

## Legislative Assembly of Alberta

Title: **Thursday, March 17, 1994**

1:30 p.m.

Date: 94/03/17

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

O Lord, we give thanks for the bounty of our province: our land, our resources, and our people.

We pledge ourselves to act as good stewards on behalf of all Albertans.

Amen.

head: **Presenting Petitions**

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

MR. BRUSEKER: Thank you, Mr. Speaker. I again have yet another petition to table today regarding the education restructuring and educational cutbacks. This petition is signed by 194 persons, most of whom are in northwest Calgary, and by northwest Calgary I mean the quadrant but also a good number from my own constituency.

head: **Reading and Receiving Petitions**

MR. HENRY: Mr. Speaker, I would ask that the petition I presented on March 9 in this Legislature opposing the restructuring of education now be read and received.

CLERK:

We, the undersigned residents of Alberta petition the Legislative Assembly to urge the Government of Alberta not to implement the plan to restructure the educational system in Alberta, as proposed by the Minister of Education.

We also request the Assembly to urge the Government of Alberta to ensure that every Albertan will have the opportunity for input and involvement in future plans to restructure the educational system in Alberta.

head: **Tabling Returns and Reports**

MRS. McCLELLAN: Mr. Speaker, I am pleased to table responses to motions for returns 156 and 159 and Written Question 167.

MR. SPEAKER: The hon. Member for Calgary-Cross.

MRS. FRITZ: Thank you, Mr. Speaker. I'm tabling 60 cards entitled A Second Opinion from residents living in the Calgary-Cross constituency. They state that, "The current acute care study and its recommendations do not fairly reflect Calgary's need for a downtown hospital" and to please consider their opinion "before deciding the fate of the Bow Valley Centre of the Calgary General Hospital" as they believe the facility should stay open.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. Today I'm tabling copies of 28 letters from radiologists practising in northern Alberta who are very concerned about the government's plans for screening mammography.

head: **Introduction of Guests**

MR. SPEAKER: The hon. Member for Calgary-East.

MR. AMERY: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly Mr. Robert Cameron. Robert is a constituent of mine, and he is a very active person in the community. Robert is seated in the members' gallery. I would ask him to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of this Assembly a marvelous group of students from Millgrove school in Spruce Grove. They are accompanied by their teachers Kelli Holden, Debbie Schellenberger, and Pat O'Callaghan – now, isn't that an appropriate name for today? – and a parent helper Shirley Mierlo. So I'd ask you to please rise and receive the warm welcome of this Assembly.

MR. SPEAKER: The hon. Member for Edmonton-Norwood.

MR. BENIUK: Thank you, Mr. Speaker. Located in my riding of Edmonton-Norwood is one of the world's famous technical institutions: NAIT. It is my pleasure to introduce to you and through you John Miller, the president of the NAIT Academic Staff Association. He is accompanied by his colleague Don McMann. I would ask that they both rise and receive the warm welcome of the House.

head: **Oral Question Period**  
**Teacher Layoffs**

MR. DECORE: Mr. Speaker, despite the willingness of Alberta Teachers' Association mediators to put a 5 percent rollback to Edmonton public school teachers next week, the public school board in Edmonton has given hundreds of teachers their walking papers today. Including voluntary retirements, over 600 teachers – that's over 12 percent of the teachers in the public system – won't be there next year to teach our children. The Premier promised that he would take care of our children's education, but instead the government is creating a huge body count of teachers. Mr. Minister, explain how losing hundreds of teachers in our Edmonton public school system will improve the quality of education in that system.

MR. JONSON: I assume, Mr. Speaker, that the question is directed to me.

MR. DECORE: Unless the Premier is back.

MR. JONSON: Mr. Speaker, first of all, in terms of the overall funding of education, yes, certainly education had to be part of the overall effort to reduce the deficit and balance the budget. However, a clear priority was given to education in terms of it being the least amount that was reduced from any budget over the four-year period at 12.4 percent. It's also important I think to note that when you consider that the amount being provided at the local level has not been reduced – it has been set or frozen at its current level – we're looking in the system across this province at about 8.5 percent reduction overall.

