

## Legislative Assembly of Alberta

Title: **Tuesday, June 18, 1991**

**2:30 p.m.**

Date: 91/06/18

[Mr. Speaker in the Chair]

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### Prayers

MR. SPEAKER: Hon. members, it has come our attention that a former member of this House died yesterday. Harry Lobay was first elected in the 1948 general election and served the constituency of Beaver River. He was re-elected in the 1952 general election and served the constituency of Lac La Biche until 1955. Perhaps we might observe a moment or two of silence in his memory.

Rest eternal grant unto him, O Lord, and let light perpetual shine upon him.

Amen.

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.

head:

### Presenting Petitions

MR. MARTIN: Mr. Speaker, I'd like to file with the Assembly 1,021 more signatures protesting the cutbacks in seniors' services and asking for the withdrawal of these budget measures. That's over 43,000 Albertans that have spoken on this issue either by coupons or petitions.

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### Introduction of Bills

#### Bill 51

#### Pension Statutes (Transitional Arrangements) Act, 1991

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 51, which is the Pension Statutes (Transitional Arrangements) Act, 1991.

Mr. Speaker, this piece of legislation provides authority for the government to deal with the federal-driven pension changes which will come into effect in 1992 and allows only for amendments by order in council to deal with those federal regulations.

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

[Leave granted; Bill 51 read a first time]

head:

### Tabling Returns and Reports

MR. FJORBOTTEN: Mr. Speaker, I'd like to file with the Assembly today responses to motions for returns 229 and 236. I couldn't get all of the material on my desk, so there are five additional copies of Motion for a Return 236 available through the Clerk's office.

MR. SPEAKER: Thank you. First, if we can have three pages, please.

MR. R. SPEAKER: Mr. Speaker, I would like to file with the Assembly the following documents: A Review of Rural Industrial Taxation and Industrial Tax Transfers, a situation analysis; Evaluation of the Local Impacts of Peripheral Shopping

Centres; and the Swan Hills Colloquium discussion paper and action plan.

MR. ZARUSKY: Mr. Speaker, I'd like to file with the Assembly the 1990 annual report of the Alberta Multiculturalism Commission.

MR. SPEAKER: Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. I'd like to file with the Assembly the response to Question 351.

MR. SPEAKER: Additional?

In accordance with the provisions of section 27(1) of the Ombudsman Act, I have the pleasure of tabling with the Legislative Assembly the 24th annual report of the Ombudsman. This report covers the activities of the office for the calendar year 1990.

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### Introduction of Special Guests

MR. NELSON: Mr. Speaker, I'd like to take this opportunity today to introduce to you and through you to members of the Legislature the Ombudsman for Alberta, Harley Johnson, and his assistant, Dixie Watson, who are seated in your gallery. I would ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. It is a pleasure today to introduce to you and through you 14 grade 6 students from the Rycroft school in the Spirit River school division in the constituency of Dunvegan. They're accompanied today by their principal, Terrance Rehaume, and by teacher Devinder Pawa. Also accompanying them is Dianne Philpott. I would ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Member for Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Speaker. On behalf of my colleague the Hon. Boomer Adair it's my privilege to introduce 28 students from St. Mary's school in Fort Vermilion. Fort Vermilion, of course, was one of the first settlements in Alberta and has a long historical background. A year ago they celebrated their bicentennial, and I think that's quite an achievement. Accompanying these 28 students are teachers Miss R. Harris and Ms R.A. Randolph and parents Brian Fletcher, Doug Longard, Gordon Smith, and Bethany Mosher. I would ask the students to now rise and receive the warm welcome of this House.

head:

### Oral Question Period

#### Political Fund-raising

MR. MARTIN: Mr. Speaker, to the Attorney General. Yesterday the Attorney General tried to make the case that the secret accounts held by the ministers of Education and Energy are just like any other member's personal bank accounts. In fairness, I believe he misunderstood the situation. What we're talking about here are not personal accounts held by a member but, instead, accounts held for a member by other people. The problem with this should be obvious: we can't be sure that the money is being used properly, and we don't know who the

ministers are beholden to. That's why we have disclosure to begin with. My question to the Attorney General is simply this: will the Attorney General admit that having other people collect and hold money for a politician's private use could be an easy way for that politician to avoid disclosure legislation and spend money in all sorts of prohibited ways?

MR. ROSTAD: Mr. Speaker, the hon. member is correct that yesterday I was not aware of the news account that he was referring to. I do think that where funds are collected by an individual for an elected official, there should be some accounting for that money. Now, our proposal under Bill 40 will make that public disclosure in these instances.

MR. MARTIN: Mr. Speaker, I'm glad the Attorney General raised that, because that was what I was going to raise next. I think he's speaking specifically of section 7. It has to go to the commissioner, and he can decide then. I think it still should be public, but it is covered under the Act. So my question is simply this: will the Attorney General immediately recommend to these ministers that they freeze these accounts and accept no more gifts until the Bill is either passed or defeated? Or is he content to let it go on the way it is?

2:40

MR. ROSTAD: Mr. Speaker, my undertaking yesterday was that I would discuss the matter with both ministers. I can advise that one no longer has an account; it's been done away with, dissipated some time ago. The other minister is forthwith taking steps to ensure that the fund no longer comes to him unaccounted for.

MR. MARTIN: Mr. Speaker, we'd like to know where that other account went, but I guess we'll never find that out.

Just to come back to the Attorney General. I know I feel sorry for the Minister of Education. He can't make ends meet: \$104,000 salary, an \$18,000 resettlement. I saw a lot of tears from Albertans flowing after that, Mr. Speaker. The Minister of Energy, whether he has this account or not, has had it in the past, and he said that he uses his donations to throw parties for his volunteers. That may be a more serious admission because the possibility is that unreceipted money could be used for overtly political purposes. Don't get nervous, Minister of Energy. If you haven't done anything wrong, you won't be in trouble. My question to the Attorney General is this: will the Attorney General investigate the legality of the Minister of Energy's practice of using unreceipted money to reward those he likely wants to work for him in future campaigns?

MR. ROSTAD: Mr. Speaker, as I understand how the money was received, how it was handled, and who handled it, it at no time went into the hands or under the control of the minister. I will again undertake to ensure that there have not been any breaches. It's with delight, frankly, that we are bringing in Bill 40 to ensure that this type of activity does not continue without sanction if ill will is found.

#### **Alberta-Pacific Terminals Ltd.**

MR. MARTIN: Mr. Speaker, my second question is to the Minister of Economic Development and Trade. I want to move from questionable ethics to financial incompetence. In fact, I think that in the case of Alberta-Pacific Terminals we seem to have both. The government is once again about to lose millions of taxpayers' dollars in yet another ad hoc bailout of a company

run by its friends. But now we have the spectacle of the ex-minister of economic development, Mr. Larry Shaben, the same minister who approved the project to begin with – and he approved it, I take it, as a wise investment for taxpayers – now being hired to lobby his former colleagues on behalf of the company, armed with the threat to convert its debt into worthless shares for this government. My question to the minister of economic development is simply this: does the minister see anything wrong with his predecessor, the ex-minister of Economic Development and Trade, going from his position as protector of the taxpayer's interest in Alberta-Pacific Terminals to now lobbying his ex-colleagues on behalf of this company?

MR. ELZINGA: Mr. Speaker, I indicated to the Legislative Assembly some time ago the reason that we were proceeding with our court action. We are proceeding with the court action so we can protect the interests of the Alberta taxpayer. For that reason, we are supporting the court action that has been brought forward by the Fraser port authority. We were not happy with the reorganizational plan, but I should also caution the hon. member – and I wish to exercise this caution myself – that one has to be very sensitive as to what we do say, recognizing that it is before the courts.

MR. MARTIN: Mr. Speaker, that had nothing to do with the point of it. It's nice that they want to protect the taxpayers' money. They should have been doing that a long time ago, before they got into the deal.

There are two reasons for the imminent loss of millions of dollars of taxpayers' money: one is this government's foolish and secret arrangement to allow the company to convert its debt into shares – that's what Mr. Shaben is talking about, and they will be frankly worthless – and second is this minister's advancement of money to the company when it was clearly in deep trouble. Now, my question to the minister is this: will the minister explain why he loaned this company a further \$3 million in August 1990, when he knew or ought to have known that the company was already in serious financial difficulty and didn't even have enough assets to cover the original \$9 million loan guarantee?

MR. ELZINGA: Mr. Speaker, the hon. member should be very much aware as to the strength of the Alberta economy. The Alberta economy is strong because we as a provincial government did involve ourselves in a number of endeavours. Some of those endeavours did not work out to the degree that we would have wished, but for the hon. member to suggest that we're going to follow through with commitments other than what I've indicated consistently in this House is totally inaccurate. I indicated to the hon. member in this House some time ago that there would be no more support forthcoming as it related to Alberta-Pacific Terminals. I also indicated in this House that we were not about to convert our loan to equity. I'm not sure what more I can offer the hon. gentleman by way of information. I've been very forthcoming as it relates to all the details, so for him to suggest that it's secretive is just not according to the facts.

MR. MARTIN: I asked whether he thought Shaben was doing the right thing, and he avoided that. I asked him why he loaned \$3 million, and he refuses to answer that. Mr. Speaker, let's look at the assets. The minister keeps talking about protecting Alberta's assets, just like we did with Myrias, just like we did with GSR, just like we did with MagCan, but let's look at the assets that the minister has purchased for Albertans for \$12

million. We have a lease for port facilities that is \$2 million in arrears, we have a bunch of secondhand equipment, and we are the proud owners of a burned-down warehouse. My question to the minister is simply this: given that last fall the company listed its assets at \$3.9 million and its debt at \$20.5 million, will the minister explain how he sees the taxpayers of this province coming out of this deal with any of the \$12 million this government has plowed into it, Mr. Speaker?

MR. ELZINGA: Mr. Speaker, firstly, as I indicated to the hon. Leader of the Opposition the other day, we don't have a \$12 million exposure because a portion of the \$9 million loan guarantee has been paid down. I wish the hon. member would be accurate. I'm happy to repeat for him again the inaccuracy as to his statements. I also indicated to the hon. member that we do have first call, in conjunction with the Treasury Branches, on all the assets. Access to tidewater is very important for the exportation of our goods from the province of Alberta. That is also worth something. It's far too early, as I indicated to the hon. member earlier in this Legislative Assembly, to determine what, if any, losses will be incurred on behalf of the Alberta government.

#### Advanced Education Demand

MR. DECORE: My questions are to the hon. Minister of Advanced Education. Mr. Speaker, a year ago the Liberal caucus drew to the minister's attention the fact that there were some 6,000 Alberta high school students who were qualified to go to postsecondary institutions but couldn't get in. The institutions were simply freezing them out. The minister didn't take action, and many of those students I think perhaps lost interest in getting higher education. This year our research, by contacting each of these postsecondary institutions, shows that the situation has become even worse. There's a 10 percent increase in applications to universities overall, a 30 percent increase at colleges for university transfer programs, and still the minister is taking no action. My first question to the minister is this: why is it that the minister continues to refuse to do something to help these qualified students in getting access to postsecondary institutions? These students are our greatest resource. Why do you ignore them, Mr. Minister?

MR. GOGO: Mr. Speaker, first of all, I certainly don't ignore those Albertans who wish to pursue the postsecondary educational system. I've indicated, I think on several occasions, that Alberta has the highest participation rate in Canada with regard to the postsecondary system. British Columbia with some 3.1 million people, compared to two and a half million in Alberta, has 4,000 less students in university. I think the record speaks for itself.

I'm sure hon. members are well aware that traditionally we've always had more applications for our postsecondary system than we've had spaces. That's not unusual at all, Mr. Speaker. I would think students are well advised – it would be called hedging your bets – to register at many institutions. I've particularly asked the University of Calgary, which the leader has raised on many occasions, to advise me as minister what happened to those students who applied and didn't get in, and I've not yet had a response.

MR. DECORE: Mr. Speaker, today the University of Calgary issued a press release saying that unless you have a 73 percent average, forget it; don't even apply for nonquota facilities,

because you won't get in. The minister knows that. Now, what advice does he give to the students of Alberta who have the qualifications? Last year it was 60 percent that would have qualified to get you into the University of Calgary. What advice do you give to those students who are qualified and can't get in?

2:50

MR. GOGO: It's interesting to hear that the University of Calgary has announced 73 percent; yesterday it was 75 percent. So it's certainly encouraging that they're lowering the entrance requirement.

Mr. Speaker, I continue to emphasize to students in Alberta who wish to pursue the postsecondary system that the day of attending the institution of their first choice or indeed the program of their first choice is frankly limited. This government commits more dollars on behalf of its taxpayers to the postsecondary system on a per capita basis than any province in Canada. I simply conclude by making the observation, not only to the leader of the Liberal Party but to all members, that this minister is vitally concerned that the future of Alberta is directly dependent on our education and training standards, and I continue to do everything within my power to see that adequate funding is provided.

MR. DECORE: Mr. Speaker, I want to get this clear, because I can't believe my words. Is the minister . . . [laughter] Sometimes I can't even believe my own words. Sometimes they're so profound, they're too profound.

It's appalling to listen to the minister saying to Alberta students: well, you go off to Montana and you go off to Saskatchewan or find something in B.C. Is that the way the minister wants to deal with this serious problem? Is that the advice he's giving to the students of Alberta?

