY SPEAKER: Well, as the Chair recalls the Provincial Treasurer's introduction, I think he did sort of give a précis of the budget speech.

MR. PASHAK: Thank you very much, Mr. Speaker.

4:00

Debate Continued

MR. PASHAK: Well, I'm just pointing out that there's a little gossamer added to the actual content, and in fact there wasn't such good news for many citizens of this province. I just pointed out one very specific example, but it's only one of a number of such letters that have come through my office that have expressed the very real concerns many of our seniors have expressed about the impact that this budget is having on their lives.

I could go into many other areas. I could just touch briefly on education, for example, where the grants that were provided to education were very much below the actual inflationary costs that most schools have experienced, so that we've seen a continuing decline or deterioration in the educational services that are provided to students in this province. I'm particularly concerned because we've not yet recovered from earlier cuts, from actual decreases that were in allotments that were made to school boards just a few years ago. I witnessed serious cuts to programs in schools in my constituency that affect especially people with special needs and new Canadians. English as a Second Language instruction was cut back. In this Assembly on many occasions we've pointed out that if a new Canadian is going to have a fair chance at competing equally with students that were born in this country, they need as much as five years of English as a Second Language instruction, and at the moment all we're able to provide is three years. Now, I think it's meritorious that we're able to provide that, but we're still not meeting the real need as it exists out here. So there's no glee at all to be taken from the budget that the Treasurer introduced in April of this year.

Aside from the hardship on Albertans, I think the other reason the Treasurer had to introduce this Bill was that he's now beginning to realize that his revenue expectations are seriously miscalculated. One can only wonder why they were introduced the way they were in April, because the Treasurer undoubtedly has access to information that is not available generally to members of opposition parties. He's got the best of expert advice, yet we were concerned at that time by some of the estimates that he introduced in his budget. Instead of reflecting in any kind of valid way reasonable expectations with respect to revenue, it seemed that this was really a political document that the Treasurer introduced on April 4. That is, he had to try to appeal to his own constituency within his own party and introduce a balanced budget into this Legislature come what may, regardless of whether or not a budget could in fact be balanced.

Let's just turn for a few minutes to the kind of revenue projections that the Treasurer described on April 4. He talked about nonrenewable resource revenue of some \$1.343 billion from crude oil royalties. That was based on what he projected at the time as \$23-a-barrel oil. We pointed out that not only was the price not likely to be that high but that we're likely to

see declining conventional production. In fact, our conventional production has been falling by some 5 percent a year. Since his budget was introduced, the price of oil has rarely been beyond \$21 a barrel. Right at the moment I believe it's trading at \$19.85. Most experts looking at least at the near term would argue that the price is going to remain low, that there's a glut of oil on the market. We're going into the summer heating situation where the demand for oil drops, and the price drops accordingly. Now, I'd like to see the price of oil at \$23 or higher a barrel, but it seemed at the time that that was an unrealistic expectation. I have no understanding as to why the Treasurer would have set the figure that high. He went against the advice of . . .

MR. JOHNSTON: Well, give us your forecast then. You guys never give us a forecast.

MR. PASHAK: Well, I gave you a forecast of \$21 a barrel at that time, and I thought that was more realistic.

MR. JOHNSTON: Ray says \$10.

MR. PASHAK: No; that was a few years ago. He said it could drop that low.

I think the suggestion I made to the Treasurer at that time was that it might be better to err on the short side rather than on the long side in these projections, because if we did get a higher price than we were expecting, that could all go to retiring the debt or go to some other useful social purpose.

MR. JOHNSTON: You sound like a Conservative. You're supposed to be spending.

MR. PASHAK: Well, yes, I am very conservative when it comes to fiscal matters, actually.

MR. ADY: How could we fund all those nets you guys want funded?

MR. PASHAK: There are other ways. An hon. member interjected and asked how could we fund all the kinds of things that we'd like to fund. Well, one of the ways we could do it is by broadening out the tax base by creating jobs. Another way would be to introduce a fair taxation system. There are many ways in which we could broaden out the tax base so that we could get the funding that would allow us to maintain our social programs at the level that Albertans have over the years come to expect.

AN HON. MEMBER: The Ontario model; just like Ontario.

MR. PASHAK: Somebody mentioned Ontario, and I will make a comment about Ontario, if you will, Mr. Speaker. I would note that Ontario introduced a significant budget deficit this year, but that was to keep their people off welfare, keep them employed to maintain their high level of social services. I want to say that there is one other reason that impacts on this budget that's very much related to the problems that were experienced in Ontario. Ontario experienced a shortfall of \$3.4 billion in transfer payments from the federal government. That's one of the reasons why the Treasurer in this province had trouble bringing in a true balanced budget. I note that our shortfall over last year in payments from the federal government is down by almost half a billion dollars. He has to make that up

somehow. I think that what we must do in this country is get back, actually, to a situation in which national standards apply from one end of the country to the other. That means national programs; it means collecting revenue at the national level and transferring that to provinces on a basis of equality.

In any event, back to other shortfalls in terms of the Treasurer's expected revenues for this year, which again help to account for the fact that he had to introduce Bill 45 which allows him to borrow an additional \$2 billion. He estimated the natural gas and by-products royalty at \$1.309 billion. Now, I wish we would get that kind of revenue, but as the Treasurer knows, and as the Minister of Energy is trying to do something about it, we know that natural gas prices have been hammered down. There's still a lot of downward pressure on natural gas prices in this province because of actions taken by the California Public Utilities Commission. It provides a real threat to our one remaining associated pool of Alberta gas for which we're getting a reasonable price. So our revenues from there could be even lower than what the Treasurer had estimated, which is not in the interests of Albertans; I grant you that. I'm pleased that the Minister of Energy is at least doing what he can to try to adjust that situation.

Similarly, the budget contains an estimate of some \$575,000 in estimated revenue from bonuses and the sale of Crown leases. Well, there have been five lease sales this year, I believe, and if you prorate for the rest of the year our likely expectation from Crown sales, I think that would work out to about \$300 million, roughly. We could be out over \$200 million in that category alone.

When you start really examining the shortfalls from our revenue projections and you start looking at other expenditures that are built into the budget that cannot be controlled, it provides a scenario that's very different from the one the Treasurer projected in his April budget. We could very easily be looking at a deficit this year of over a billion dollars, and I suspect that's what the Treasurer has done by introducing Bill 45. He's tried to be realistic in introducing Bill 45 to cover a more realistic budget deficit and also provide for some additional contingencies.