Now, speaking of the particular situation that the hon. leader raises. As I understand it, Mr. Speaker, with respect to the negotiations going on, the 5 percent reduction has not been agreed to, and therefore it is regrettable that there are these notices of layoffs. With the 5 percent reduction, the other plans and directions that we're taking in education with respect to increased efficiencies, the 8.5 percent reduction overall in this province over that period I feel is not unreasonable.

MR. DECORE: Mr. Minister, even with 5 percent cuts there will be more than 300 teachers removed out of the Edmonton public school system. Is that your idea of good education for students in Edmonton?

MR. JONSON: Mr. Speaker, I'm not quite sure where the hon. leader gets his figures, but I do maintain that this government has shown a clear priority overall to education funding in this province. There are means to reach efficiencies, and we've taken directions in our business plan to do so. If there is a 5 percent compensation package, this to a large degree mitigates the need for layoffs, and those are the directions that we're pursuing.

MR. DECORE: Mr. Minister, how is quality education going to be provided to Albertans when the body count on teachers in Alberta is now about 2,000 teachers?

MR. JONSON: Mr. Speaker, in terms of our strong direction in maintaining the quality of education in this province, we do have to look at efficiencies in the system. We do have to cut down on the cost of governance and the cost of administration. We do hope for a 5 percent rollback in the compensation package. We do have to define our priorities in terms of focusing on the most important parts of the education system, and that is directing the resources to the classroom level. I think that can be accomplished, and we can maintain the best possible quality of education for students in this province.

#### 1:40 Alberta Research Council

MR. DECORE: Mr. Speaker, between 1986 and 1991 the Research Council performed contract research work for a California biotechnology firm known as Biosys Inc. We've learned that the Research Council granted Biosys Inc. huge backdoor subsidies in the form of massive reductions in the rates they charged Biosys. Fermenters, for example, that normally cost Alberta businesses \$2,400 a day would cost Biosys only \$188 a day. In 1991 the subsidy just for that year for Biosys was \$1 million. To the minister responsible for the Research Council. Will the minister tell us why there are two sets of rules: a set of rules for an American company and very different rules for Alberta companies?

MRS. MIROSH: Well, Mr. Speaker, I don't believe there are two sets of rules. There's spin-off technology and combined partnership with a number of companies. There are business plans that are laid out that are individual for each deal that ARC makes. I don't believe that there are any special deals made in this situation.

MR. DECORE: Well, that's the point. There is no spin-off technology.

Madam Minister, tell us why when ARC was giving these huge subsidies to this American company the council wasn't more

businesslike in demanding either a plant or some sort of share in profits. Nothing happened.

MRS. MIROSH: Mr. Speaker, I believe that the council is very businesslike. They approach these deals in a very businesslike manner. There are business plans that are laid out before these deals are made. I believe that there's a policy and a procedure that the council follows and will continue to do that.

MR. DECORE: Madam Minister, it sounds like you don't know anything about Biosys Inc.

I'd like you to tell Albertans exactly the specific benefits that Albertans got from Biosys Inc. in their dealings with the Research Council. What are those specifics?

MRS. MIROSH: Mr. Speaker, the benefits that ARC has and that the province has are wealth creation and jobs, and this is what we are working on and will continue to do.

MR. SPEAKER: Third main question. The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. Past government investigations such as the one that was launched into the Principal Group failure were preceded by bonfires and shredding machines being pressed into service. The Liberal Opposition has learned that prior to the investigation into the biotech division of ARC, a similar practice was employed. My question is to the minister responsible for the Alberta Research Council. Does the minister have now already in her possession all of the pertinent documents, including backup disks of internal electronic mail communiqués, so investigators and Albertans will get the whole story?

MRS. MIROSH: Mr. Speaker, the member opposite can go to ARC, any member opposite can go to ARC and have a look at anything they want. The books are open. The people are there to show anything. Some of them have been there and have given us praise about what ARC is doing. I welcome them to go back, and we'd be happy to show them whatever they like.

MR. BRUSEKER: I guess that means, no, she doesn't have the disks.

My supplementary question deals with the document tabled yesterday. Can the minister tell the House whether there are any incidents, documented or not, reported or not, other than the three listed in this very brief report tabled yesterday?