MR. GOGO: Mr. Speaker, I think I've made it abundantly clear that the western provinces play a very important role in the education of Albertans. For example, we have some 20 veterinary students at the university at Saskatoon. The University of Guelph: we have students there taking optometry. We have students in physical therapy attending in British Columbia. That's long been an accepted practice. I simply emphasize again that Albertans can be very proud of the record of the postsecondary system. As long as we continue to commit over a billion dollars to postsecondary education, we in Alberta have nothing to be ashamed of.

MR. SPEAKER: Wainwright.

#### Beef Exports

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Deputy Premier and Minister of Federal and Intergovernmental Affairs. Last week this Legislature passed Motion 217 regarding changes to the beef grading system to help encourage the all-important foreign sales of Alberta beef. During his trade mission to Japan last week did the minister have an opportunity to discuss potential sales with the Japanese government?

MR. HORSMAN: Mr. Speaker, yes. As a matter of fact, Alberta beef figured very prominently in all the receptions that we hosted at the new Canadian embassy. As I perhaps didn't point out yesterday, Alberta was the first province to utilize the new Canadian embassy facilities, and Alberta beef was prominently displayed and utilized for all those receptions. Several

hundred Japanese had the benefit of tasting Alberta beef, some of them for the first time.

Last Wednesday evening I hosted the reception for all the agricultural buyers of Alberta products. There were somewhere in the neighbourhood of 150 to 200 people in attendance at that reception. Those included buyers from various department stores and other importers of meat into Japan. There is a tremendous market in Japan for Alberta beef, but it is important that Alberta processors supply the appropriate types of cuts and so on. It is extremely important that we take these steps, and I think that the promotion was very successful. As well, the government was represented by members of the Diet and officials from the department of industry and trade.

MR. SPEAKER: Supplementary, Member for Wainwright.

MR. FISCHER: Thank you. That sounds very encouraging, but when can we see a significant increase in our beef sales?

MR. HORSMAN: Mr. Speaker, that's an extremely important question. As members will know, on April 1 of this year Japan removed its quotas on foreign beef imports and replaced it with a tariff of 70 percent. That tariff is going to be ratcheted down in a progressive manner over the next period of years. I think the key thing we have to note, obviously, is that there's fierce competition for the Japanese market for Canadian beef, particularly from the United States and Australia. So we're going to have to get in there and market very hard against that competition in order to make sure that Alberta and western beef, Canadian beef penetrate that market.

I should point out that over the last five years Alberta beef sales have grown from under half a million dollars a year into Japan to several tens of millions of dollars worth of imports during the last year, and we expect that over the next period of 10 years, if we market it properly, if it's processed and packaged properly, that could increase tenfold, into the hundreds of millions of dollars, perhaps as high as half a billion dollars a year. We are working very aggressively to see that that happens for the benefit of Alberta beef producers.

### **Municipal Council Ethics**

MR. EWASIUK: Mr. Speaker, my questions are to the Minister of Municipal Affairs. The Improvement Districts Act is silent on the issue of conflict of interest, but conflict of interest would occur when a person uses one's position to further a private interest, which is a far cry from having a bias. In the case of ID council 22 councillor Peter Reese one action which the minister has condemned is that Mr. Reese used news articles to condemn the details of a private meeting on forestry policy, saying that this means that the councillor is breaking rank and is undermining the business and operations of the advisory council. My question to the minister is this: on what precedent and what legal basis did the minister decide that Mr. Reese's representing the interests of some people in the ID is, in fact, conflict of interest?

MR. R. SPEAKER: Mr. Speaker, in terms of the question I'm not sure of the order of the question because there is a legal request that is being made by the hon. member, but in terms of the letter that was written to Mr. Reese in a very personal and confidential manner, my indication to him as the reeve, as the Minister of Municipal Affairs, of ID 22 was that where in instances he may make a comment or statement or vote on items

which relate to the Daishowa plant in terms of the lawsuit that he has against the province, there could be a potential conflict of interest. I raised that in terms of courtesy to that hon. councillor.

Secondly, in terms of securing information, Mr. Speaker, the information that was brought forward to me was that the councillor was securing information that he indicated was on behalf of the ID when the information was being secured for his own personal use, and the ID council, the other members and the chairman of the council, were very concerned about that because he was using his office for his own personal purposes. I think any one of us that looked at the responsibility of a council that's duly elected by the people would find that rather unusual and unacceptable.

MR. EWASIUK: Well, I realize the minister is responsible for the IDs, but the Improvement Districts Act does not give the minister power to control how an ID councillor thinks or votes.

In his letter to Mr. Reese the Minister of Municipal Affairs said that in voting against a major decision of the council, the councillor had violated the democratic process. To the minister: is the minister now saying by his letter that dissent and the free expression of opinion are not going to be tolerated from any ID councillors? Is that what the minister is saying?

3:00

MR. R. SPEAKER: Mr. Speaker, the hon. member is reading and interpreting the letter for his own personal purposes at the moment. Any resident of Alberta or resident or citizen of Canada has the right to speak on whatever subject he or she wishes, and that person must live with the consequences of those comments. I uphold and support that position very clearly. The concern we had with regards to Mr. Reese's actions relate to council decisions, when the council makes a decision and Mr. Reese is asked to represent the council in another forum. In one of the instances with regards to the Peace River health unit board, the member of that council, when representing the total council, voted in a different way than the council had directed him to when he attended that respective meeting. The council said: that is not being fair or representing the body that made a majority decision. I think that when you are part of a group that has made a decision after thorough discussion and you are to represent the group in another forum, you should do it in a responsible way. That matter was brought to Mr. Reese's attention. We felt that was the responsible thing to do, Mr. Speaker.

MR. SPEAKER: Calgary-North West. [interjection] Calgary-North West, not Westlock-Sturgeon.

### **Political Fund-raising** (continued)

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the Deputy Premier. The concerns of Albertans are growing daily with the secrecy of this government. The magical mystery tour of the Premier comes to mind and now the secret bank accounts of some cabinet ministers. Freedom of information and accountability are paramount, especially when we're looking at details of private fund-raising being kept secret. My question to the Deputy Premier is this: I and my constituents would like to know what he has done as the acting head of government right now to find out what other members of the Executive Council have received private gifts or have private

accounts like this, and when will he make that information public?

MR. HORSMAN: Mr. Speaker, first of all, let me say that there is nothing secret about the Premier's mission to Europe. On June 6, 1991, a press release was issued, and obviously it has escaped the attention of the hon. member. I'll be happy to send him a copy in which they clearly outlined the nature of the visit, where he was going, what he was doing, and so on. So the preamble to the question I think is quite inaccurate, and if the hon. member doesn't want to know the facts, I can't help him out very much.

However, the other question related to . . .

MR. TAYLOR: That's your best joke this session, Jimmy.

MR. SPEAKER: Order.

MR. TAYLOR: Breathe three times, Jimmy.

MR. HORSMAN: The hon. Member for Westlock-Sturgeon continues to interrupt, and that, of course, is his wont to do. I don't know why he wants to do it, but he does.

The fact of the matter is that we have asked my colleagues and the Attorney General has asked our colleagues to advise as to whether or not any other member of the government caucus has any additional sources of revenue which are not reported, and to date nobody has indicated that such bank accounts exist. I think that would be appropriate. I don't know what the opposition parties are doing to ascertain whether any similar accounts might be in existence on behalf of any of them. If so, I think it would be appropriate for them to advise and discuss the matter with Parliamentary Counsel. Of course, once the conflict of interest commissioner is in place, that type of discussion will appropriately take place with that new officer.

MR. SPEAKER: Supplementary.

MR. BRUSEKER: Well, thank you, Mr. Speaker. On behalf of the Liberal caucus, I can advise the Legislative Assembly that there are no such accounts by any of our members.

My supplementary to the minister is: will the minister require the two individual ministers who are involved with this to disclose, first of all, who has made any donations, how much money has been donated and, finally, for what purposes the funds are being expended?

MR. HORSMAN: The Attorney General dealt with that question in answer to the hon. Leader of the Opposition earlier today.

MR. SPEAKER: Smoky River.

### Community Beautification

MR. PASZKOWSKI: Thank you, Mr. Speaker. I would like to address my question to the Minister of Tourism, and it relates to the tidy town concept, which I believe has some very major tourist implications. Each year the town of McLennan, through people like Mrs. Pauline Perry and the Tidy Town Committee, organizes a general cleanup of the whole town and the main street particularly. The hon. minister will recall that I requested his input as to the possibility of seeing this initiative become provincially expanded, perhaps through tourism zones. I would

like to know the progress your department has made in this matter, Mr. Minister, and if indeed there is anything new to report.

MR. SPARROW: Mr. Speaker, we were delighted to hear about this fresh, innovative idea that McLennan has brought forward that gives recognition to property beautification. It's an idea that our department likes, and it could fit the many CTAP plans being done throughout the province. Right now we have some 336 communities which have created community tourism action plans, and we could recommend this idea to each and every one of those communities. We have sent the idea through to other departments of government and through to TIAALTA, and so far the feedback has been very, very positive. It's one of the many goals that any community should set.

MR. SPEAKER: Supplementary.

MR. PASZKOWSKI: Thank you, Mr. Speaker. I'd like to ask my supplementary to the Minister of the Environment. Given that the tidy town concept has some environmental implications and indeed may have some long-term ramifications in the fields of environment and tourism, is he prepared to support this fine initiative in this constituency as well as throughout the province?

MR. KLEIN: Well, Mr. Speaker, I would take it that this is yet another example of the numerous community-based programs that take place throughout the province. I would like to get up there and see the program in operation and see how it perhaps can be cranked into Environment Week or some of the other promotional activities of the department. It's a very innovative project and one that certainly has significant environmental consequences. I would like to see the project in operation, talk to the town officials, and see what we can do to give them a hand.

MR. SPEAKER: Edmonton-Strathcona.

### Professions Legislation

MR. CHIVERS: Thank you, Mr. Speaker. Yesterday in discussing Bill 37 the Solicitor General indicated that if the government decided to proceed with Bill 37, he would file the report of the Task Force on Eye Care Issues. In other words, if the government decided to proceed with the Bill, the report would be made public. I have copies of the report to file with the Legislature. Given that this report vindicates the principles set out in Bill 37, will the minister commit to proceed with the Bill during this session? It's to the Solicitor General.

MR. FOWLER: Thank you. We will study that material tabled and respond to it in due course.

MR. CHIVERS: Mr. Speaker, the supplementary is also to the Solicitor General. These amendments to Bill 37 in this area have been in the making for some five years, and they have the support of numerous organizations including the College of Physicians and Surgeons, the Hyndman commission, the Ophthalmic Dispensers Examining Board, the Alberta Medical Association, and many other organizations. The task force found no evidence to support the contention that there was a lack of due process for the optometrists. Considering the widespread public support amongst the stakeholders and the public at large,

what new information is there to lead to the stalling tactics with respect to Bill 37?

MR. FOWLER: Mr. Speaker, there are no stalling tactics on this matter at all. A well-respected profession in this province has indicated a concern about what they perceive to be a lack of consultation in respect of this particular Bill. The Premier has offered not only this profession but any other profession involved in occupations and professions legislation an appropriate opportunity to respond to any changes that are proposed to their legislation. That's what we are going to do in this instance.

MR. SPEAKER: Edmonton-Meadowlark.

### 3:10 Forest Management

MR. MITCHELL: Thank you, Mr. Speaker. Residents of the communities of Deadwood and Dixonville want to establish a small community forest of about 170 square kilometres which they themselves would administer for wildlife management, selective timber cutting, and to avoid the problems of erosion and flooding in their area. This idea has literally been ignored by the Minister of Forestry, Lands and Wildlife, who, on the other hand, is happy to allocate 160,000 square kilometres of forests to such multinationals as Daishowa, Alberta-Pacific, and Procter & Gamble. To the Minister of Forestry, Lands and Wildlife: why has this minister failed to accommodate in his department's integrated management plan for this area the local community aspirations of the people of Deadwood and Dixonville for their own community forest?

MR. FJORDBOTTEN: Mr. Speaker, as usual this member only tells half the story. The truth is that there was consultation with the community. In fact, there were 21 separate meetings over the last two years, and the decision that has been made reflects the majority decision of the people in the area.

MR. MITCHELL: Mr. Speaker, this minister cannot argue that that decision reflects the majority of the people in the area, because he did not structure a proper plebiscite. He had coffee parties where whoever wanted or decided to come would come and vote, and that's not a representative sample by any means. What arrogance would prompt this minister and officials in his own department to refuse even to attend a meeting called by the people of Deadwood and Dixonville to discuss their proposal for their own community forest? Why wouldn't he even deign to attend that particular meeting?

MR. FJORDBOTTEN: Mr. Speaker, as usual, his whole diatribe of words is nothing but rubbish.

### Coal Marketing

MR. BRADLEY: Mr. Speaker, Alberta has 75 percent of Canada's coal reserves, which is the largest source of energy in Canada, even greater than Alberta's oil sands. Last week, while the Minister of Energy was in Japan, the Association of Coal Mining Municipalities of Western Canada had a successful meeting here in Edmonton and discussed issues such as clean coal technology and increasing exports of western Canadian coal. My question to the Minister of Energy: could the Minister of Energy report to the Assembly on his recent trip to Japan and Korea and the potential for incremental sales of Alberta coal to Korea and Japan?