With that, Mr. Speaker, I will conclude my remarks.

MR. DEPUTY SPEAKER: Thank you.

The hon. Member for Edmonton-Highlands.

4:10

MS BARRETT: Thank you, Mr. Speaker. I'd like to add my voice to the people who stand in objection to this Bill. I find it totally hypocritical, although somewhat amusing because of the origin of the Bill, that this minister wants it both ways. This minister wants on TV every night bragging about his phony balanced budget. Does he have a balanced budget? If he does, why is he asking for acceptance of this Bill? If he's so sure that \$23 a barrel for oil is a very good prediction, why does he need Bill 45? There is no reason except for mendacity, of which this government collectively is chronically guilty.

They want to sell both sides of the story. They want to come out and tell you that they're going to have a balanced budget and you're not going to foot the bill. Let me tell you, Mr. Speaker, that by the time you get the Bill, dear, the next election will have been called, because that's when the next public accounts will show what really went on in the current fiscal year. It will be part of history: too bad, there's nothing you can do about it. They can go: hear no evil, see no evil, and say, "Oops,

we made a mistake." Mistake, nonsense. This Bill constitutes nothing but mendacity.

Then you know what they want to do? I'll tell you. Do you think they want to support the people programs that they have cut mercilessly and cruelly in this budget? No, not a chance. Do you want to know where this extra \$2 billion is going to go? It's going to go into the pockets of their friends, the ones who line up at the trough looking for their corporate appointments and their board appointments. That's where that money is destined. It's destined for the Peter Pocklington who by then will have flown the coop. It's destined for the buddies of this government who have no allegiance to the people of this province but for the dollar they can squeeze out of their buddies in the government. That's where that money is going to go.

MR. JOHNSTON: And you're shrill, so shrill, Pam.

MS BARRETT: Oh. And, Dick, I'm just getting going. Put on the earplugs, because I've got constituents lined up in my 95th Street office telling me that social allowance rates are so mean-hearted that they don't have enough money to both pay the rent and go and get food so they go to the food banks. They go to the people who are already paying the biggest burden of taxation, the middle-income earners, and ask for one more handout, and they don't like it, Mr. Speaker.

In the meantime, this guy wants to add \$2 billion to the debt – yes, let's talk about it – \$2 billion to his so-called balanced budget. What's he going to do with the money? Why won't he talk about the infusion that hospitals in this province need so that they can accommodate the people in those growing queues? Why won't he talk about increasing the funding going to the schools and the universities and the colleges so that students don't have to mortgage their lives away to get back into higher education? Why won't he talk about how it is that his government that has underfunded the education system so chronically during the last 14 years that every municipality is scrambling, whether it's by selling chocolate bars or holding bake sales, to get some additional funding so that they can be offering the programs that they are by law mandated to offer? Why isn't this minister in sponsoring this Bill talking about how the money is going to be spent on the priorities of Albertans? You want to know why, Mr. Speaker? Because it ain't their intention.

Their intention is to use this money (a) to cover the shortfall in revenues that they're projecting out of the price of oil, and (b) . . . I was going to say to cover their backs with respect to all of the loans and loan guarantees that this Minister of – what is it? – Economic Development and Trade has authorized with the approval of the man with the biggest halo of all over there, the Provincial Treasurer. That's where this money is going to go.

I call this Bill mendacity. If you were honest, you would either say (a) we lied to the people of Alberta in April when we sponsored this budget, or (b) we made a mistake in our priorities and we plan . . .

Point of Order Parliamentary Language

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

MR. DEPUTY SPEAKER: The hon. Provincial Treasurer.

MR. JOHNSTON: Standing Order 23 talks very clearly about the use of language in the House. Our own *Beauchesne* talks in

492 about the word "lie." Mr. Speaker, that word must be retracted.

MS BARRETT: Oh, no. Mr. Speaker, a reading of the Blues will show he must admit one of two things: either the government lied to the people of Alberta when it sponsored a budget that said that it was balanced, which is patently and obviously not true but which the electorate won't have proof of probably until after the next election, in which case you guys will be opposition anyway, or (b) . . .

MR. JOHNSTON: Mr. Speaker, on the point of order. The issue is the use of the word "lied," the suggestion that the government lied, and that absolutely is not parliamentary.

MS BARRETT: No, no. It's the accusation of a lie.
Mr. Speaker . . .

MR. DEPUTY SPEAKER: Order please. Hon. members cannot call each other liars . . .

MS BARRETT: I didn't.

MR. DEPUTY SPEAKER: Well . . . Hon. member, please.

As the Chair was saying, hon. members cannot call another hon. member a liar or accuse him of lying. The Chair has not heard the hon. Member for Edmonton-Highlands say that. She has given a couple of scenarios, but she has not said that the hon. Provincial Treasurer or the government has lied to the people of Alberta, as far as the Chair has heard.

Debate Continued

MS BARRETT: Thank you. Future history may of course prove that to be the case, Mr. Speaker, but I don't assume that for now. Either the government will have to admit, in the long run, when the wash is out, that it lied when it sponsored a budget that it declared time and time and time again – I might add editorially, relentlessly – was balanced, or it will have to admit that it wanted this extra money to cover its political backside for grievous errors it made in its own management of the government.

Point of Order Parliamentary Language

MR. DEPUTY SPEAKER: The hon. Provincial Treasurer on a point of order.

MR. JOHNSTON: No matter how the member tries to slip around the point, she has said, and she's confirmed it just now, that the government lied. Mr. Speaker, that is reprehensible.

MS BARRETT: I'll get out a crying towel for the Provincial Treasurer. He will, after all, need it after the next election, Mr. Speaker.

I think the point is made . . .

MR. JOHNSTON: Mr. Speaker, I drew your attention to it. You heard the words. We all heard the words. I think a retraction is necessary.

MR. DEPUTY SPEAKER: The Chair would have to say to the hon. Provincial Treasurer and to all members that the hon. Member for Edmonton-Highlands just repeated what she said the

first time. The Chair would remind the hon. Member for Edmonton-Highlands that there is a rule against repetition that the government either lied or made grievous mistakes in judgment, one or the other. The Chair does not find that to be unparliamentary.

MS BARRETT: Thank you, Mr. Speaker. I agree on the point of repetition. In fact, if I could have controlled the Provincial Treasurer during question period a few times, I would have called him on the point of repetition too. The fact of the matter is that if he hadn't continued to make these interventions, I wouldn't have had to repeat for the benefit of the minister, who keeps otherwise his nose in a booklet that he's reading and is only partly paying attention to the debate. I wouldn't have had to repeat three times. Perhaps now that the Acting Government House Leader's back in, I should repeat it a fourth time.