MRS. MIROSH: Mr. Speaker, the report that was tabled is dealing with the process in case there are any occurrences with regards to injuries or organisms that are let loose. Whatever happens there is well documented. There's a procedure in place, a policy in place, and I believe that ARC follows those procedures and policies. Any other information that the opposition would require, I'd be happy to get for them.

MR. BRUSEKER: Mr. Speaker, Albertans are not interested in what this minister believes. They want answers. Yesterday she said she that was satisfied. Today she believes. So I'd like to know what regulations or documents this minister saw or discussed that led her to believe that conflict of interest procedures were satisfactorily outlined. Will she provide me with a copy of those documents? I'd like a copy.

MRS. MIROSH: Mr. Speaker, there is an investigation currently under way, and it could move into litigation and a court procedure. Until that occurs, I cannot release any internal documentation with regards to the conflict of interest. Anything that we have on other policies and procedures with regards to safety of the public, we'd be happy to release.

MR. SPEAKER: The hon. Member for Calgary-East.

### Kindergarten Programs

MR. AMERY: Thank you, Mr. Speaker. My question is to the Minister of Education. Two days ago the Calgary public board of education decided to charge \$600 to parents who wish to enroll their kids in a 400-hour ECS program. This decision will have a devastating effect on kids and parents alike in my constituency, and it will create a two-tiered system: one for the rich and one for the poor. Would the minister interfere immediately and order the board to rescind this unfair decision?

MR. JONSON: Mr. Speaker, I think it's important to note that we are providing adequate funding for 200 hours of early childhood services instruction, funding which is designed to provide the meeting of the following goals: to contribute to the development of a positive self-image for children, to enhance the physical development of young children, to enhance the emotional, social, and moral development of young children. That funding is in place for those 200 hours, and we deem that to be an approach which provides preparation for school.

With respect to the hon. member's question, the \$60 per month charge that, as I understand it, is proposed by the Calgary public board is within their prerogative to set, and therefore, Mr. Speaker, I would not have any plans to interfere in that particular decision on their part. However, I would point out that we do provide the funding for the 200 hours of instruction in ECS.

MR. SPEAKER: Supplemental question.

MR. AMERY: Thank you, Mr. Speaker. To the same minister: since Alberta is the only province in the country without a mandatory ECS program, would the minister consider mandating this very important program so tuition fees will not be permitted and a two-tiered system will be avoided?

MR. JONSON: Mr. Speaker, I think it's important to note that when early childhood services were established in this province, an important point that was made by the advocates of that program at the time was that they wanted it to be flexible and outside of the regular school system in terms of its goals and in terms of its operation. That is something that has been carried forward to this day, and I expect that will continue. At this point in time, that is the position of the government.

MR. SPEAKER: Final supplemental?  
The hon. Member for Sherwood Park.

### Alberta Research Council (continued)

MR. COLLINGWOOD: Thank you, Mr. Speaker. Sadly the chair of the Alberta Research Council continues to whitewash unethical research practices in the biotechnology division of the Alberta Research Council. In the communiqué tabled in the Legislature yesterday, the chair failed to tell Albertans that this particular division does not employ a full-time, qualified biolog-

ical safety officer and hasn't for a number of years. Since the Canadian biotechnology industry has adopted U.S. guidelines which require this position, running genetic experiments without a biosafety officer is as unethical as releasing genetically altered organisms. My question to the minister responsible for the ARC: if you do not have a full-time, qualified biosafety officer as international guidelines require, how can the ARC say to Albertans, "Trust us"?

MRS. MIROSH: Mr. Speaker, there is a safety officer hired by ARC.

MR. COLLINGWOOD: Mr. Speaker, that is totally inaccurate. My second question to the minister: are the dollars the reason that the ARC is prepared to risk the health of its employees by doing without a biosafety officer?

MRS. MIROSH: Absolutely not. Mr. Speaker, the safety of the people who work at ARC and our public are our number one concern.

1:50

MR. SPEAKER: Final supplemental.

MR. COLLINGWOOD: Thank you, Mr. Speaker. It is clear that this situation is out of control and the minister is in charge. My question is this: what decisive action, if any, will you take to outwardly condemn these totally unethical practices?

MRS. MIROSH: Mr. Speaker, I've had the opportunity to review the practices, and I am certain that the practices have been followed, that the procedure has been followed. I'm satisfied that all is normal.