MR. ORMAN: Mr. Speaker, Asia, particularly Japan and Korea, represents a very important market for Alberta coal. As a matter of fact, we trade \$460 million worth of coal on an annual basis to Japan and Korea. With regard to Korea, they're expected to quadruple their electrical power generation by the year 2001, and they expect half of this increase to be through coal-fired power generation. As a result, they will need to import an additional 18 million tonnes of coal a year by the year 2000. For Korea, we can see a tremendous opportunity to secure some incremental coal demand to supplement the level of coal sales today. With respect to Japan, much the same: the 1990 total consumption was 117 million tonnes of coal. Australia supplies about 65 percent of their steaming coal. So it is very important that we as a government continue to court our very important export markets in Asia, particularly Korea and Japan, and let them know how important it is to us that we secure some of this incremental demand for our coal mines here in the province.

MR. BRADLEY: A supplementary question, Mr. Speaker. Given this projected increased use of coal in Korea and Japan, which is very good news to the Alberta coal industry, did the minister also discuss the clean coal technologies with the Japanese or Koreans in order to address the issue of the global environmental concern regarding the burning of coal?

MR. ORMAN: Mr. Speaker, this was a point raised in all the meetings I had with the steel companies and power generation companies in Japan and Korea, and it was around the issue of clean coal technologies. It is an area that we have an advantage on here in Alberta. I should say, under the leadership of the Member for Pincher Creek-Crowsnest as chairman, the Alberta Research Council is conducting a number of initiatives related to clean coal technologies. We in the province are looking at a number of areas in which we can improve the quality of coal, the clean burning nature of coal: low SO<sub>x</sub> and NO<sub>x</sub> burners, integrated gasification, combined cycle facilities, and any way in which we can reduce emissions as related to coal as a combustible fuel. We see it as a service to our customers, and that's why we will continue to promote it. My experience coming back from Japan and Korea is that for us to continue to have an advantage and the opportunity to secure any incremental demand will largely be related to our ability to provide clean coal technologies, as I've indicated.

MR. SPEAKER: Edmonton-Avonmore.

### Family Violence

MS M. LAING: Thank you, Mr. Speaker. My questions are to the Attorney General. Edmonton's task force on safer cities has recommended that the province establish a division of the family court designed to quickly and effectively deal with cases of family violence. A specialized court would reduce the delay in getting family violence cases to trial, be staffed by judges, lawyers, and counselors with expertise in the area of domestic violence, and would provide for more consistent sentencing and better monitoring of cases. My questions to the Attorney General: given that such a court would increase the likelihood of parties getting timely and appropriate protection and treatment, has the Attorney General reviewed the task force recommendations, and if so, what is he going to do about it?

MR. ROSTAD: Mr. Speaker, we have reviewed the task force. Not too many years ago we had specialists in terms of prosecu-

tors and such that handled specific cases. It was found, from one perspective anyway, to be somewhat monotonous for the person to be continually doing the same, the same, the same, so we got away from that. I might advise the hon. member that there's a court in Manitoba that has recently been structured somewhat the way recommended, and we are working with the chief judge of the provincial court in Alberta and the Manitoba court to monitor and see whether in fact we can redesign ours to that effect.

MS M. LAING: Mr. Speaker, that is good news.

My second question, then. In the meantime, I have heard that some of the complaints, particularly from victims of violence against them, is that Crown prosecutors may not be fully cognizant of the implications. I'm wondering if, until such time as these kinds of measures are put in place, the Attorney General would assure us that Crown prosecutors dealing with cases of violence, particularly against women or in the family, would have specialized training so they can be sensitive to the needs of victims?

MR. ROSTAD: Mr. Speaker, we do attempt to put Crown prosecutors into these types of cases where they have had experience and expertise in the law and also recognize the consequences of some of the violence. We are also trying to develop specialized training for prosecutors not only in the family violence area but in other areas.

MR. SPEAKER: Calgary-McKnight.

#### **Education Funding**

MRS. GAGNON: Thank you, Mr. Speaker. Albertans are anxious to see a resolution to the issue of inequity in education finance. As we all know, the Minister of Education's unacceptable proposal regarding corporate pooling went nowhere, and now the matter of education finance is being considered by a number of committees, the major one being the Premier's committee on local government financing. This committee, however, has not met for two months, making it obvious that the government is stalling and will not even attempt to find a solution to these problems. To the Minister of Education: since the gap between the have and have-not school boards is getting wider and since there is no long-term solution to the problem, will the minister consider interim funding to assist boards who want, at the very least, to continue to offer an adequate education?

3:20

MR. DINNING: Mr. Speaker, what we're searching for is more than just an interim solution. As the member quite rightly points out, there are discrepancies in the ability of local school boards across this province to pay for their local share of the cost of education. I think of school boards like the county of Lac Ste. Anne or the county of Warner or the Cardston or Stirling school divisions, and they are badly in need of not just an interim but a long-term solution to this problem, which has been around for a very long time. In fact, the government has taken steps by providing some nearly \$70 million in this fiscal year to help those school boards that can't get access to that local tax base. There are in fact several options on the table to solve this problem over the long term. I want to continue to share those with my colleagues and of course hear from the Local Government Financing Review Committee. They are to

report to us by June 30, and I look forward to hearing their advice at that time.

MRS. GAGNON: Thank you. It's too bad these school boards don't have friends to raise funds for them.

Mr. Speaker, trying to resolve funding inequities on the backs of property owners may no longer work. I'm wondering if the government has considered any new ways in which education may be funded other than from the property tax base.

MR. DINNING: Well, Mr. Speaker, let it be known that members on this side of the Assembly are looking for a solution to this long-term problem. I wish I could say the same for members opposite.

We have been funding education in this province on very much a cost-shared basis between municipalities and the provincial government since 1905. Mr. Speaker, as recently as the early 1950s the total cost of education was borne by as much as 70 percent by the local supplementary requisition, the local property tax base. Today the province funds education to the tune, on average, of about 60 percent.

If the hon. member has a suggestion as to where we can access those extra dollars to solve the real problem, which is the uneven distribution of wealth across this entire province that virtually pits a poor school jurisdiction versus another with rich economic development and lots of natural resources, then I would welcome the hon. member to make that suggestion in this Assembly, because school boards badly need a solution. We just can't have naysayers from the other side of the Assembly; we need solutions.

head: **Orders of the Day**

head: **Written Questions**

#### **Hayhurst Communications Alberta Ltd.**

396. Mr. Decore asked the government the following question: Did Hayhurst Communications Alberta Ltd. participate in a tender call before being awarded contracts in the fiscal year 1989-90 worth \$535,599, \$355,616, and \$194,852 by the departments of Labour, Technology, Research and Telecommunications, and Career Development and Employment?

MR. GOGO: Mr. Speaker, the government will accept Written Question 396.

head: **Motions for Returns**

MR. GOGO: Mr. Speaker, I move that the motions for returns on today's Order Paper stand and retain their places, except for Motion for a Return 391.

[Motion carried]

#### **Hayhurst Public Relations**

391. Mr. Decore moved that an order of the Assembly do issue for a return showing details of the payment of \$34,400 to Hayhurst public relations by the Public Affairs Bureau during the fiscal year 1989-90.

MR. MAIN: Mr. Speaker, the government will accept Motion 391.

MR. SPEAKER: Thank you.

Call for the question? The Deputy Government House Leader on this.

MR. GOGO: Excuse me, Mr. Speaker. I'm sorry; I didn't catch the . . .

MR. SPEAKER: The Minister of Culture and Multiculturalism indicated that members should vote in favour of the motion for a return. Thank you.

MR. GOGO: Question, Mr. Speaker.

MR. SPEAKER: Thank you. It's often difficult in the scramble after question period to hear what is happening, so I understand the confusion.

[Motion carried]

MR. GOGO: Mr. Speaker, there have been discussions with the opposition House leaders, and I would seek the unanimous consent of all hon. members that the balance of today be used for government business as opposed to business under Standing Order 8.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries, let the record show, unanimously.

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

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

Moved by Mr. Fox that the motion for second reading be amended to read that Bill 45, Financial Administration Amendment Act, 1991, be not now read a second time as it

- (1) proposes to extend the debt of the government of Alberta by \$2 billion, such amount not being approved by the 1991-92 budget already approved by this Assembly, and
- (2) is contrary to the declaration of the government of Alberta that the 1991-92 budget is balanced.

[Adjourned debate June 17: Mrs. Black]

MR. SPEAKER: Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Speaker. My comments will be quite brief on the amendment to Bill 45. My colleague for Calgary-Fish Creek, I felt, outlined the government's position as to our economic position and our strategy and our finance package. However, I would like to for the benefit of the opposition members, particularly Edmonton-Kingsway, who was professing last evening the merits of the economic philosophy of the ND Party in the House – I was reading an article in the June 10, 1991, *Maclean's* on the Boardroom Backlash: "The policies of the NDP cause the Bay and other firms to consider a move from Canada." Just very briefly, they quote some of the major players in the Ontario marketplace, one being the veteran mayor of the suburban Toronto city of North York, Mr.

Lastman, as saying, "We're fighting like hell to keep people here, but it's hard."

MR. TAYLOR: Watch your language.

MRS. BLACK: I'm quoting, Mr. Speaker; this isn't my language.

You can't lobby or talk to the NDP – they speak a different language. Their idea of government is to spread poverty more evenly across the province.

The second one was from the same article.

Sheldon Caplan, vice-president of Toronto-based Union Felt Products . . . says that his company is weighing plans to increase its investment in its Calgary upholstery-products factory and is considering a major expansion of its plant near Buffalo. Says Caplan: "We are consciously choosing not to invest in Ontario. The question we keep asking ourselves is: 'Who needs this?'"

[interjections] I would suggest they listen.

The vice-president of capital markets for the Wall Street brokerage firm of Merrill Lynch, Mr. Joseph Taylor, says:

The provincial government [being Ontario] has introduced a number of policies that will have a dampening effect on its economy. The perception down here is that the measures are well intended, but the government is completely oblivious to what appropriate economic policy is.

I would suggest that Alberta is leading the way in Canada in our growth. Alberta is attracting business and investment. Alberta's economic structures and financial policies are the best in Canada. I would suggest that for the hon. Member for Vegreville to profess NDP policies in this Legislature is a bit ridiculous, and I would suggest that all hon. members defeat this amendment.

Thank you.

**3:30**

MR. McEACHERN: The previous speaker certainly raised the red flag, and I intend to take her up on it. The only thing that's amazing about these kinds of pronouncements from such right-wingers as she was quoting is the speed with which they have been prepared and the gall they have to blame the Ontario government for the incredible mess made by a Liberal government in Ontario and a federal government that's Conservative. It is, in fact, the high interest rates of the federal government that have destroyed the economy of this country; they are responsible for the recession. Even this government has admitted that the high interest rate policies have made it very difficult to get any economic benefit out of the free trade deal that they pushed so hard to get in spite of the fact that they're also being hypocritical about the GST. We can throw that in while we're at it.

**Point of Order**  
**Parliamentary Language**

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

MR. McEACHERN: You really want to do a point of order on this?

MR. SPEAKER: Point of order, Provincial Treasurer.

MR. JOHNSTON: Under Standing Order 23 and 491 *Beauchesne*, Mr. Speaker, we've already ruled on the words "hypocrite" or "hypocritical."

MR. SPEAKER: On the point of order.



MR. McEACHERN: It was a general statement about the government's actions on the GST. I think he has not got a point. I didn't call him in a personal sense hypocritical. However, I might say that he and the Premier led the way on the debate. [interjections] That's true.

MR. SPEAKER: Order please. First, there's no point of order on a point of order. In spite of the Chair's leniency the other day, one does not get to speak twice on a point of order. That courtesy was extended and did not seem to sit too well.

First, the comment about "hypocritical" was directed in a general sense rather than a specific; therefore, it was not ruled out of order. Nevertheless, members are directed once again not to be inflammatory if they can possibly avoid it.

Edmonton-Kingsway.

#### Debate Continued

MR. McEACHERN: Thank you, Mr. Speaker. Of course, the previous member wasn't at all inflammatory. I hadn't intended to get into the Ontario budget and economics of the country again, but she raised some interesting flags.

It is incredible, as I said, the speed with which the right wing has jumped all over the Ontario government and how they're all going to pull out of Ontario. Quite frankly, the right-wingers have had their day for the last 10 to 15 years. The supply-siders and the monetarists have had their way in this country and throughout the world pretty well, and they've made a mess of it. If you just look at what happened in the '80s in this country, the Prime Minister of this country, Brian Mulroney, bragged during the 1988 election that in fact the economy of this country was booming, that we'd had a gross domestic product growth of over 3 percent every year between '82 and '88. In fact, it averaged 4.2 percent, a very good growth, but that wealth was not shared with Canadians. It was skimmed off the top by a few huge multinational corporations, many of them not even resident in this country, and the effects and the benefits have not gone to the ordinary people.

Can this government tell me why they never improved the amount of money received by those people on AISH, people in this province who were certified by a doctor that they would never be able to look after themselves again economically; they would never be able to go out to work? During this period of great prosperity this government had the gall to keep these people at the same level of income, \$720 a month, and anytime the federal government raised the disability or the pension part that they were getting, this government took it away to make sure they didn't get more than \$720 a month. I say shame at a six-year period when, in fact, the economy of this country was supposed to be booming because the gross domestic product was growing rapidly, yet it was never shared by the people of this country. The only thing that I find amazing – and it doesn't really surprise me in some ways – is the degree of the hypocrisy on the part of the right-wingers, who are now jumping all over the Ontario government when in fact they've only been in power for a short time, they have hardly had time to get started, and the mess that they have inherited from the Liberals and from the federal government Conservatives is absolutely incredible.