AN HON. MEMBER: Get on with it.

MR. DEPUTY SPEAKER: Order please.

Debate Continued

MS BARRETT: Thanks, Mr. Speaker. I think the point is made. These guys can't have the scenario both ways. That is wrong or misleading or, as future history may prove, either a very bad internal management of money on behalf of the cabinet and the government or what amounted to misleading the public. I wish that it weren't the latter, but I ain't going to hold my breath. In the meantime, I must say I look forward to some real explanation about why this government needs this extra debt money if it ain't broke; in other words, if you ain't out of money, you don't have new programs or policies that you're going to sponsor with this, you don't have a shortfall in income, and you've still got a balanced budget, clue the public in: tell us why you really need the money.

Thank you, Mr. Speaker.

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

MR. BRUSEKER: Thank you, Mr. Speaker. I would like to speak to Bill 45. You know, Bill 45 is awfully short on words, but it's awfully big on bucks, and for that reason it's a major concern to the Liberal opposition.

The previous speaker, the hon. Member for Edmonton-Highlands, asked why they wanted the \$2 billion, and I'm afraid to hear the answer, quite frankly, because I think it's going to be more bad news from these guys. All we have to do, Mr. Speaker, is look back, and we don't have to look back very far. You know, 1989 just passed there, and the old Minister of Technology, Research and Telecommunications made a couple of loans: 50 million bucks. One was to GSR, and it went broke. We invested \$30 million into GSR, and we sold it for less than \$2 million, a good investment, good business managers. We made another investment in the company called Myrias technologies. It was supposed to sell computers; it never did sell any computers. Twenty million bucks; sold for less than 2 million bucks: another good investment. My goodness. Those were the only two loans that minister made that year. The only two loans made. That was the success story from the Department of TRT: a 100 percent failure rate for the loans invested in 1989. So we saw our deficit go up.

4:20

Then we have the Minister of Economic Development and Trade, who tells us about more success stories and in fact tables in the House a document that tells us about these wonderful success stories from the Alberta Opportunity Company, a.k.a. the sinkhole of the province. You know, since 1982 the Alberta Opportunity Company has received just about \$82 million worth in grants, and they've lost in that time \$52 million of that money. In other words, 62 cents of every dollar granted to the Alberta Opportunity Company is lost to Albertans.

Now, the Provincial Treasurer grandly rises here with his long speech and his fine jacket and tie and his fresh new shoes, and gives us a budget speech back in April and tells us what a wonderful job he and his government have done. A little further along in the session, he says: oh, by the way, guys, we've got this balanced budget, but I need another \$2 billion. Well, you know, \$2 billion is a heck of a pile of money to need to cover a balanced budget. The Treasurer in his opening comments, when he finally did rise to speak to this Bill, said: well, you know, we have some cash shortfalls. Mr. Speaker, \$2 billion is an awful big shortfall. You know, that is almost 20 percent of the provincial budget. So what the Provincial Treasurer is telling us is that he's got a 20 percent shortfall. We haven't even got into the year very far, and he's telling us he needs an extra 20 percent loan up front to cover the shortfall that he's got to deal with.

Quite frankly, I'm a little concerned about that. We keep hearing about what a wonderful job the government does in managing money, and he says that we've already borrowed 11 and a half billion dollars. That's not enough, ladies and gentlemen of Alberta; we need another \$2 billion. We've got to go to 13 and a half billion dollars. He keeps talking about a balanced budget and reducing the deficit, yet the balanced budget that the Treasurer likes to talk about, quite frankly I don't believe is going to be balanced. The unfortunate part, as we've pointed out before, is that it's going to be two years from now before we really get those facts and figures.

The Provincial Treasurer has talked about oil revenues. The Provincial Treasurer has talked about increased natural gas sales, despite the fact that there's not a demand for it. The Provincial Treasurer has talked about increasing gas costs, natural gas I'm talking about here. So we get these optimistic viewpoints, and I guess it's good to be optimistic. I applaud the Treasurer for being optimistic. I think it's nice to have an optimistic viewpoint, but we also have to have a good, healthy dash of realism. Unfortunately, I don't think we got that in the budget, and that's why we have today the Provincial Treasurer asking us to support a Bill asking us to go into debt, go into hock another \$2 billion.

There's no indication in this Bill, no mention in Bill 45 – you know, the Bill is staggering by what's not in here – of what the \$2 billion is going to go for.

MS BARRETT: Where did all the money go?

MR. BRUSEKER: Where did all the money go.

He just says: give me \$2 billion and trust us. Well, that's a hard one to swallow, because he says in the Bill that 11 and a half billion dollars isn't enough; we need to go up to 13 and a half billion dollars.

So we've already gone into debt 11 and a half billion dollars, clearly. We get the teachers coming to us and saying: "Well, listen, guys, we've got an unfunded pension liability that you guys aren't looking after." There's no indication that we're going

to solve that at all in here. We've got class sizes that are getting larger; we've got a shortfall in educational materials. No indication of where this is going to go. If this was going to support education, perhaps I could support it. But I didn't hear that from the Provincial Treasurer, just "Give me \$2 billion and it'll work out fine."

Well, the record of the government just isn't there for me to believe that I should simply say yes to this Bill, so I cannot, as short as it is, as simple as it is – I must admit that it's a short Bill and easy to comprehend, but I just cannot accept it. I cannot accept that I as a responsible Member of this Legislative Assembly, as a member representing my constituents, should support a Bill like this, because when I go out knocking on my doors in my constituency, the number one concern that I hear from people is that that debt is getting bigger and bigger and bigger, and we're just going to have to pay more taxes for it down the road, and we've got to reach a point where we're just going to say no. Well, Mr. Speaker, today is the day that we should all say no to Bill 45.

MR. MITCHELL: Mr. Speaker, I too would like to register my concern over this Bill. The Treasurer has had a really remarkable career as Treasurer of this province. It is true, of course, that he enjoys being Treasurer, but his career has been remarkable in a number of other ways. I think one of the most distinguishing features of his career as Treasurer is that he has never been afraid to confront a budgetary deficit. He's quick to criticize the New Democrats in Ontario, and rightly so, for their huge deficit in their first fiscal year in government, but it's very interesting to note – and I'd like to have it on the record – that their \$10 billion deficit would be about 20 percent of their total annual budgeted expenditure in that province this year. This is the Ontario New Democratic government. A 20 percent deficit: horrifying, tremendously significant, with tremendous consequences for a responsible government there, and in fact, across the country. But I'd like the backbenchers over there to listen to this, because this will be terrifying to them if they would only understand it: this Treasurer's first deficit in 1986 was \$3.5 billion, not 20 percent of the total expenditures of that government in that fiscal year, which is now the case in Ontario and about which the Treasurer is so critical, not 20 percent but 35 percent. He makes this new Ontario government look like a bunch of snot-nosed kids when it comes to creating deficits.