MR. SPEAKER: The hon. Member for Pincher Creek-Macleod.

### Timber Harvesting

MR. COUTTS: Thank you very much, Mr. Speaker. My question today is to the Minister of Environmental Protection. Given the high level of not only public interest but industry concern and indeed concern demonstrated right here in this Assembly as it applies to the issue of timber harvesting on private land, is the minister aware of recent initiatives by the municipal district of Pincher Creek to manage this activity on land within their jurisdiction?

MR. SPEAKER: The hon. Minister of Environmental Protection.

MR. EVANS: Thank you, Mr. Speaker. Well, in point of fact, the initiative that's been taken by the municipal district of Pincher Creek is a real success story in this province, and I hope it's going to be copied by a number of other municipalities in the future. What they have done is change their land use bylaw, which they have the authority to do certainly, by incorporating a set of timber harvesting practices into that bylaw. Now, they did that by involving a number of stakeholders, including forestry companies in British Columbia and Alberta and the United States, environmental organizations down in the Crownsnest Pass and the Pincher Creek area, local municipal officials, and our staff in Environmental Protection as well. They've put this into effect. It is now the norm for practices on private lands in terms of forestry harvesting in the MD of Pincher Creek. There have been harvesting practices undertaken pursuant to these guidelines, and the results are very, very satisfactory, exactly what we're trying to promote at the provincial level on our Crown land.

MR. SPEAKER: Supplemental question.

MR. COUTTS: Thank you very much, Mr. Speaker. How does this initiative by the municipal district of Pincher Creek impact the actions being taken by Alberta Environmental Protection to address the issue of private-land logging in Alberta?

MR. EVANS: Well, the issue of logging off private lands in this province has become more and more focused as the prices of sawlogs go up, Mr. Speaker, particularly given that in British Columbia there just isn't enough sawlog fibre available for all of the companies that are operating.

What is happening down in Pincher Creek is really complementary to what we are trying to do in Environmental Protection. We are trying to encourage a private woodlot system in this province, making sure that individual property owners are aware of the benefits of sustainable and environmentally sensitive harvesting practices. We are going to continue, of course, making checks at all of our border points to ensure that the logs that are being exported out of our province are indeed from private landowners and not from our Crown lands. The voluntary process that our forest industry in Alberta through forest care has taken on, again being very, very accountable and environmentally sensitive on private lands, is again a complement to what is happening down in the MD of Pincher Creek.

MR. SPEAKER: Final supplemental.

MR. COUTTS: Thank you, Mr. Speaker. Can other municipalities, then, and authorities in Alberta take action under their own land use bylaws to regulate timber harvesting on private land?

MR. EVANS: I don't think there's any doubt that the Planning Act of Alberta gives municipalities the authority to make changes to their land use bylaws when we are talking about change of use or more intensive use of land. So indeed there is an opportunity for other municipalities in this province to be just as progressive as the MD of Pincher Creek, and I hope that some of those locally elected officials will be watching question period and will take some interest in what's happening down in Pincher Creek.

### Alberta Research Council

*(continued)*

MR. GERMAIN: Mr. Speaker, Albertans pay a lot of money for government supervision of the Alberta Research Council: the minister, \$19,000 extra; the Member for Cypress-Medicine Hat, \$14,000 extra. They have a paid president. They have a paid board of directors. My question to the minister in charge of the Alberta Research Council: will she recommend to her cabinet colleagues that she consolidate the role of chairman and minister in charge into only one paid position?

MRS. MIROSH: Mr. Speaker, I think all those people are worth their money.

MR. GERMAIN: Mr. Speaker, even I'm at a loss for words. [interjection] I thank him for reminding me.

Then to the Provincial Treasurer: as a cost-saving essential step, will he recommend to his colleagues that they consolidate these two figurehead positions?

MR. DINNING: Well, Mr. Speaker, the one thing I can advise the Assembly – and I know my colleague the Deputy Premier

would want me to advise the Assembly of this – is that the Premier's Council on Science and Technology is going through exactly this kind of a co-ordination exercise and that we in this government believe that government supported research should be focused on ensuring that we get the best value for our money and that it is focused on getting a good maximum return for Alberta industry so that they can invest using that new technology that has been developed through our research. I think that there will be good news down the road in telling Albertans about a different, a better approach to co-ordinating our research in this province so that we get good value for the taxpayers' dollar.