#### Speaker's Ruling Relevance

MR. SPEAKER: Order . . .

MR. McEACHERN: Now, maybe if we can get back to the amendment, Mr. Speaker . . .

MR. SPEAKER: Oh, thank you, hon. member. I know that the previous speaker had a chance to talk about some things in Ontario; you've now had ample time to talk about that. As you point out, now you're going to come back to this reasoned amendment, and we'll stay away from other flights to other places.

#### Debate Continued

MR. McEACHERN: Okay. Well, I would say that it wasn't me that started that particular debate. My intention was to jump straight into the amendment, so I will now do that.

The amendment basically says that we don't want to give the Treasurer the right to increase borrowing power in this province from 11 and a half billion dollars to 13 and a half billion dollars because to extend the debt of the government of Alberta by \$2 billion – such amount was not approved by the 1991-92 budget already approved by the Assembly. In other words, this Assembly has already passed a budget, and that budget was predicated on the speech by the Treasurer and the budget document that he put out indicating that there would be no net increase in the debt in this province, in terms of the general revenue budget anyway. He does admit further along that there are some capital expenditures under the Capital Fund and there are some expenditures out of the heritage trust fund that are over and above this \$33 million surplus that he claimed in his budget.

[Mr. Deputy Speaker in the Chair]

Nonetheless, we spent 25 days discussing these 25 departments. It's not nearly enough; nonetheless, that has been done. We have passed the three appropriation Bills on the budget and on the Capital Fund and on the heritage trust fund without sufficient debate and discussion, but that's the way the rules are. These guys have been in power for 20 years and made up the rules that way. That has all been done, and it's all been based on the assumption of a balanced budget in the general revenue account.

Now, Mr. Speaker, for the Treasurer to turn around and bring in a Bill asking to increase the borrowing power by \$2 billion is sheer, incredible gall. I mean, last year he at least had the courtesy to be a little bit embarrassed when he brought in his Bill asking for a \$2 billion increase in borrowing power when his budget only registered a billion dollars deficit. But this year he didn't even seem to be embarrassed. I guess he steeled himself and said, "You know, I've been conning the whole world for so long now that I'm used to it, and I'm not even going to be embarrassed by it." Well, that's why we're making a fight on this, sir. We're going to embarrass the Treasurer.

If the Treasurer will tell us that he needs this \$2 billion, as he inevitably does – and I've got enough numbers and facts and figures and statistics to show that; the patterns are all there – if he would stand up and admit that he needs the \$2 billion to run this province, then I would be the first one to say, "Okay, you must have it." But if he was going to do that, Mr. Speaker, he should have been more honest in his budget. The budget speech and the estimates set out in his budget are full of holes, as we pointed out the other day. We will end up for this fiscal year with a 1 billion to a 1 and a half billion dollar deficit, and it doesn't take very much work to figure out where the mistakes are. They're built in there purposely so that the Treasurer could brag about having a balanced budget. It's nothing more than a political document. Unless the Treasurer has the honesty to come forward and say, "Look, the deficit is going to be a billion

or a billion and half; we do need the \$2 billion," then I don't see why this Assembly should give it to him. When he has the gall to say that the only reason he needs it is for rollover purposes, then I say it's a con game, and he doesn't deserve to be given the dollars.

The second part of the amendment says, "contrary to the declaration of the government . . . that the 1991-92 budget is balanced." Of course, we all know that really it's not balanced, but unless the Treasurer comes clean and gives us the straight goods that say what the score is, then we're not going to agree on this side of the House to him increasing the borrowing power by \$2 billion.

The Member for Calgary-Fish Creek last night in his brief rebuttal to some of the points we'd made earlier said: didn't we understand that the expenditures and revenues came in in an uneven manner, and therefore the Treasurer might in fact have to have a few dollars' leeway so that he could handle the revenues and expenditures of the province? What a feeble defence. Last year he said he needed a little flexibility. This year he says he needs some rollover power. Listen, the last year's flexibility turned out to be that this Treasurer spent the full \$2 billion. In fact, he borrowed 2 and a half billion dollars last year based on the fact that he could have 11 and a half billion borrowing power instead of 9 and a half billion borrowing power, which he went into the year with. When he said he needed a little bit of flexibility last year, was he kidding or what? He not only spent all the \$2 billion but an extra half a billion of some of the leeway he had from the year before.

Now, given that background, does he expect us to take the expression, "Oh, I need a little rollover flexibility," as reason why we should give him \$2 billion borrowing power now? We know he needs the money, but what we expect from him is the honesty to stand up and tell the people of Alberta that he needs the money and why he needs the money instead of giving them a budget that says we have a balanced budget and then saying, "But I want to increase the borrowing power by \$2 billion because I need some rollover flexibility."

Now, there are some numbers that I can quote that will show you the relationship between borrowing and debt and the deficit of the province. Let's start with that.

3:40

MR. LUND: You tried to do that before.

MR. McEACHERN: Oh, no. I gave you some different numbers yesterday. I showed you how the Treasurer was wrong by a billion dollars on every budget that he's brought in since he became Treasurer. I guess the sad part of that is that it was purposeful. The one year that he overestimated the debt and had a smaller debt than what he said, he did that on purpose too. The reason he did it on purpose was because he wanted to justify to the people of Alberta that he needed to grab a billion dollars in taxes. That was the one year that it was reversed. All the other years he's tried to make it sound like everything was wonderful, everything was rosy, when it darn well wasn't. This year is no exception. In fact, it's worse than most years.

If you go back to 1986-87, the borrowing power of the province was \$2.2 billion. The consolidated deficit that year was \$4 billion. In 1987-88 he increased the borrowing power to \$5.5 billion and the deficit that year was \$1.4 billion, meaning a total borrowing of \$5.4 billion – sorry; I shouldn't call this borrowing, because there was some money in the system and sometimes there were some lags. So we'll just say that the consolidated

deficit was \$5.4 billion, almost the same as the borrowing power, the \$5.5 billion figure. The next year, 1988-89, he increased the borrowing power by \$2 billion to \$7.5 billion. The deficit that year was \$2 billion, and the consolidated debt at the end of that year was \$7.4 billion, again pushing on the edge of the amount of borrowing power he had.

In '89-90 he increased the borrowing power to \$9.5 billion. Notice the pattern: a \$2 billion increase each year. The consolidated deficit that year was \$2.3 billion, and the total debt \$9.7 billion. In 1990-91 he increased the borrowing power to \$11.5 billion. The deficit, for last year that would be, will be about \$2 billion, within a couple of hundred million. That will put the debt of the province at very close to \$12 billion as of March 31, 1991. So the debt of the province is now almost identical with the financial assets of the heritage trust fund as claimed by the Treasurer, knowing that some of those assets are worth a little less than what is claimed for them.

Now, Mr. Speaker, the Treasurer is asking to increase that borrowing power by another \$2 billion, so since 1987-88 the Treasurer has increased the borrowing power by \$2 billion every year. As I said in the budget debate earlier this year, we have institutionalized a \$2 billion deficit in this province, and the Treasurer has not done anything to cope with that. Last year he doctored the books a little bit and claimed to have gone some way toward correcting it. He did nothing, because last year's deficit will be \$2 billion. This year he's claiming to have a balanced budget, but the deficit will be at least a billion dollars, if not a billion and a half, so he has only done a very small amount of tinkering that will mitigate that \$2 billion difference between expenditures and revenues that has now become almost sequential for the last three years. This year will prove to be not that much different.

So the Treasurer, Mr. Speaker, has not coped with the deficit problem in this province. This great plan that he had, that he always talks about but never shows to anybody, doesn't amount to anything other than to go into a free trade deal that isn't working too well. By the way, on that point, I mentioned the free trade deal last night, and I guess I inadvertently said that 300 million jobs were lost in the last two and a half years, and for the sake of *Hansard* I'd like to correct that. Of course, it was meant to be over 300,000 jobs, not 300 million\*. I just said the wrong word.

Now, Mr. Speaker, I was matching the debt of the province with the borrowing power, but I'd like to be a little more specific and match the amount of money borrowed, which is a little different than the debt itself, as indicated in its own right. Of course, they're related but not a hundred percent and not directly the same numbers. If you look at the authorization – and the list, of course, is the same as the one I just read – and match it with the borrowings of the General Revenue Fund, you find an interesting pattern. For anybody here that believes that borrowing \$2 billion this year is just for a little bit of flexibility, just follow these numbers and follow the pattern.

In 1986-87 the borrowing power, as I said earlier, was \$2 billion. That year, by March 31, 1987, the government had already borrowed \$3.23 billion. In fact, they were a billion dollars over their borrowing limit, and I don't know quite how that happened or why the Treasurer allowed that to happen or why it wasn't picked up. [interjection] Well, all you've got to do is look back at your own books. According to your own budget speeches going back to the year 1986-87, the Treasurer had borrowed \$3.23 billion at March 31, 1987. The borrowing power from the year before was only \$2.2 billion. So he was a billion

\*see page 1767, right col., para. 3

dollars overdrawn on his borrowing power, and there's got to be something wrong there somewhere.

In 1987-88 the borrowing power was moved to \$5.5 billion, as I indicated earlier, and on March 31, 1988, the Treasurer had borrowed \$4.08 billion. The next year it increased by \$2 billion to \$7.5 billion in borrowing power, and the Treasurer had borrowed, by March 31 of '89, \$5.81 billion.

In 1989-90 the borrowing power was increased to \$9.5 billion, and at March 31 of '90, he had borrowed \$7.94 billion. In 1990-91 the borrowing power was increased to \$11.5 billion, and by March 31 of that year he had borrowed \$10.48 billion. Now he wants to increase the borrowing power to \$11.5 billion. When you consider that since March 31 of this year, on top of that \$10.48 billion that he's borrowed, he has already borrowed another \$500 million, or half a billion dollars, Mr. Speaker, the Treasurer is pushing on his \$11.5 billion limit already. Considering that in the year '90-91 he borrowed 2 and a half billion dollars, the Treasurer has rapidly, in the last few years, then, caught up in terms of borrowings to the borrowing power that he's been giving himself.

Now, I know that right back in the earlier year he was overdrawn on it, but there were two or three years when there was some leeway. Now that leeway is gone. He is at this stage at \$11 billion in borrowings, and he has power to borrow only \$11.5 billion unless we give him the authorization to increase that to \$13.5 billion. He does need it, okay? The province needs it; the government needs it. But until we get some honesty out of the Treasurer, until he admits that he needs it rather than saying that it's just a temporary rollover sort of funding process, then we're not prepared on this side of the House to give it to him. He has to square with the people of Alberta and tell the truth.

Another aspect of this whole business: I mentioned the heritage trust fund a minute ago. The consolidated figures that I've been reading out include the heritage trust fund figures, and one of the questions we might ask ourselves is: just what are the assets of the province? The Treasurer stood up the other day and bragged that Alberta is the only province in Canada that has a net positive asset in terms of its liabilities and assets. It's true, but it isn't going to last much longer, a few more months.

Let me suggest to people that they turn to the public accounts, page 1.4, and look at the consolidated statement of liabilities and assets of the province. If you look at the Liabilities and Net Assets section, you will find a number of figures. Down toward the bottom it says Net Assets at Beginning of Year, and this is for the year '89-90, remember. Public accounts are always a year or so out of date. Net Assets at Beginning of Year, 1989-90, was just over \$5 billion. The net expenditure was \$2.339 billion, and that was exactly the debt for that year. So if you've been watching this column, this particular page, through the last few years, you would see that always that figure is exactly the net deficit figure for that particular year, and that's the number I was using, the \$2.34 billion deficit that I read out yesterday for that particular year.

**3:50**

When you subtract that, you get \$2.7 billion net assets. Now, remember, this was for March 31, 1990, 15 months ago. Last year - I've just shown you several times in this House already that by looking at the Treasurer's budget, if you look at page 38 and get the real figure for last year or at least close to it, you get a figure of about \$2 billion for the deficit last year. If you subtract \$2 billion from that \$2.7 billion, that means that we went into this particular fiscal year that we're now in with net

assets of around \$700 million; that's not a lot of money. The heritage trust fund is included in this, remember.

The Auditor General has told us that we are nearly broke. When we balance our overdraft on the general revenue account with our Heritage Savings Trust Fund account, we are nearly broke. We have net assets of about \$700 million. Now, three months have gone by, and the Treasurer has just borrowed \$500 million. So I would suggest that by the end of the summer we're going to move from being in the black in this province into the red. Now, that's something you really should take very seriously. Everybody in this House has been sitting and joking about how wonderful everything is in Alberta, how the economy's great and everything's fine and we're the only province with net assets. We are not going to be the only province with net assets very much longer, maybe a few more weeks, and then we will pass over that line of being a province like all the rest that have more debt than we have assets. Well, those are just some basic points that I wanted to make in terms of the numbers and how the Treasurer must stop conning the people of this province into believing that everything's wonderful when it isn't.