He followed that up two years later not with a 20 percent deficit, no, but with a 25 percent deficit. Mr. Speaker, it is no wonder that this Treasurer is so clear in his discussion of the Ontario deficit and its dangers and so capable of presenting that case effectively and aggressively and articulately, because there is probably no other Treasurer on the face of this country who has had deficits as high as his deficits. A 20 percent deficit in Ontario by the New Democrats is appalling, yes, and a 35 percent deficit in the first year of this Treasurer's regime as Treasurer is astronomical. Twenty-five percent, 15 percent, 10 percent: it is an array of deficits which in the years prior to his ascendancy to that position would have been unheard of in this province.

Mr. Speaker, I raise this important point because of course it reflects what is going on in this Bill. This minister in one sense is asking for \$2 billion in additional debt for almost no comprehensible reason. It is interesting to read his arguments and consider his arguments in defence of this debt increase. His first one was timing: you know, it happens that in government sometimes we have to make expenditures before we get the money with which to make them. Well, that might be under-

standable. I suppose you've got to give municipalities their money up front, and some of the taxes that would be collected in order to pay for that will come in progressively over the year, gasoline taxes, earnings on the heritage trust fund, and so on and so forth. But if that is the case, then at the end of the year that balance, that timing difference will have been adjusted, so one would expect that if he needed an extra billion or a billion and a half to bridge this gap, as he says he does, that gap would no longer exist by the end of the year when the additional revenues would now have come in.

So why would there not be some sunset clause, for example, or some automatic adjusting mechanisms within this Bill that say that at the end of the year when the timing differences have been adjusted for, we will no longer need a limit of \$13.5 billion in debt, but instead we will cut that debt level back automatically to \$11.5 billion or perhaps to \$11.75 billion, whatever it is that would, in fact, be dictated by the figures.

We can only be suspicious, Mr. Speaker, that something else is going on. Otherwise, why would it be that we would have to put this in this way into the Financial Administration Act to be, for all intents and purposes given this government's track record, a debt into perpetuity? No. If the timing argument is a legitimate argument, then surely any self-respecting Treasurer – as I know this Treasurer is; he certainly is self-respecting – would stand up and say, "I only need this for an interim period, and I'm going to put in this Act a sunset clause, a trigger clause that will cut back that additional debt level as soon as I don't need it any longer for timing reasons."

4:30

His second argument, Mr. Speaker, is that, "Well, in the middle of this year, you know, we have to refund some debt that's coming due." That's an interesting argument, but that's not an argument for increasing net debt. If we refund debt, we collapse debt. If we refund some of the \$11.5 billion of the existing level of debt that has been approved by this Legislature, by that government for this Treasurer, and we refund it, then that \$11.5 billion ceiling will be reduced. It collapses one into the other. So we can only question why refunding in any way, shape, or form would require the addition of upwards of \$2 billion in long-term debt. It defies logic.

His third argument for doing this is contingencies. "Jeez, you know, something may happen. We may in fact not be quite right about our estimates of income, and so in fact our real debt may increase." Well, that's a very startling revelation, Mr. Speaker, because the Treasurer points out in his comments on June 7 that a good deal of his surplus – it's hard to follow his logic, but "the budget stabilization included in the \$92 million cash surplus that I talked about is \$195 million of stabilization claims." That is, a significant portion of the income that he is banking on will be in the form of stabilization claims perhaps paid for by the federal government. That's dependent upon this arbitration process. We know in the past that we couldn't count on his estimate of that income because the federal government hasn't paid what he estimated they would pay.

This is a very startling revelation, Mr. Speaker, because what we're talking about is \$195 million which at the very least is in question as revenue and therefore is in question as revenue that will allow this Treasurer to be successful in realizing his claim of a balanced budget. He is in fact admitting right here in his own words that there is no guarantee that he will balance the budget given even his own revenue projections. So what we're talking about isn't some kind of timing problem, isn't some kind of refunding problem that should nil out, isn't simply a benign

contingency problem. What we're talking about is real deficit which will increase the overall debt of this province in a real way. We're talking about a shortfall of this government's own projections, about a budget deficit.

Mr. Speaker, it's interesting to note, as well, that this \$13.5 billion, as startling as it is, of course doesn't address the issue of the \$9 billion unfunded pension liability for which this minister never had real Legislature approval to incur. He's good enough to come to us and say, "Do you mind if I raise another \$2 billion of debt?" He did ask for legislative approval to incur that. He has never asked for legislative approval to incur the additional \$9 billion real debt, real deficit that is related, of course, to the unfunded pension liability of this province.

Mr. Speaker, what we have is a Treasurer in whom it is very difficult to have sustained confidence. He ridicules, and rightly so, the Ontario New Democrats and therefore their brethren here for a 20 percent deficit, but he's had 35 percent deficits, 25 percent deficits. As I say, he makes these Ontario New Democrats look like children when it comes to creating deficits.

It's also true, Mr. Speaker, that he's made three arguments for this increase in debt which make almost no logical sense or at best are an admission that his revenue projections are not what he said they will be and in fact there will be real debt. Finally, he neglects to point out that this \$13.5 billion has absolutely nothing whatsoever to do with the \$9 billion unfunded pension liability which his government incurred and for which his government received no approval from this Legislature.

Mr. Speaker, there are inconsistencies, there are inadequacies, there are instances of illogic in the arguments that have been made, and there is no justification for this Legislature to support this request for an increase of this amount, of this nature in the debt of this province.

MS M. LAING: Mr. Speaker, I, too, rise to speak against this Bill. One can only be shocked at the actions of the Provincial Treasurer, who about two or three short months ago brought forward a balanced budget. Now we are treated to a bunch of rhetoric about intrayear spending and how he needs to collect money to get us through the year, how in fact this is just short-term necessary, the way good business operates, and not to worry. He has told us in past years when he brings in similar kinds of Bills: "Don't worry. This is just short term. We're really not in bad shape. It's just to make me be able to sleep at night and feel safer that I'll have enough money to pay the bills. The revenue is coming in. I'm not concerned about it, and you shouldn't be concerned about it. Trust me. And really, this is only \$2 billion."

Well, on top of a budget of \$12 billion he recognizes that it's a lot, but we really don't need to worry about it because in fact it's just intrayear spending. You should see the number of times he used intrayear spending in his introduction of this Bill. It is quite astonishing. So we have to say: what is really going on? In past years we have been faced with similar types of Bills, debt extension. "We just need it because we don't want to worry, we don't want things to get out of control. We just need it for the short term. Trust us. By the end of the year the money that we said would come in will come in, and the expenditures will be reduced. Don't worry."

In fact, in past years the money was not collected, and the short-term debt extensions that we were asked to pass in this Assembly in similar types of Bills have become part of the long-term debt. So we have to say . . . I remember a professor of mine who said that the best way to predict the future is to look at the past. So if past experience is any indicator of what the

future holds for this province, at the end of this year we will not have a balanced budget. We will have a \$2 billion deficit, which will, of course, not fully show up in the mismanagement of this government, which seems to be beyond belief, and will in fact be added. The cost of that will be added, and it will come forward when we see the public accounts in a couple of years – as has been noted earlier, this is probably about election time – so it will be hard to really say that this is what the government did in this year of its projected balanced budget. Certainly when we see this kind of Bill before us, we have to wonder what balanced budget means in reality.

Mr. Speaker, if the Public Accounts Committee were stronger and could have a more careful evaluation, a more comprehensive evaluation, perhaps they could help the Treasurer be more effective and efficient in his spending and help to manage the money so that we don't have an unending parade of these kinds of Bills and we don't have an unending litany of losses, company bailouts, and collapses with the government left holding the bag. We have to say: what is going on? We could feel more confident, I think, if the Treasurer could tell us what the nature of this intrayear spending is all about and how the money that he is wanting through this Bill for his intrayear spending is really going to be collected. Anyone that watches the news these days knows that oil revenues are down. They are not \$23 a barrel, and we have to wonder if the Treasurer expects another Gulf war to give an inflated oil price to help him out. We have to be concerned about his budget projection, because it would appear that his balanced budget is based on inflated revenue production.

4:40

Mr. Speaker, we often hear the Treasurer talk about those of us on this side of the House who obviously have no business experience, so we don't know how business works and we probably can't understand intrayear spending either. But it doesn't seem that difficult for him when he talks to us about social service spending. He then talks about how in our personal lives we can't live beyond our means. That's the kind of concern we hear about social programs. Ultimately, in all spheres of spending and living we need a realistic projection of income or we face the kind of deficit funding that we see here.

I would suggest that in many ways business is not that different than personal. You have to know what's coming in and you have to be accurate; you can't be wishing upon a star. I sometimes think that's what some of the projections are about, wishing upon a star. You have to have an accurate understanding of how much things are going to cost and how good the investments are that are being made. It's only when we talk about social spending that we hear about the personal sphere. But when it comes to business spending – economic development, money going into the business world – that's when we're told we don't know how business works. Yet what we have learned from this government in their working on the business model – we've seen failed companies, bad investments, failure in evaluation and monitoring, which is noted many times over in the Auditor General's report in regard to the department that is supposed to be stimulating the economy. Yet if the Treasurer is right and that's how business works, then I say: who needs it? If most businesses worked like this government, we would all certainly be in big trouble.

Mr. Speaker, we also see projections even on the cigarette tax, projections on the revenue to be garnered from the increase in cigarette tax. Yet we know that these kinds of taxes, although they're wonderful for increasing revenue, are also in there in

some sense to discourage cigarette smoking. One has to be concerned, and I've certainly heard people say, "Well, it's so expensive now, it's enough to make me stop smoking." What if, in fact, a significant number of people do stop smoking? Then the projection is going to be inaccurate.

I would also say that there are projections in increased income taxes, but where are the employment initiatives that are going to give us that kind of money? What are the employment initiatives that are going to say that we're going to have more income tax collected? The rate of income tax has not been increased.

We have to wonder at the statement that this is just short term in the budget projections of a balanced budget if in fact the budget has not dealt accurately with federal transfer payments. We hear again of a cap on them, and we have questions about stabilization grants. If past experience with the federal government is any teacher, we're not going to get all that money. We're not going to meet the Treasurer's projections. How can we be assured of the level of expenditures, Mr. Speaker, as hospitals struggle, as seniors rise in protest of cuts and may force the government to rescind those cuts, with the demands from the public of Alberta in terms of education, home care, seniors? There's a mood of revolution in this province, and the government ignores that mood at its peril. I would suggest that they may in fact find that they have to put in more spending than they had anticipated. So again another reason to say: how balanced is this budget? How accurate is this balanced budget? And how can we really believe that this is just intrayear spending, as the Treasurer would call it?

Mr. Speaker, I would beg leave to adjourn debate.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Avonmore has moved that debate be adjourned on Bill 45. All in favour, please say aye.

HON. MEMBERS: Aye.

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

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

Bill 48

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

MR. JOHNSTON: Mr. Speaker, I am very pleased to move third reading today of the appropriation Bills. Today specifically we can describe a variety of Bills, but let me only say that the record should show, after the diatribe by members of the two socialist parties opposite, that there are simple themes that are emerging from our appropriation Bills. Those themes are ones which the people of Alberta have agreed to, and in fact some members when they speak have picked up on the salient points that are reflected in our fiscal plan.

Number one among the elements, Mr. Speaker, is in fact that the people of Alberta want governments to reduce their spending, they want governments to live within their means, and they want to maintain a fair and equitable tax system. That essentially has been the plan of this government all along. Why it's so important for us to outline that again is that today somebody may be reading *Hansard* and note all the nonsense that we've just heard with respect to the borrowing Bill. That's fair enough; that's rhetoric. But I'm dealing here with the facts, and the facts are . . .

Point of Order Relevance

MR. McEACHERN: Mr. Speaker, a point of order.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Kingsway is rising on a point of order?

MR. McEACHERN: Yes. I couldn't help wondering what a tax system has to do with the appropriation Bill for the heritage trust fund which is now before the Assembly. Let's stick to the topic and get on with it.

MR. JOHNSTON: Mr. Speaker, I'll be explaining time and time again to this member many of the fundamentals of the fiscal plan because it takes him much longer than most people to understand anything, including what it is that government is doing in the appropriation Bill.