Now, on that line I want to also say that it is rather extraordinary to me that one of the organizations that this government keeps quoting is the Conference Board of Canada projection, along with some other people, that said that the province's growth would be 1.5 percent this year, while most of the rest of the country was not doing so well. Newfoundland, they did say, would be 1.6 percent. The Conference Board revised its estimates about a month ago, saying that Alberta's growth this year would be .4 of 1 percent, yet two days later the Minister of Economic Development and Trade went ahead and used the 1.5 figure and quoted the Conference Board as the source anyway, and the Treasurer a week or 10 days later was still standing in this House and bragging about it, and somebody did just yesterday. I cannot believe that you guys can't hear. You could hear if you wanted. I mean, just read the same paper as I read and you would find out that the Conference Board is not backing you up on the 1.5 figure anymore. They did go on also to say that Ontario will lead the nation next year in terms of recovery from the recession.

**MR. LUND:** That's an NDP paper.

**MR. McEACHERN:** No, it wasn't an NDP paper.

Now, there's another couple of figures that we've been kicking around. For instance, one of the things that the Minister of Energy has said twice in this House was that the Treasurer had his Energy estimates correct every year. Well, I just happen to have the first time he said it, all the budget speeches of the last five years, so I just dug them out, and then I had the public accounts and I just checked one against the other. If you take the last three years and look at gas separately from oil, you'll find that the Treasurer was right once on oil and wrong twice in the last three years, and he overestimated the revenues in the two years that he was wrong. The one year that he underestimated them was last year, because of the Gulf war. In the gas he overestimated them every year for three years.

Now, I got up and I read those numbers into the record specifically, number by number, yet a few days later there was the Minister of Energy standing on his feet again making the same brag and the same claim. You know, this government's always got to be first and best at everything, and even when you prove them wrong and read their own numbers back to them, they still don't acknowledge it. They just say, "Oh, well, the Treasurer was right every year," for three years or the last five

years or whatever. It's incredible. Stop and listen and get your facts straight and speak the truth and quit bragging that everything is wonderful when it isn't.

One of the things that the government likes to do is beat up on the government of Ontario for its \$9.7 billion deficit. Well, it is a big deficit, and I'm sure they're not happy with it and that it's going to be hard to get back towards a balanced budget. I'm sure the government will work at that as rapidly as they can, depending on how the economy goes. It's going to be tough row to hoe; there's no doubt about that. But the thing about the \$9.7 billion deficit that the government of Ontario put out is that it was the consolidated deficit figure. This Treasurer never gives us a consolidated deficit figure in his budget estimates. The Treasurer gives us what he calls his budget estimates, and that leaves out the Capital Fund; that leaves out the heritage trust fund. It leaves out a number of commercial entities, Crown corporations, provincial agencies, and things that the Auditor General says need to be part of the consolidated picture of this province. The Treasurer has been finding more and more ways and getting more and more creative to try to make his budget numbers look better and push more and more into that no-man's-land. That's the difference between the two.

It's rather interesting that sometimes it works and sometimes it doesn't. If you go back to '86-87, the first year that he was Treasurer, the difference between the budget figure he gave – he used to call it the combined statement because in those days he counted the heritage trust fund in it. Now, he was wrong on that figure by nearly a billion dollars, but the difference between that figure, when it did come in, and the final consolidated figure was \$600 million. That difference has shrunk to some extent, particularly in some years, depending on whether some of these commercial entities made money or lost money, and that's been the main difference as to why in some years the gap there is bigger than others. But the Treasurer has purposely set about pushing as many things out of the budget as he could so that he can still claim, for instance in this document, that he's going to have a billion dollar deficit.

Now, I've been referring you to page 38 a number of times because that's the page that gives you the real deficit for last year, and if any of you have your budget book with you, you might like to look on page 38 where it says Net Cash Requirements. The Treasurer quotes at the top of the page the budgetary deficit, which doesn't include the heritage trust fund, which doesn't include the Capital Fund – right? – and which has a \$195 million error in it because he claimed he was going to get some money from Ottawa that he didn't get. So already that number isn't right, but he starts with his \$1.086 billion figure as the budgetary deficit, then has the net nonbudgetary transactions. Now, that number is about normal, and the sinking fund requirements are about normal, but the next figure is the one where the monkey wrench is, and I don't know what this is all about, and the Treasurer wouldn't and hasn't answered it yet. Maybe some of you would like to ask him. You might get further than I do in asking him questions.

The thing called Adjustments to Cash Basis. If you go to the right of that section and look at the '89-90 actual figures from the public accounts, you will see that there is a \$390 million net gain. Remembering that these other numbers are all negatives in the sense that they represent deficit figures or expenditures, there's a \$390 million net gain there. In the '89-90 year, which is what I'm referring to here, the Treasurer projected there would be a \$207 million gain in that particular item, this Adjustments to Cash Basis item. Instead, for some reason it turned out, according to his forecast, to be a \$237 million loss.

Now, that's a \$444 million difference which the Treasurer has not explained in this House. So there's nearly half a billion dollars difference between what he said was going to happen last year and what did happen last year that is totally unexplained. I mean, that is worse than the \$600 million in supplementary requisitions. At least those he passed through order in council and told us about. He added \$600 million to the debt last year by supplementary. That's fine, but in his accounting process he has in some way not accounted for \$444 million, totally unexplained so far in this Assembly.

Mr. Speaker, that is totally atrocious. The Treasurer cannot expect to keep us all in the dark and have us just give him anything he wants, at least not us on this side of the House.

4:00

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

MS MJOLSNESS: Thank you, Mr. Speaker. I stand to strongly support this amendment as it refers to Bill 45, that Bill 45 not be read a second time.

Mr. Speaker, less than four months ago the Provincial Treasurer stood up in this Assembly and bragged about the fact that he was bringing in a so-called balanced budget. At that time, many members of this Assembly and many Albertans knew that that was not in fact what was happening. The evidence at that time was quite sufficient, I think, to prove that the Provincial Treasurer was not close to a balanced budget. Certainly with the introduction of Bill 45 the evidence is very clear that in fact we don't have a balanced budget and that this government is trying to present two opposite messages to Albertans and that certainly they're contradictory.

I think Albertans expect governments to be open, to be honest, and to be straight with them, and I think that as elected representatives we have a responsibility to make sure that we are honest and that we lay out what our agendas are to the people of Alberta. The Provincial Treasurer I don't believe has given an actual financial picture, and as the Member for Edmonton-Kingsway just pointed out, there are many questions and many holes in the kinds of things the Provincial Treasurer has been trying to present to Albertans.

It's very, very clear, Mr. Speaker – and I don't think anyone in this Assembly could disagree – that the budget is not balanced. Certainly if it was, there would be absolutely no need for a Bill such as Bill 45. I would say that despite what the government attempts to do and what they believe, Albertans are not gullible and they cannot be easily deceived. They see through what's going on in this Assembly with the government and the Provincial Treasurer trying to present a so-called balanced budget when in fact that is not the case.

The government is so caught up in how people perceive them and what they're portraying to the public, they're so caught up in trying to present a balanced budget, Mr. Speaker, that they're prepared to cut all kinds of programs in order to say that they have achieved this balanced budget. That's what we have to be proud of in this province. The Member for Calgary-Foothills was talking about all of the things that we have to be proud of in Alberta. Well, let me tell you some of the things that we have to be proud of thanks to this government and their vision of this so-called balanced budget that we know we haven't achieved.

Mr. Speaker, they have cut jobs. They have cut funding for training and employment through the Department of Career Development and Employment; they have cut these programs in

order that they can bring in a so-called balanced budget. They have cut, for example – and we've heard about this in the Assembly – many of the programs in Aids to Daily Living. These cuts, Mr. Speaker, have had people in tears; they are tearing families apart. That's what we have to be proud of in this province with this government and their bringing in this so-called balanced budget. They are prepared to cut programs that directly affect people's well-being and their health. How they can stand up and brag about that is just beyond me. The latest letter that I have received is from a 12-year-old boy who is concerned about getting a bladder infection because of this government's cutback on the number of catheters that he now can receive through Aids to Daily Living. These cuts were made so that this government could bring in this so-called balanced budget, which in fact it isn't bringing in at all – that's fairly evident – and I think that's shameful.

Mr. Speaker, Bill 45 indicates very clearly, despite these cruel and unacceptable cuts, that we're not even close to a balanced budget in this province. I look forward to the member opposite standing up and putting his remarks on the record, because he's busy saying them off the record but won't stand up and put them on the record.

Mr. Speaker, it's one thing for the government to be infatuated with bringing in a balanced budget at the expense of the well-being of the sick and the elderly and the children and the unemployed in this province, but it's another thing to claim something that isn't true. When the government presents a false picture with the provincial finances in this province, I think that's totally unacceptable to the people of Alberta.

Now, I know that we have to take economic deficits very seriously, and certainly we can work towards achieving balanced budgets. I don't think there's anything wrong with that, but when it's done at the expense of the well-being of many people, then I think we have to take a second look at that. Certainly as governments we have to be concerned very much about economic deficits, but also we have to be concerned about human deficits and the suffering that goes on. I don't think this government has been sensitive to that. Not only are they blindly moving ahead so that they can say they've achieved a so-called balanced budget, which we know they haven't, but they're not even being up front about what they're really doing, Mr. Speaker.

[Mr. Jonson in the Chair]

When this government says to seniors, for example, "We're bringing in a balanced budget, so you must now pay for your oxygen because we're just a little short of some money," and then they introduce Bill 45, well, that's totally beyond me. I would say: what are they doing? What kinds of games are they playing with Albertans here? I think many Albertans see through what they're trying to do, and they're not impressed. Why would people respect a government that can't be up front and honest about what they're doing and about the financial picture in this province?

Now, I realize that this government has a very poor record of managing our economy; that's been quite evident lately. The Minister of Economic Development and Trade might not agree with me, but I think that's quite evident to the people of this province. Certainly in the last little while our losses through loans and loan guarantees and investments have been quite substantial. Coupled with the lack of transfer payments from the federal government, I can understand where the government is strapped for money. I can see where they're worried about their

image in this area, and they should be, because it's quite evident that they have mismanaged taxpayers' money in this province and that their image is quite dismal at the moment. But for them to attempt to say that we have a balanced budget and then have the nerve to bring in a Bill such as Bill 45 is simply not acceptable, Mr. Speaker, and that is why I strongly support the amendment that is on the floor before us. I would hope that some of the government members would stand up in the Assembly and defend Bill 45, because I quite frankly don't see the argument in favour of this Bill.

So, Mr. Speaker, I would urge all the members to support the amendment in order that Bill 45 not be read a second time. Thank you.

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

4:10

MR. WOLOSHYN: Thank you, Mr. Speaker. The previous speaker was inviting members from the government side to stand up and defend this Bill. It's quite obvious that they can't, because it's very difficult to defend a piece of legislation which gives the Treasurer the licence to access \$2 billion when a short three months ago he was telling Albertans that he had extra change in his coffers.

Now, this is a nice time of year; people are ready to go off on their holidays, and he slips in a need for a mere \$2 billion. He sort of had one of those little whoopsies. He overlooked it a little bit. I sort of wonder how you can have a little whoopsie that amounts to one-sixth of your budget. The Provincial Treasurer boasts quite frequently of his skills at manipulating numbers. You know, he's right; he can make the numbers say whatever he wants them to say. In 1989-90 our actual budgetary deficit ended up at \$2.3 billion, but before he put in his whoopsie, it was \$1.5 billion on the estimates. We go to 1990-91, and the estimate there was a \$779 million overrun. Well, that's changed, because now we go from an estimate to a forecast. He's like the weatherman, Mr. Speaker. When he forecasts something, he looks in the sky, he looks here and there, he consults a crystal ball, and he says: "Son of a gun, I guess I might have been wrong. We're going to go for a little bit over a billion dollars." The hon. Member for Edmonton-Kingsway is going to be proven to be a Treasurer with more skills than the current one because his predictions are always a lot more accurate, and I would suggest to you that when this forecast for 1990-91 becomes an actual, we're going to find that number jump up again.

We look at the 1991-92 estimates, and by golly, it looks pretty good when you look at the Budget Address. It was packaged up so nicely with numbers and pies and pictures and forecasts. We had a \$33 million surplus, and I thought this was a very wonderful thing. As a matter of fact, I felt it was so good that I publicly supported the fact that at long last – at long last – we had a balanced budget, but I did throw in the caution that it might be just on paper, because the record of the government for what they estimated, what they forecast, and what became actual was always wrong and always, always further and further in the hole. We hear very frequently of how wonderful this province is, and I agree with that. The concern that I'm having more every day is that we may not be able to keep it on the tracks with the kind of financial mismanagement that is happening at this particular time.

The amendment to shut down, if you will, to stop this nonsense in second reading is a very reasoned, a very reasonable,

and as a matter of fact, a very responsible act that this Legislature could do, because the rationale that the Treasurer uses is to have \$2 billion borrowed and added to our mortgage, to our debt, whatever you might want to call it, so that he can have interim financing. Now, if you're dealing with interim financing – and the Treasurer even in his bookkeeping would tell you that that basically would be like a revolving account. He borrows \$2 billion, and somewhere before year-end he would get it back, and then he would straighten the books. But he hasn't done that with this Bill. He said in his interim financing that we're going to borrow and never put it back. I stress again: borrow and never put it back. So now we're going to add from a \$33 million paper surplus. No matter how he slices it, no matter how he tries to manipulate the numbers – and unfortunately public accounts come two years late to find out accurately – unless by year's end he replaces that \$2 billion, then we have not had a balanced budget. We have been once more led down the garden path thinking that things financially in Alberta are better than they really are.