Debate Continued

MR. JOHNSTON: Mr. Speaker, let me make the point here that we have a very simple plan, a very simple plan. We outlined it to the people of Alberta in 1987. We said: you know, there's been a sudden shift in our resource base. We have a commitment to follow your guidelines, your position, and we're to present and hold to this plan. That plan is one which takes you from this high deficit that in fact occurred. The Member for Edmonton-Meadowlark on many occasions has outlined it; other members have talked about it. We accepted that, but we ramped down on our expenditures and we ramped down on the size of our deficit. In the meantime we used the financial resources of the province to offset the deficit that was increasing at the same time. Now, that's a plan of reasonableness; that's a plan of fairness; that's a plan which does not strike at the heart of any one particular part or sector of our economy. That's the evenhandedness which this government has maintained, which the people of Alberta expect, and which the people of Alberta support, because there is one simple message: this budget is balanced.

Now, I walk down the streets of Highlands, of Norwood, of Glengarry, and the people come up to me there. They say, "You know, we like it when you balance that budget; we want that, and I don't care what those guys, that Ray Martin guy says," or whoever else it may be. They say, "We want you to maintain that plan to balance the budget." That's what the people of Alberta right across this Edmonton constituency say to us, Mr. Speaker. They expect it, they know it has to be done, and they are now moving stronger than ever behind this government in support of this position. That's why the opposition is going to such an extent to distort, to mislead, and to misconfigure the way in which this budget has been presented, because they know it's the right process, the right plan, the right outcome. That, Mr. Speaker, is the proof that's now here before us.

Now, what have we done, Mr. Speaker? Well, I haven't spoken much about the Heritage Savings Trust Fund, but I think it's only appropriate, since we are now moving appropriation Bills through and one of those appropriation Bills happens to be the Heritage Savings Trust Fund, that a few comments, more than en passant, may be expected. I know the NDP Party – sic – doesn't like it when we talk about the Heritage Savings Trust Fund. However, I think it's important that we put it on the record. The Heritage Savings Trust Fund captures one fundamental principle that is difficult for the opposition to understand, and that's the concept of saving. Unlike the principles

which are fundamental to the socialist parties opposite, we believe that governments at some time must be countercyclical to the direction of the economy.

4:50

Let me simply reduce that to fine terms for the members of the NDP Party – sic. That is to say that if a government has a high revenue forecast or for some reason has an abundance of resources, as Alberta experienced, we then should take the top off the surplus and put it in a savings account. That's to take the peak off the cycle and save it, so that just in case you have a recession or you have a low cycle, you can draw upon those resources to complement your expenditure plan. Now, that's the simple way in which this government has operated, and that's really the heart of what's made it possible for this government to maintain this gradual program. Maintaining the simple economic strength of this province, the fiscal health of this province has always been our objective, but it has been in fact complemented dramatically by the Heritage Savings Trust Fund. Now, this fund has real assets of about \$12 billion and has special assets of over \$3 billion. The point is that if you take those assets, Mr. Speaker, with the liabilities of the province, and many people have talked about it already, you end up with the only province in Canada – the only province in Canada – with more assets than liabilities. The point we make here is that because of the foresightedness of this government, because of the determination of this government to use the savings in an appropriate manner and to save for the future, we have been able to make it through and still end up with more assets than liabilities. Now, that's a fairly significant record.

Since the Member for Edmonton-Norwood is here, I'll draw the comparison for him, then, as to a plan here versus a plan there. Now, you'll never guess where there may be in this case. You'll never guess where there may be. Mr. Speaker, the province of Ontario was downgraded three times in the past three weeks, and that downgrading was by Moody's, by Standard and Poor's, and by Dominion Bond Rating Service. The record is clear; I've filed it. What's happened there is that the people of Ontario are now suffering an additional burden in their financing.

**Point of Order
Factual Accuracy**

MR. MARTIN: On a point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Leader of the Opposition is rising on a point of order.

MR. MARTIN: On a point of order. If the Treasurer is going to bring in Ontario, we'll have a debate on Ontario, about the two budgets. But if he's going to make statements, he cannot make statements that are untrue. I have checked that out, and that is absolutely and totally not true, and the Treasurer knows it.

MR. JOHNSTON: Mr. Speaker, I'm searching my notes here, but I haven't got them. Tomorrow I'll bring the file with me, and I'll table it in the House. I'll table in the House . . .

MR. MARTIN: That's three different companies, not three different lowerings.

MR. JOHNSTON: Three different entities. As I've said, Standard and Poor's, Moody's, and Dominion Bond Rating have

reduced the rating of the province of Ontario. That's what I've said, and that's the fact.

MR. MARTIN: But that's not lowering it three times.

MR. JOHNSTON: Well, Mr. Speaker, that's what I've said.

MR. MARTIN: No, you didn't.

MR. JOHNSTON: That's the position. Now, he's making a very fine line about this, and he knows full well that he's embarrassed by that, Mr. Speaker.

Debate Continued

MR. JOHNSTON: Now, let me just draw this fine distinction for the member. Since he's listening carefully to every word here, he may be able to listen to something and learn something. What we have here, Mr. Speaker, is the following. The reason that province of Ontario was downgraded three times by three different entities is that in fact they did not have a plan for dealing with their deficits. Unlike the province of Alberta, where we depend upon a plan of action and set out goals and objectives and a strategy to the people of Alberta, the province of Ontario under the socialist NDP Party – sic – did not have any such plan, and that's why they were downgraded by the three different rating agencies. That's why they were downgraded.

Now, as a consequence, you can see that the capital markets worldwide are responding. What did the ND socialist party of Ontario do? They went on to suggest that they didn't care about a plan. They threw the spending to the wind and allowed the debt to rise. What will happen over the period of the next three years is that the debt will go to something like \$7,500 per capita.

Now, I can imagine the apology from the Member for Edmonton-Meadowlark. It's clear he should be apologizing, very clear he should be apologizing. Of course, they tried to apologize to the people of Ontario in the last election, and what happened? They didn't accept the apology, Mr. Speaker. The Liberal Party of Ontario is in fact as jointly culpable as the ND Party. They were the ones who ignored the concept of spending and saving and trying to balance the two. You saw very clearly when the Liberal Party was in Ontario, what did you have? Well, you had the highest increase in spending of any province, and you had it coupled with the highest tax levels. That's why the people of Ontario said to the Liberal Party: adios, amigos; good-bye; no more of that stuff. So I would expect that the Member for Edmonton-Meadowlark would be more than apologetic, because in fact the fiscal policies of the Liberal Party in the most recent term in Ontario have been just as guilty of this fraudulent fiscal policy as the ND Party now are. I could go on to talk more fully about the Liberal fiscal policies, but I think that might just be a little out of order; even I would admit that. I can work that in at some other time, Mr. Speaker.