The hon. members across the way can ho-hum all they please. If they spent more time looking at the real situation of the legislation coming before them and less time being silly, they might in fact appreciate and understand what's coming before them.

We've heard in this House continuously, and with good cause, criticism of programs. The hon. Member for Edmonton-Calder referred to the devastation that's being dumped on our medicare: the cutbacks of items that are essential to people's health, even, if you can believe it, to the point of cutting down oxygen. There's the whole issue of the seniors and what we are doing to them. Unfortunately, this government is insensitive and doesn't listen, and for the amount of saving they get in these programs compared to the amount of damage they do, it's exceedingly unfair. Their claims are that they're only cutting \$22 million out of the seniors' programs. If that is in fact the case and the Treasurer with his whoopsie is borrowing \$2 billion, I would think that he would have the ability to at least look at putting back into play the requirements for the seniors in terms of their programs that have been devastated.

Since 1987, since the previous Minister of Education heartlessly cut back on education, a net cutback, and put the school boards into a financial mess that hasn't been sorted out to this day, we find across this province more and more school boards who are facing increasing cuts of teachers who have already gone through cutting areas that were not excesses, that were not fat, that were essential to good educational programs, and are currently in the process of hurting the quality of education in the classrooms of this province. Last year, for example, Mr. Speaker, a mere \$30 million would have cured or at least helped alleviate for an interim period the hurt of the school boards throughout this province, all of them who were shorted in the money that they were entitled to. We had the previous minister running around with corporate pooling, the present minister running around with corporate pooling, and the Treasurer getting us deeper and deeper into debt.

As the Treasurer borrows more money on the government side to hide his bad bookkeeping, the rest of the government is in the process of downloading onto the local taxpayer. I think you can't have it both ways. The downloading has to stop; the property tax payer has to be given a break. I'm referring not only to the fields of medicare and education but also to current legislation before this House, the safety Act, which is nothing more than the elimination of seven statutes and replacing them with one piece of legislation, which seems good on the surface,

but what that does is that without any compensation it increases the costs to the municipalities, Mr. Speaker.

4:20

If we continue and look at what the role of the Treasurer should be, he should be providing a financial plan for the province. He doesn't do it. He simply does not do it. We have a situation whereby there is something called public pensions with unfunded liabilities. This is not looked at at all; this is not being addressed. We have a bit of legislation that will come to allow us to continue the pensions through the Income Tax Act to meet federal requirements, but after 20 years of throwing more and more liability on the shoulders of Albertans in the area of the public pensions, we still have not addressed the issue. The teachers' pensions happen to be the ones that get the most publicity, but there are other pension plans that are in almost as bad a shape. They are all in the same state because this government refuses to accept the responsibility that it has in terms of managing the resources of this province and balancing it with the obligations that it carries.

Now, it's fine and dandy for various ministers to stand up and say, "Oh, yes, we pay for the current costs of these pension plans." That's true, but at the same time, by not putting in their fair share, the other half of it, it in effect depletes the overall fund, and it has been shown that as more people are getting to the age of retirement, we are getting very close to a crisis situation. Various ministers have been promising all sorts for years, that they are going to look at this and they're going to correct it. Quite frankly, Mr. Speaker, they should, but I don't think they can, or if they can, they don't seem to want to.

The Treasurer again, as I indicated, puts down numbers, what he feels is politically expedient at the time. Then as we go through the year, he scurries around borrowing money here, there, and elsewhere, bringing through orders in council. If that doesn't happen, he'll bring in a Bill similar to Bill 45 to increase the provincial debt, which, if this goes through, is now going to be somewhere in excess of 13 and a half billion dollars. When you look at that 13 and a half billion dollars and you look at the statements that have been made in this House of how well Alberta's economy has been doing and is doing, I would certainly suggest to the members present that if these statements are in fact correct, then the Treasurer is way off base, because with an economy that is behaving the way that we are told it behaves, we certainly should not be facing this kind of annual deficit, nor should we be facing the size of debt that we have.

So if we're looking at what's happening, obviously it's poor management. Obviously the people programs aren't being funded the way they should be. Obviously the local taxpayer is getting dumped on more and more, and I quite frankly can't understand why, because it's certainly unnecessary. We have to perhaps look at something called fair taxation. This business of putting on a minuscule increase to the corporate sector sounds good on paper, but along with it we have to look and see how many subsidies, how many royalty holidays, how much of Albertans' money has been poured back out the back door into the so-called private sector that was supposed to give us "jobs." The money is gone, but the demand is still there for more subsidies, more help. We don't see any appreciable increase in jobs in the oil patch or anything to do with the oil industry.

At the same time that this is happening, where we're not getting the jobs going, we find our Minister of Energy stumbling over himself to the point where he's tired of giving away natural gas and may soon pay the U.S. to take it. If he made any kind of economic sense, he would be looking at doing a value-added

activity with natural gas. That is not happening. Why it isn't happening, I don't know. I do know it's based on I guess something called incompetence. Like I say, if you can't sell it, then give it away. The people south of the line are quite astute businessmen. They know that if they wait long enough, we'll pay them to take it, so why should they pay for it? If we've looked at what happened in the oil patch over the past few years again – now we're moving natural gas; yes. A few years ago we got into something called the royalty holiday. I'd like to know what that has cost Albertans overall, a royalty holiday being that we pay you to find the oil that you know where it's at, we give you the incentive, and then you get it for nothing for a five-year period. It sounds like a good deal if you happen to be the person who is receiving it.

I find it rather interesting, too, you know, if we look at the government's involvement. If it's with an individual and that individual needs help, we call it welfare; if it's with a farming sector that needs help, we call it a subsidy; and if it's with the corporate sector and they get the same moneys, they call it an incentive. But it all comes out of the government pocket; it's all welfare. You can call it an incentive, but a more accurate term to apply to it would be corporate welfare.

MR. McEACHERN: And it hasn't worked either.

MR. WOLOSHTYN: No, it hasn't worked, hon. member, and it won't work.

We'll take a look at the meddling in the economy that goes further. We're looking at somewhere between a \$2 billion or \$3 billion loss for bailing out companies that shouldn't have been bailed out.

MR. McEACHERN: One point three billion.

MR. WOLOSHTYN: Well, \$1.3 billion. They'll make it up to \$3 billion if you give them enough time. It doesn't really matter.

MR. McEACHERN: They won't be there that long.

MR. WOLOSHTYN: Well, hopefully not.

The whole point of the matter is that we've got an involvement that tilts the economy. If you look at what's happened in the red meat industry: you help one operator, you help a second operator, and pretty soon the whole process is skewed and you've got people all over the place that are looking for assistance and the government is scurrying around trying to find out what's happening.

We've done the same thing under the so-called umbrella of economic development. We paid hundreds of millions of dollars to bring the pulp industry into Alberta. Whether or not it pollutes is secondary. Under a private enterprise system, as the government claims to have but we do not have, these companies would be paying us to come. They wouldn't be expecting a roads-to-resources misleading of the public. I do say it honestly: roads to resources sounds like it's something good. It's basically a road or a railroad or what have you to a particular pulp mill operator so they can take the product out that they don't pay for in the first place.

Now, some of the hon. members say, "Jobs, jobs, jobs." I'd like to have these hon. members sit down and calculate the number of jobs by the amount of government incentive or welfare put in there. If you multiplied by a realistic rate the number of people and the amount of money, you would find that you wouldn't come close to what the government has

pumped in there. With respect to recovering money for the resources, as has been noted in this House by the opposition parties and quite accurately, because it's never been disputed properly, the fact is that we are not gaining a return on the wood that's going to be used. I've heard references in this House to some of the aspen as junk wood. Well, you know, Mr. Speaker, the people who live up in that area, the native people, don't seem to think that their forests are junk wood. If you talk to the trappers, they are telling you that when the clear-cutting comes through, the animals leave. You know, you might as well have left the junk wood behind so at least the environment and the area would stay the same.

Then we look at what's happened a little further, and this is again an economic activity, something called a forest management agreement. It's not a forest management agreement; it's anything but. All that is is a massive giveaway not only of the resource on the land but further, of the control of the land. In this House there was a question posed during the estimates about the public money spent on roads to resources within forest management areas that are taken over by the pulp companies, the areas that are controlled by the pulp companies: if the general public would have access to these roads. You know, Mr. Speaker, it hasn't been answered, and you and I both know why it hasn't been answered: because the answer is no, they will not be given free access to these areas. There'll be excuses found to exclude the public from the area.

#### 4:30

So we're going to have these hundreds of millions of dollars dumped into building an infrastructure that people of Alberta have been misled to believe that at least they would get some sort of benefit out of. You'll find that anywhere it enters forest management areas, whatever excuses can be got will be, and they will be excluded from using them – and this won't be a first – even to the extent that some of the gas and oil outfits are becoming a little bit concerned as to how flexible the forest operators will be in letting them get into the area and access it for exploration.

This all ties back to something known as managing the economy, Mr. Speaker, and so we have giveaway, giveaway, giveaway, except for where it comes to the local individual, the residential taxpayer, and you hit them higher there. Then you go a little bit more giveaway; you find out that whoopsie, we haven't done quite enough yet. So you put us into a deeper box by increasing the debt, and you say: "Oh, but yes, the budget is balanced. We just need this money for the heck of it." Well, I'm sorry; I just can't see how in the world we should be borrowing and mortgaging the province for an additional \$2 billion and using the flimsy excuse – and I stress "the flimsy excuse" – that it's needed for current operating funds, for a revolving fund.

I've heard the Treasurer stand up there very frequently and say, "Mr. Speaker, the opposition just doesn't understand how it is that we run short of money periodically." Well, we can understand how you run short of money periodically, Mr. Treasurer. First of all, what you have noted down for income is quite often inflated, and I'm referring to transfer payments where you overanticipate what you've got coming. You overstate the income that you expect from the natural resources, and that doesn't help, and then you hope for some sort of miracle to come along.

I would suggest that more accurate planning, better planning might be a better way to go. I would suggest that taking a realistic view of what this province has to offer and exploiting

that particular offering the province has and putting it into the provincial Treasury might help. I'm referring specifically to getting the most possible that we can from our oil and gas industry, and we're not getting it. I'm suggesting getting the most possible that we can from our forestry resources, and we're not getting it. As a matter of fact, we're giving it away. I'm suggesting having something that goes beyond the spoken word and a little bit of propaganda in the area of diversification and having some value-added industries, whether they be in agriculture or in the energy sector. This province is loaded with the expertise, with the resources, but we don't seem to have the leadership that gets onto that next step that creates employment and creates a higher return on our resources, and that's the secondary industries.

There have been promises over the years by this government to introduce something called diversification, and the best they can come up with, Mr. Speaker, is the ability to frighten a bunch of civil servants with a threat to send them away from their workplaces without even checking out the why and what for of it and then changing their minds and flip-flopping all over the place. If they knew what the meaning of diversification was, perhaps they'd have some appreciation of how to approach it. The only understanding they have of diversification is to keep tinkering with the civil service.

Now, I'm not opposed, quite frankly, to some degree of decentralization provided it doesn't cost the taxpayer any more money, provided it's got a plan to it, and provided it will give a more economical return to the efforts of the individuals involved. There's nothing the matter with spreading our representatives of the government throughout Alberta, including rural Alberta. But you don't do it with an ill-conceived announcement, scare a bunch of people, raise false hopes and expectations throughout the province, create competition for these many departments that may come there, and then turn around and do another whoopsie and say: "Gosh, we didn't think this one out. It won't work." Every time we turn around, we get another whoopsie. Mr. Speaker, this has to stop. I think it's long overdue, and perhaps the time has come where maybe, just maybe, the members of this House will go beyond blindly following the bleatings of some of the leaders over there and start to think and look at what Bill 45 is really doing.

Bill 45 is not providing interim financing. Bill 45 is putting Alberta another \$2 billion in debt. There's no other way you can look at it. The only way we can end up having had the balanced budget at the end of the year that was proclaimed at the beginning of the year is if on March 31, 1992, we show \$2 billion in the bank that we can take and buy down that debt with. If we can't do that, then this whole business of a balanced budget, of needing it for interim moneys was just nothing more than one big scam designed intentionally to mislead the people of this province.

I think, Mr. Speaker, that's what's happening here. From a political standpoint, statements were made: "We'll have a balanced budget by 1991-92." And we did it; we did it on paper. The only darned thing is that now we have to find the money to make it work. So we say that instead of being honest and up front with the people of Alberta, instead of including it in the Budget Address and saying we're going to be \$2 billion short, we turn around and say that we need an interim supply, only we don't call it interim supply. We change the Financial Administration Act, change that by a whopping \$2 billion, and say that we need that to continue our operations. Perhaps we do need it, but if we do, maybe the Provincial Treasurer should stand in his place and come clean and point out to this House

and to the rest of Albertans the real state of this current budget and the real state of this economy. Perhaps then he'd get some support.

Thank you very much, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: The hon. Leader of the Opposition.

MR. JOHNSTON: All rise.

MR. MARTIN: Oh, the Treasurer's back. I missed you.