Now, getting back to the heritage fund, Mr. Speaker, I know the members don't like it when the heritage fund is doing several things. The heritage fund over the course of its life has transferred much of its financial assets to the General Revenue Fund. Let's use, for terms of argument, about \$11 billion: that's the income that's been transferred from the heritage fund to the General Revenue Fund so we can maintain the lowest tax regime of any province in Canada. At the same time, there's been a buildup of assets inside the heritage fund. I have said repeatedly here already that part of our fiscal plan is in fact to privatize some of those heritage fund assets, showing to those

doubters across the way that the value that is in place in those assets can be realized. No reduction in the financial assets at all and, in fact, an increase. Now, we've seen that already. We can look at Telus shares, for example, which now have a market value. The Telus shares, if you were to sell them today, would generate something like \$100 million to \$150 million to the province. That income would go across to the General Revenue Fund, part of the policies which would reduce debt. We'd maintain that low tax regime that I talked about.

Now, other critics, Mr. Speaker, for some reason have said, "Well, you know, if they'd maintained the policy of 1978, the heritage fund would be worth \$60 billion." Yes, that might be right, but guess what else you'd have. You'd have a deficit or accumulated debt in the General Revenue Fund of over \$60 billion, so there would be no economics in that kind of a strategy. Those people who make that argument, for the life of me, I cannot understand it. We took the most appropriate fiscal action possible. We changed the way in which we handled the heritage fund when the circumstances that drove our fundamental policies changed. When the price of oil dropped, we said it's no longer reasonable to save money in the heritage fund when you're running a deficit in the General Revenue Fund. Now, any economist who argues that should to my mind go back to economics 100 and rethink what it is he's talking about, because it is fundamentally flawed. Anyone who has anything to do with public finance would recognize that it had no applicability in terms of what we're doing here in the province of Alberta.

What we have done is protected the capital – in fact, the capital has increased – used the revenue on an annual basis, about \$1.2 billion, and used the accumulated revenue from the heritage fund to the General Revenue Fund to save us from the tax impact and deficit increase. On a balanced basis, on a consolidated basis, again, we're the only province in Canada, in fact the only government in Canada, which has more assets than liabilities.

So on that point, Mr. Speaker, I don't think historians or, for that matter, real economists would ever criticize what it is we have done and would in fact point to the fundamental fiscal plan, which has been savings, prudent management of your expenditures, and at a time when you have excess cash, put it away in a savings account; at a time when you have excess spending, draw it from that savings account to balance your expenditure profile. That's roughly what we have done as well.

Speaking more fully about the heritage fund, one must look at it as a tool of diversification. This plan, Mr. Speaker, is in fact captured in the legislation which drives this fine fiscal part of our plan. In the legislation it says that an investment of the heritage fund must diversify the economy, must generate a rate of return, and must benefit Albertans. This diversification and benefit to Albertans is remarkable. Again, when I refer to historians looking back at the way in which this fund is operated and the context in which it was established and the way in which it delivered its policies, in fact it will not be matched anywhere in the civilized world. Diversification has happened: in forestry products; an opportunity to diversify the synthetic oils of this province to allow us to take a little extra risk to turn the synthetic oils into a real asset as opposed to an asset for the future; investments in agriculture, where in fact we've been able to diversify part of southern Alberta by major and substantial investments in irrigation which will carry us through this period ahead.

5:00

Those are the kinds of diversification initiatives, Mr. Speaker, which on top of everything else that the heritage fund has done have been remarkable in their success. Remarkable in their success. It is this form of balance, this form of imagination, this form of commitment to making Alberta a better place by using all the assets and tools at our disposal that has in fact brought together today this, I think, fairly sound and well-balanced, fair fiscal plan drawing on our strengths, drawing on our resources, drawing on the will of Albertans to face fiscal uncertainty, and drawing on the will and direction of the people of Alberta to get on with balancing the budget. If there's one thing that the people of Alberta want us to do, it's to be prudent and careful in our spending. If governments don't do it, the people of Alberta will say, "You know, we know how to make this work; why don't you people do it?" They will, absolutely, give you the message strongly. We've accepted the message, we've taken the direction, and we're now implementing and following through with our commitment to the people of Alberta to do just that.

That's why today, Mr. Speaker, after hours and days and hours and days and hours and days of time by the opposition to derail this good plan, to cause some questions to be raised about the integrity of this plan and to leave a miscommunication in the minds of some Albertans that in fact it is not as true as we have said it is, we have now, I think, succeeded again. We have succeeded. The people of Alberta have only one message that they have to deal with. "Did you balance the budget?" The answer is yes. They say: "Thank you very much. What are you going to do next?" We say, "Reduce the debt." They say: "Perfect. You're the government for us."

Thank you, Mr. Speaker.

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

MR. HAWKESWORTH: Thank you, Mr. Speaker. It never ceases to amaze me how the Provincial Treasurer can give a speech with his tongue firmly in his cheek. Obviously, the way this Provincial Treasurer conducted his last speech, I'm also surprised he could do it with a straight face, but there you go. One of his abilities as Provincial Treasurer is how to come up with the rhetoric even though it doesn't match the reality. With his budget plan that he was so proud of, it's obvious that it's off the rails. I know that he doesn't like the opposition pointing it out, but that, after all, is our job. I guess he's doing his, and that's, where he can't produce the reality, to produce the rhetoric. That's clearly what it's all about.

Mr. Speaker, this has to do with the capital projects division of the Alberta Heritage Savings Trust Fund. You know, the Provincial Treasurer likes to talk about, I think, reducing spending, balancing the budget, and all that good stuff. What I find interesting is that up until a couple of years ago the Provincial Treasurer always included the spending of money under the capital projects division in calculating the budget deficit. You know, it became an embarrassment for him a couple of years ago, so with a little sleight of hand, a little creative bookkeeping, a little slip of the eraser, all of a sudden the capital projects division expenditures were no longer used in the calculation of the budget deficit.