Mr. Speaker, I think the Treasurer and others would be disappointed if I didn't take just a couple of minutes. I know the minister of economic development would want me to speak on this very important Bill as the Leader of the Opposition, because this goes back again to the budget debate. The budget debate: glowing terms of the Provincial Treasurer, balanced budget. Mind you, to try to get the balanced budget, we had to throw in everything but the kitchen sink: the Lottery Fund, the one-time sale of AGT, this and that. We had to overestimate the revenues. But the Treasurer, with his nice new ties, assured us that this was in fact a balanced budget.

Now, I've learned in the last few years to take everything with a grain of salt, especially what the Treasurer says, but he was very adamant: this is a balanced budget. It's not only balanced, Mr. Speaker; I believe it was a \$33 million surplus. I don't know how he came up with that figure. He was really in grand splendour in his speeches. Magic Johnston we called him; there's no doubt about that. Now it is just a couple of months later, and "Just to be sure," he says, "just for an emergency, just for cash flow, just for good fiscal management, trust me; just allow me another \$2 billion to raise the debt ceiling from \$11.5 billion to \$13.5 billion. It's a balanced budget, mind you, but just trust me; give me another \$2 billion in case we need another \$500 million in special warrants and various sorts of other sundry things."

4:40

Now, Mr. Speaker, I can suggest to the government and to the Treasurer that if you have a balanced budget, in fact a \$33 million surplus over the year, you do not have to raise your debt ceiling; in fact, you shouldn't have to raise it at all. With a balanced budget you could start to bring it down, you would think, because frankly the interest rates will be coming down. But surely it would take a leap of faith to say that you have a balanced budget but you also want \$2 billion more in case.

That's just not the case, Mr. Speaker. I've taken the position that it's highly unlikely that this budget will be balanced. I think the Treasurer knows that. He's depending again on the price of oil. I know he says that last time he predicted the Gulf war and that that would add to our price of oil at the time. But again as we look at even the price of oil, the price of gas, it's below, far below, and hasn't even come close to what the Treasurer's been talking about. We're almost what – a quarter of the way through? The Treasurer's pretty shrewd. He thought he'd got the politics out of the balanced budget, thought he'd got the politics out. But now a few months later the reality comes home: we want to be allowed to borrow another \$2 billion.

Well, the reality is that it will not be a balanced budget unless something miraculous happens again, something unforeseen like another war in the Middle East, and I know we all don't hope for that, Mr. Speaker. Most pundits in the oil industry are saying even now that in the long run it may not go up as much as people were talking about if you look at it; gradually going



up, but not nearly to the degree people were talking about three or four years ago. Now, I know it's a difficult thing to estimate, and I've said that before, but the reality is that I don't think we're going to even come close to a balanced budget.

Now, the other part about this, Mr. Speaker, is that by not leveling with the people of Alberta and also by being preoccupied with, in one given year, their balanced budget, we have an infrastructure that's in deep trouble in this province which eventually you're going to have to pay the price for. We had discussions about what's happening with advanced education, what's happening with health care, what's happening for the poor in society, and you're going to not only pay a social price but an economic price down the way. We have a physical infrastructure in many parts of the province that's falling apart that eventually you have to pay the price for down the way.

I know that the Treasurer likes to talk about Ontario. Well, Mr. Speaker, they chose a different way than Conservatives do. Yes, they didn't take the Herbert Hoover approach or the R. B. Bennett approach as Conservatives like to do. They did it a different way, and time will tell down the way who was right or who was wrong. But as the Treasurer well knows when he gets into that, they've been decimated, absolutely decimated, by the Mulroney-led recession, the trade deal and the manufacturing industries falling apart there, high interest rates, the GST: all those things together have put a crunch on it. Their only choice was to either cut back in the social infrastructure or just say, "The heck with it; we're going to allow the unemployment to go up to 10, 15, perhaps 20 percent," and it could have. But they threw money, an extra \$2 billion – that's the extra money they spent – into creating jobs, into things that are going to have to be done in the future anyhow: housing, public infrastructure. As a result, they hope to maintain it. It won't be perfect – the unemployment rate's still going to be high there – but they hope to maintain it.

Now, the point I'm trying to make, to bring it back to our budget, Mr. Speaker, is that we will still have to pay that price down the way, and it's all for the sake of "in one given year." Saying that we had a balanced budget I think was more important politically than it was economically at this particular time. That's not to say that we don't have to worry about it; we do. And if the economy rebounds the way the Treasurer tells us it's going to rebound, then we should be working down that debt and doing it quickly when the private sector's there. That's not the case yet; it's certainly not the case. It's worse, admittedly, in Ontario.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, I guess the point I'd want to make about this is that you cannot have it both ways. You cannot come out budget day and say, "Yes, my friends, we have done it, a balanced budget," after, as I say, throwing everything in but the kitchen sink and overestimating all the revenues and all the rest of it. I might point out that the Ontario deficit includes the capital projects too, when you look at that. They haven't tried to take them apart, separate them, and the rest of it. So we have to look at deficits, too, looking at two different budgets, and the Treasurer is well aware of that.

The only point I want to make, Mr. Speaker, and I won't go on long, is that you can't have it both ways. You can't say on budget day, "It's balanced," and then come back to this Legislature two months later and say, "Give me \$2 billion more just in case." It can't be both; that's the reality.

Mr. Speaker, this is an important Bill. It's important that we have a full discussion about this. Now, I think the Treasurer must understand – he must understand – that the credibility is a little low on a balanced budget when he says, "Well, this is just for good cash flow; lend me \$2 billion more." I mean, if he was balancing his own books that way, his own personal finances, I think he'd be in a great deal of difficulty. So I really stress that he cannot have it both ways. If the fact is that it isn't balanced, if that's the reality, that it's not going to be a balanced budget, we should know that now. We should have a statement about it saying, "Whoops; again a slight mistake," because he always has to admit he's made a mistake eventually. Why not do it earlier, and we'll have a realistic budget? If he says, for the cash flow, "We're not going to make this balanced budget because of oil prices," or whatever, "and we need some extra money just to get through the year," then we in the Official Opposition would take a look at that. Maybe it makes sense.

But you cannot, I stress again and again, have it both ways. You can't have a balanced budget and then say you want \$2 billion more from the Legislative Assembly of Alberta. That's the reality, and that's what's wrong with this Bill at this particular time. If the Treasurer wants to be more forthcoming about it and say that we do have financial problems, that the budget is not working and we need this, then he should say it, Mr. Speaker, and not talk about a balanced budget. That's the reality.

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

MR. PASHAK: Thank you, Mr. Speaker. The Speaker was generous enough when the Member for Calgary-Foothills spoke to permit that member to enter into the record a few comments from a magazine article with respect to the performance of the government in Ontario, and I'd just like to take a few minutes, certainly no more minutes than the Member for Calgary-Foothills took.

I admit that the newly elected government in Ontario was faced with a rather difficult situation. They thought they were inheriting from a government a situation in which they would have a balanced budget, and of course that's not what they walked into. They walked into a situation of severe debt. That problem was really compounded by the fact that the federal government had just introduced changes to the way in which they provide transfer payments to the provinces, and they experienced a some \$3.4 billion shortfall in revenue in that account alone.

I note that that's part of the problem our provincial government is experiencing as well, and that's undoubtedly part of the reason why the Treasurer's had to introduce Bill 45. If you'll note, the payments from the government of Canada in this year alone have declined by half a billion dollars. I suspect that we're going to be in increasing difficulties over the next year because of a continuation in the shortfall of transfer payments from the federal government. I view that situation, Mr. Speaker, with great alarm, because it's those transfer payments from the federal government to the provinces that have helped us to maintain the quality of education we've experienced over the years at the postsecondary level, and it's also contributed immeasurably to a national health care program in which standards are the same from province to province. I think that if we're going to call ourselves Canadians, the only way in which that concept has any meaning is if Canadians no matter where they live in this country have access to the same kind of general

services, whether they're of an educational nature or of a health nature. So I view that situation with considerable alarm.

4:50

In looking at that, it wasn't too long ago that we had a Liberal government in Ottawa, and most of the provincial governments were either Progressive Conservative or certainly small "c" conservative in nature. But look at what's happening now. People are obviously turning their backs on the kind of government small "c" conservatives provided us with. If we look at fiscal mismanagement, the grossest example we can find is at the federal level, where the federal Tory government since 1984 has increased the net debt of this country from \$80 billion to some \$450 billion. It's incredible.

The same thing is happening on the same level within the province of Alberta, at least to a certain extent. Since 1986, Mr. Speaker, we've seen our net indebtedness grow from approximately zero to 12 and a half billion dollars, and fully \$1 billion of our expenditures now are to service the debt we've accumulated. I view that situation with a considerable degree of alarm.

Mr. Speaker, it's one thing to criticize the government. It's one thing to point out that the Treasurer is forced to do this, to introduce Bill 45, simply because he was responding to political pressure rather than to economic facts when he introduced his budget. That's clear, and I think he's indirectly admitting that right now. He knew that his expectations of revenue from the resource sector were highly inflated. In order to balance the budget, the government has had to make cuts, and the cuts seem to be without rhyme or reason. But one thing is true, and I entered this on the record when we were looking at Bill 45 in the debate on second reading: a lot of these cuts have really hurt Albertans particularly hard.

I read into the record some comments from a constituent who is on oxygen and the way in which that's affecting her life. Earlier today I got a phone call from a woman. She was in tears. She has a handicapped child. The child is 7 years of age. The child is not only severely handicapped; the child is blind. The child is currently in school, and she's really worried because she's at the limit of her financial rope. This child is dependent on diapers in order to stay in school, these disposable diapers. If she's now forced to go into cloth diapers, it means she'll have to take a pail with dirty diapers into the classroom, and there's no teacher or principal in the school system that would permit that to happen. So she's worried about what's going to happen to her child. She was crying. She thought that what she'd have to do is put the child into an institution, as she had no other recourse. Now, that is tied in with Bill 45 to the extent that it demonstrates fiscal mismanagement on the part of the government. It indicates where their priorities are. There are lots of other ways in which they could have tried to achieve a more credible balanced budget if they'd really gone about it and weren't so blinded by ideological considerations.

For example, Mr. Speaker, I know we've talked about the need to diversify this province over the years. In fact, that was one of the goals of the Alberta Heritage Savings Trust Fund at one point. I recognize how difficult it is to introduce a true diversification strategy in this province. We really do have a small population; we only have two and a half million people. Our markets are far removed. Our largest markets would be on the Pacific coast in terms of any kind of reasonable proximity: Vancouver, Seattle. And I think that, by the way, is a very good initiative that this province entered into, in terms of meeting with governors from the Pacific Northwest states, from Montana, Oregon, and Washington states and the province of British

Columbia. I don't know why Yukon wasn't included in those discussions as well. I think it's important that we pursue that initiative, try to expand the size of our market opportunities.

I think our initiatives in the Pacific Rim to try and increase the strength of the Alberta economy are great, but I have some really serious questions about how we're going about that. I know that we tend to staff these offices not with people who are experts in terms of financial development strategies but really with friends of the political party in power. These people often go into these countries without any real expertise or knowledge of the economies of those regions, and hence we're not getting real value for money in terms of the effort and energy we put into these offices abroad. I can cite one example, where one of the people that's responsible for one of these offices, in China, calls the people Chinamen. There's nothing more disrespectful than you could call the people of China than Chinamen. It's a disrespectful term, but that's how they're referred to by this particular person who is responsible for this office. You know, the government should really look carefully at how they staff those offices, at who they put into those positions, and make sure they're not political appointments but are in fact people who have political expertise.

I'd like to go back to the Heritage Savings Trust Fund for a moment, because that was supposed to be the vehicle to diversify this economy. It's clear that it hasn't been used in that way in any significant way, Mr. Speaker, and it's for the reasons that we've given. This government seems to be driven blindly by ideology rather than by common sense when it comes to working out economic strategies. The funding and the loans and the grants that they made available to businesses seem to be on some sort of hit-and-miss basis; they go to friends of the government. I've yet to see behind any of these grants and loan guarantees that have been made any real economic strategy, any plan, any coherent attempt to try to create within Alberta a stronger economy that would help to move Alberta away from its traditional dependence on agricultural products and oil and gas. Even when we try to work at oil and gas, I think we make major errors there as well. For the life of me, I couldn't understand why the government introduced the ethane policy that it did a few years ago. It seems to me that we should have kept that ethane in this province. We should have converted it into polyethylene and made plastics here. At least we could control to a certain extent that type of industrial development because we controlled the raw product.

There are other things that we could do in Alberta to enhance our economic strength. We could have an Alberta procurement policy. We could use our ability to buy goods to fund our institutions, and we could set up some ways, hopefully . . . If a government wanted to do this, they could look at what it is that we buy here in Alberta that we could make here in Alberta, and we could encourage the production of those goods here, within the province, rather than bringing it in from outside.

MR. JOHNSTON: That's not a procurement policy; it's a substitution policy.

MR. PASHAK: Well, call it a substitution policy, call it a procurement policy, but as part of an Alberta procurement policy or a substitution policy if you want to call it that.

MR. JOHNSTON: They're two definitions.

MR. PASHAK: Technically. But what I'm talking about is taking a look at the strengths we really have in our work force,

taking a look at the raw materials we have in this province, wedding the two together and developing an economic strategy that would be based on producing as many goods as we can that we as Albertans consume. That would help to some degree in terms of putting Albertans to work.

MR. JOHNSTON: See the white paper in '85.