Now, if we were to go back to the practice that this Provincial Treasurer was engaged in a couple of years ago, we would have to take the \$109,680,000 that we're being asked to vote today

and use that in the calculation of the province's budget deficit. Well, that's one of the tricks the Provincial Treasurer has used to try and pretend to Albertans that we have a balanced budget: simply to ignore the appropriation Bill that's before us this afternoon, Bill 48, for third reading. When the hon. Provincial Treasurer rises in his place in a few moments' time to vote in favour of this \$109 million appropriation, he will in effect, Mr. Speaker, be voting for the amount of money that will turn his so-called balanced budget into a deficit. That's not going to faze him. Notwithstanding his vote later this afternoon, he's going to continue to go across the province saying that the Alberta government has a balanced budget even though he will vote to in fact put the lie to that particular allegation. Again, I have no end of admiration for his gall. The Provincial Treasurer is going to go around and say that it's the Official Opposition that's misrepresenting the true state of provincial finances, when in reality it's he who's voting these expenditures that have the effect of creating the deficit in the province's operating fund.

Now, Mr. Speaker, the other thing is that he wants us to reduce our spending. That's what he says is their objective in Alberta. Well, we certainly haven't seen much of that from this government, and certainly we see very little of it when it comes to the Alberta Heritage Savings Trust Fund capital projects division. Included in these appropriations for this year is the beginning of a \$6 million expenditure for the family life and substance abuse foundation, the first \$6 million of what is planned to be a \$200 million endowment out of the Heritage Savings Trust Fund for that particular foundation. Now, we can discuss the merits of the foundation and its relationship to the Alberta Alcohol and Drug Abuse Commission, but it certainly doesn't fit with the Provincial Treasurer's rhetoric that they're interested in reducing their spending; quite the contrary.

So what I would simply say to the Provincial Treasurer is this. What I would appreciate from you and indeed all members of the government is to at least be honest about what the government is up to, be honest with the people of Alberta and explain exactly what's going on, and quit pretending that there's a balanced budget and that the Heritage Savings Trust Fund is part of the plan to balance the budget.

One of the problems with the Alberta Heritage Savings Trust Fund is that this government year after year goes into the capital of that fund to pay for capital projects division expenditures. Anytime you go into your savings account, Mr. Speaker, every time you go in and cash your guaranteed investment certificates, every time you go in and cash your T-bills, anytime you go into your own personal financial matters and cash the savings you've accumulated over the years and spend them, it gives you less money in future years to generate income for your family's finances down the road. That's a pretty simple analogy, but it's one that I'm sure the Provincial Treasurer understands. So when we go into the Alberta Heritage Savings Trust Fund and take money out of it to pay for these expenditures under the capital projects division, it means that the capital of the Heritage Savings Trust Fund continues to be eroded and its ability to provide income for the future is eroded as well. I have never understood why the provincial government continues to proceed with expenditures under the capital projects division even though the financial circumstances of the province have changed so dramatically over the years.

5:10

What I would propose that the provincial government do is take all of these expenditures and put them under the General Revenue Fund, where they should more properly be and where

they would more properly be accounted for, and match them up with all the other expenditures the government is undertaking under the General Revenue Fund. If all of these expenditures come to the top of the list, if they're number one priorities, if they're first-rate initiatives that the government feels ought to be the first call on the province's finances, then fine; let the government finance these expenditures under the General Revenue Fund. Then one couldn't argue with their merits or with their priorities.

These expenditures, Mr. Speaker, are coming out of an entirely different process. What relationship they have to the general capital expenditures of the province has never been clearly explained. I've asked ministers throughout the individual budget review to justify those expenditures in comparison to all the other expenditures that they're undertaking in their departments, and they've not been able or willing to answer those questions.

If these expenditures were to be done under the General Revenue Fund instead of as they are at present, by robbing the capital of the Heritage Savings Trust Fund, if these were moved to the General Revenue Fund, we would begin turning around the financial affairs of the province and ensure the ongoing integrity of the capital of the Heritage Savings Trust Fund. That to me is an important objective and one that the Provincial Treasurer I think didn't pay close enough attention to. We must ensure the integrity, in my view, for the future of the Heritage Savings Trust Fund and do our capital expenditures under the General Revenue Fund or under the Capital Fund of the province. That to me would be a more appropriate way in order to restructure and reform the financial management of the province. Believe you me, Mr. Speaker, it's a financial management that's desperately in need of reform.

I would simply say to the Provincial Treasurer that I know he has taken great pride in the fact that Alberta is the only province that has more assets than liabilities. What he fails to recognize, Mr. Speaker, is that when he took over as Provincial Treasurer, that balance was somewhere close to \$13 billion in favour of the province having more assets than liabilities. Under Bill 45 the Provincial Treasurer is asking us for an increase to – what is it? – 13 and a half billion dollars. If we were to raise the debt ceiling for the province to \$13.5 billion, we would certainly be in excess of the total financial assets of the Heritage Savings Trust Fund. In the course of five years under this Provincial Treasurer's tenure, that positive asset-to-liability position the province was in only a few years ago has basically disappeared. I don't know that the Provincial Treasurer is particularly proud of that particular legacy, but there you have it: that's the direction the province is going with its financial management. By approving these expenditures under Bill 48 for the capital projects division for this particular year, it's going to reduce the financial assets of the province by another \$110 million and is going to make his problem another \$110 million more difficult.

Mr. Speaker, I would simply say to the Provincial Treasurer that he's got many challenges ahead of him, not the least of which is trying to reconcile his rhetoric with the financial reality of the province.

MR. DEPUTY SPEAKER: Thank you. Order please. The Chair is required to interrupt proceedings at this stage pursuant to Standing Order 61(5) and call for a decision of the Assembly on the matter before it, which is Bill 48, Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act,

1991-92. The motion before the House is third reading of that Bill. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

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

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

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

5:20

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Ady	Fischer	Moore
Black	Fjordbotten	Musgrove
Bogle	Fowler	Nelson
Calahasen	Gesell	Paszkowski
Cardinal	Getty	Severtson
Cherry	Gogo	Shrake
Clegg	Hyland	Sparrow

Dinning	Johnston	Speaker, R.
Drobot	Laing, B.	Trynchy
Elliott	Lund	Weiss
Elzinga	Mirosh	Zarusky
Evans		

Against the motion:

Barrett	Fox	McEachern
Bruseker	Hawkesworth	Mitchell
Chivers	Laing, M.	Pashak
Ewasiuk	Martin	Sigurdson

Totals:	For – 34	Against – 12
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[Motion carried; Bill 48 read a third time]

[It was moved by the member indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Moved by
46	Appropriation Act, 1991	Johnston
47	Appropriation (Alberta Capital Fund) Act, 1991	Johnston

[At 5:26 p.m. the Assembly adjourned to Thursday at 2:30 p.m.]