MR. PASHAK: The Treasurer just happened to interject and mentioned the white paper in '85. I think the white paper in '85 made some really excellent suggestions, but I do have a quarrel with the government to the extent that they haven't implemented any of the suggestions from that white paper. That's the real problem in this province. All we've done is privatize for the sake of privatizing, selling off . . .

AN HON. MEMBER: Read it again, Barry. Read it again.

MR. PASHAK: I'll go back and read it again, as the minister has suggested, but I see no evidence of any real diversification of the economy taking place in this province as led by this government. I know within the city of Calgary that the city is managing to diversify its economy through its own efforts. It's becoming much more involved in high-tech industries. [interjections] Mr. Speaker, should I engage in a dialogue with the members as we go along? If you want, that's fine with me.

In any event, Mr. Speaker, the point I'm trying to make is that there's much that could be done in this province in terms of stimulating economic development if we could get away from bringing ideology into the debate and approach these questions from the view of common sense. We have some serious problems in this province, and we're running these huge deficits on an annual basis. In spite of what the Treasurer introduced in his Budget Address, I think he knows, as we know, that he's going to be lucky to escape with less than a billion dollar deficit at the end of this fiscal year. He's shaking his head. But let's wait; we'll see when the year-end rolls around. I hope he's right. Frankly, I hope we're not in debt at the end of the year any further than we are. In fact, I hope we begin to climb out of debt. I hope we reduce our debt to zero and begin to build the heritage fund, and I hope we begin to use that heritage fund as it was first promised, as a vehicle for diversifying the economy of this province.

MR. JOHNSTON: I'm going to vote for you, Barry. You sound like a Conservative.

**5:00**

MR. PASHAK: Well, that's common sense. No one party has a monopoly on common sense. I will say this: when New Democrats have formed governments in provinces in this country, they have managed to introduce balanced budgets. The government in Saskatchewan never brought in one deficit budget that I am aware of, and in Manitoba they received all kinds of accolades and praise for the way they managed the economy during difficult years because they introduced job-creation strategies that really worked. I can say to the Progressive Conservatives in this Assembly that by the end of this year you're going to see two more New Democratic governments come into power in the prairie provinces, and within one year of forming office they'll begin to get a handle and make their economies work in a way that benefits all the citizens of their provinces.

MR. FOX: They're doing well in the Yukon, too, aren't they?

MR. PASHAK: They're doing extremely well in the Yukon. In Ontario you'll see that once they start putting people to work, they're going to be able to increase their tax base and increase the amount of revenues that go into their government and get Ontario back on the way to economic health in short order.

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

MR. DEPUTY SPEAKER: Thank you.

Is the Assembly ready for the question on the amendment?

SOME HON. MEMBERS: Question.

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

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: The amendment fails.

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

[Mr. Speaker in the Chair]

**5:10**

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Barrett	Fox	Mjolsness
Bruseker	Hawkesworth	Pashak
Chivers	Hewes	Roberts
Chumir	Martin	Taylor
Ewasiuk	McEachern	Woloshyn

Against the motion:

Ady	Gesell	Paszkowski
Black	Hyland	Payne
Bradley	Johnston	Rostad
Brassard	Jonson	Schumacher
Cardinal	Klein	Severtson
Cherry	Kowalski	Shrake
Clegg	Lund	Sparrow
Day	McCoy	Stewart
Dinning	Mirosh	Thurber
Drobot	Moore	Trynchy
Elzinga	Musgrove	Weiss
Fjordbotten	Nelson	West
Fowler	Osterman	Zarusky

Totals:	For - 15	Against - 39
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[Motion on amendment lost]

SOME HON. MEMBERS: Question.

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

MS MJOLSNES: Thank you, Mr. Speaker. I have just a few comments to make on the main Bill, Bill 45, coming back to second reading. I find this Bill extremely offensive. This government and this Provincial Treasurer have claimed that we have a balanced budget, but we do not. This Bill proves that. As was mentioned earlier in the Assembly, we should at least expect a ministerial statement from this Provincial Treasurer stating that fact. They've gone about it in a sneaky way, and I don't think Albertans appreciate that. I don't know if honesty means anything to the government side – obviously it doesn't – but it means something over here. Albertans have a right to expect this government to be honest.

What I find even more offensive, however, is that they are claiming they have a balanced budget and in that claim they have cut back on very necessary programs in trying to achieve this so-called balanced budget. I find that extremely offensive, Mr. Speaker.

The Member for Red Deer-North looks a little puzzled. Well, he's been in this Assembly for almost three or four months now, I would hope, and if he still doesn't know what's going on, I find that kind of shocking. However, I would like to say that this government has cut back on these very necessary programs in claiming they absolutely are balancing this budget. They have cut back on senior programs, for example. [interjection] Well, agreed. Why then are we faced with passing Bill 45, I would like to ask the hon. member. They have cut back on senior programs, causing all kinds of hardship for seniors. We've had a number of seniors and other people in the province expressing their objection to cutbacks in this area, yet the government has gone ahead and cut back on seniors programs in the name of trying to achieve a so-called balanced budget. They have cut back on programs for people who have disabilities. Again I would like to ask: how low can this government go? They've cut back on programs because they can bring other programs in. Well, isn't that fair?

MR. JOHNSTON: Home care.

MS MJOLSNES: The Provincial Treasurer says they're bringing in home care. Yes they are, and that's a good move. But at the same time they're doing that, they're cutting back on other programs for people with disabilities. That's unfair and just shameful.

Mr. Speaker, they need to borrow this money because they have made a miscalculation. Now, I don't know whether we're supposed to feel sorry for the Provincial Treasurer that he can't be accurate in his calculations, but I don't feel sorry for him. I feel sorry for the people who are getting the brunt of these cutbacks because this government has gone ahead with this so-called balanced budget. I'd also like to ask the Provincial Treasurer specifically where this money is going. The Member for Stony Plain said earlier in his remarks that if we're borrowing this amount of money, why can't this government make a decision to rescind the cutbacks to the seniors, for example? Are they doing that? Have we heard an announcement from this government that they're going to rescind the cutbacks to people who really need these programs? No, we haven't heard that, and that's why I find this Bill extremely offensive.

The Member for Calgary-Forest Lawn talked about a woman phoning him, crying because one of the cutbacks means that when her child goes to school, it will be humiliated now because of this government's priorities and cutbacks. These are the kinds of things people are experiencing, Mr. Speaker, and all because this government claims they have to cut back on these kinds of

programs because they need to bring in a balanced budget. Bill 45 proves we don't have a balanced budget.

So we're getting all kinds of mixed messages from this government. We have a Premier, Mr. Speaker, who has just taken off on a vacation, if you like. He has gone on a trip at taxpayers' expense with absolutely no accountability to the taxpayers of this province. I'd ask the Provincial Treasurer again: is this what we're borrowing the money for? I'd like to know. I think this is very serious. The taxpayers are paying for this government's mismanagement and arrogance, and I find that really offensive. The priorities in spending by this government I find very unacceptable. I think Bill 45 should definitely be defeated in second reading.

Mr. Speaker, if I know where this money is specifically going to, I may be able to support this Bill. Is it going to feed the hungry children of this province? Well, we're not sure. Is it going to staff our hospitals that are in need of staff?

SOME HON. MEMBERS: Yes, yes.

MS MJOLSNES: So it's going to that too. Wow.

These are programs, Mr. Speaker, that have been cut, and if the object of this Bill is so honourable, then I would expect the Provincial Treasurer to stand up tomorrow in the Assembly, read a ministerial statement, and say that he is rescinding the cutbacks to seniors, rescinding the cutbacks to Aids to Daily Living, and on and on. But I doubt if we'll hear that from the Provincial Treasurer. I doubt that very much. If we do hear from him tomorrow, I would really appreciate that, and I would be shocked too, by the way.

Mr. Speaker, the government has said: "Just trust us. We miscalculated a little bit here, and we need a little bit of extra money to make things right." Well, first of all, this government has their priorities seriously wrong. They feel they have absolutely no accountability to the taxpayers of this province, and they are being deceptive when they claim they have a balanced budget and clearly do not have a balanced budget. So I say that I cannot even begin to trust this government, and I'm sure Albertans feel the very same way with the introduction of Bill 45.

Mr. Speaker, I am not supporting Bill 45, and I feel very strongly that other members should not as well.

Thank you.

MR. SPEAKER: Stony Plain.

MR. WOLOSHYN: Thank you, Mr. Speaker. I, too, have to speak against this Bill.

AN HON. MEMBER: Who cares?

MR. WOLOSHYN: Mr. Speaker, the reply "Who cares?" that came from across the way through you to me is quite appropriate. If the Treasurer would care, if the Treasurer would take some care, perhaps somebody would care. But the Treasurer doesn't know how to care, and I for one find it very difficult to support a Treasurer who not only borders on incompetency but also is very flippant in this House.

5:20

Mr. Speaker, when you look at a budget, you have expenditures which supposedly go for worthwhile things. You have expenditures that should account for all that can be foreseen on the expenditure side of a budget. This doesn't happen. We

have situations shortly after a budget is brought down that are sort of sudden, for example, and I'm referring to what has now commonly become known as the NovAtel fiasco. That wasn't in the budget, so he's going to have a little bit of adjusting to do there. The same way in last year's budget: the sale of Alberta Government Telephones wasn't forecast in the budget. So although he's forecasting a significant deficit in the neighbourhood of \$1 billion, if you take off the \$300 million he received or says he received from AGT, if you add that on, we're closer to \$1 and a half billion. Last year, on the one side, he didn't show his projected anticipated income of \$300 million for AGT; this year he doesn't look at the books, doesn't see that NovAtel is going down the tube a mile a minute, and it doesn't show up in our budget either. So his expenditure side at best is subject to question.

We have a process in this House called estimates which does not give sufficient time to members to address what is going on. The amount of detail given is very, very, very insufficient. We don't really have anything more than one or two lines to address significant expenditures in the billions of dollars.

MR. JOHNSTON: Are you done?

MR. WOLOSHTYN: No, Mr. Speaker, I'm not done. I'm just getting warmed up.

We look at the revenue side, and I see a very interesting thing there. We have something called fuel tax. Mr. Speaker, I alluded earlier in this House to the Treasurer downloading everything he can onto the backs of the taxpayers of Alberta. We were encouraged to convert our vehicles to propane, a very good idea. So what did he do? First of all, he imposed a propane tax last session. He doesn't even know if he's collecting what the government is entitled to under legislation. The scheme was shoddy at best, just smacks of the incompetence that goes along with this Treasurer's things. We find that the poor old service station operator does not know what day he can or where he's going or coming from with respect to this tax. Instead of putting it where all taxes to do with fuels belong, and that's right at the wholesale level, this Treasurer decided to slip it in at the service station level, which proves interesting itself. So now he finds that things aren't rolling around quite so great and ups that tax a whopping 28 percent, Mr. Speaker. That's right. He increased the fuel tax . . .

MR. SPEAKER: Excuse me, hon. member. Perhaps your arguments could be used somewhere else, with Bill 43 rather than this one.

MR. WOLOSHTYN: Mr. Speaker, I appreciate your concern, but we're looking at a Bill that's requesting \$2 billion. I'll go by your admonishment, but I find it rather interesting that if we look at the revenue side, in almost every possible section, without going into specifics, there has been an increase in

taxation. That helped balance the budget, and for that reason I think many Albertans tolerated it. Unfortunately, it balanced the budget on paper only, because within two or three or four short months here he is as Treasurer back with his fancy pen and requesting \$2 billion; not \$2 billion of interim financing, not \$2 billion of short-term financing, but to increase the debt of this province by \$2 billion. I for one find that totally unacceptable.

The Treasurer has not indicated . . . [interjection] If he is doing his ohs and ahs with such vigour, he should indicate and commit to this House in writing that at the end of the budget year that \$2 billion will go back to buy down the debt accordingly. But it won't, Mr. Speaker, because quite simply his budget is not balanced. His budget was not balanced when he presented it, and his budget cannot be balanced.

There are other factors that enter into it also, Mr. Speaker. There's something called the revenues. We debated a particular Bill yesterday that transferred money from the Lottery Fund. When the Interprovincial Lottery Act was established, it was quite specific in 1980 that these funds would be expended in the areas related to recreation or culture. Now all of a sudden we find that although other worthwhile community programs are going short and areas such as education and hospitals are going short, there's a miraculous surplus in the Lottery Fund. I don't have a great degree of difficulty with putting lottery moneys into general revenue if we put them all there. I don't have a lot of difficulty with the Treasurer raiding this fund and, as the Member for Vegreville put it so aptly yesterday, cutting the Member for Barrhead off at the knees provided that this money would be accounted for, provided that this money would in fact balance the budget. But it hasn't.

We've got \$225 million suddenly coming in from the Lottery Fund via a particular Bill. That isn't enough for him. We have another request for \$2 billion. If we look on the revenue side, perhaps he should expend some degree of energy in going after his recently divorced cousins from Ottawa and getting the money he is entitled to under hospitals, Mr. Speaker, getting money he's entitled to under the postsecondary programs, and putting the record straight with Ottawa that Alberta in fact does need all the money we're entitled to from Ottawa. If we're going to maintain a reasonable budget in this particular province, we should be and ought to be collecting the moneys we're entitled to from our central government in Ottawa.

On that note, Mr. Speaker, I beg leave to adjourn debate.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The matter carries.

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