MR. SPEAKER: Final supplemental.

MR. GERMAIN: Thank you. To the minister in charge: isn't it in fact the case that you've already taken over as spokesman for the Alberta Research Council, superseding the Member for Cypress-Medicine Hat?

MRS. MIROSH: Mr. Speaker, we work well together. I believe I have to remind the member opposite that we plan on creating a hundred million dollars worth of wealth in this province, and it takes qualified people to do that. We will continue to create jobs and create wealth.

MR. SPEAKER: The hon. Member for Highwood.

### Family and Community Support Services

MR. TANNAS: Thank you, Mr. Speaker. My question today is for the Minister of Family and Social Services. A well-known and respected member of this Assembly has described the Family and Community Support Services Act as the most progressive piece of social legislation in North America, a view in which I concur. However, the past few months have seen announcements of a 5 percent reduction, a change of funding departments, and a new reduction amounting to a threshold of about 14 percent. Can the Minister of Family and Social Services explain why we now have a \$2.8 million new grant for FCSS?

MR. SPEAKER: The hon. Minister of Family and Social Services.

MR. CARDINAL: Thank you very much, Mr. Speaker. I wanted to make sure that the transition from my department to Municipal Affairs under unconditional grants was smooth. That is the reason that we made these changes. There were a number of factors that came into play during the process of the final transfer, including population growth in some municipalities and of course underusage by some municipalities. Some of the municipalities of course would have been faced with more than the 5 percent that was planned in the three-year plan, where we would reduce 5 percent each year for three years. In fact, the city of Calgary and the city of Edmonton were closer to 14 percent, and it was never the intention of this minister to do that.

By giving the municipalities this onetime grant, we will ensure that municipalities will be closer to the 5 percent we had planned, because they have developed their budgets based on what we have promised them. That is why we've done that. I've always indicated that we will carefully review the social programs that assist the high-needs areas of our province. In this particular case this is what's happened. In fact, this year alone I've transferred closer to \$100 million into the high-needs area, and I will continue to do that.

2:00

MR. TANNAS: Mr. Speaker, my supplemental question is to the Minister of Municipal Affairs. Can the minister assure me that this event or any other circumstance will not in any way preclude communities from accessing federal funding under the Canada assistance plan?

DR. WEST: Mr. Speaker, we have looked at this program and acknowledged that it's going into an unconditional pool but that some communities and municipalities would like a more definitive direction. So as of April 1, 1994, the funding for FCSS will be identified as a component of that unconditional grant, but municipalities have two options.

Option one. The municipality can collect the grant component unconditionally and use the money to support FCSS projects or other priorities of the municipalities. The municipality must advise Alberta Municipal Affairs how the funds are spent, but it will not be necessary to meet the current FCSS program requirements for cost sharing, financial reporting, et cetera.

Option two. The municipality can sign a family and community support services agreement with Alberta Municipal Affairs for the '94-95 budget year. In this case the FCSS component becomes conditional, and all existing FCSS requirements must be met. However, the municipality will not receive additional provincial dollars for the FCSS program. Therefore, this option will be of particular interest to municipalities contributing more than the required 20 percent FCSS share and who want to recover federal dollars for the additional contribution under the Canada assistance plan.

Mr. Speaker, I'd like to table this also with the House so it's a matter of record.

MR. TANNAS: Mr. Speaker, with your indulgence I'd like to ask my final supplemental of the Minister of Family and Social Services. To the minister: what set of circumstances or consultations led to this welcome change?

MR. CARDINAL: Mr. Speaker, as you're aware, the FCSS programs were always designed and prioritized at the local level. The budgets were set at local levels, the municipalities. That will continue.

In relation directly to the question, as a former municipal councillor of close to 10 years who served about the same amount of time on an FCSS board, I do maintain a very close contact with those people that are interested in it. I did receive a number of phone calls advising me of the potential problems. We will continue doing that consulting with groups like that.

MR. SPEAKER: The hon. Member for Edmonton-Mill Woods.

#### Northern Alberta Institute of Technology

DR. MASSEY: Thank you, Mr. Speaker. The Tory turmoil continues at NAIT and now is surfacing at Lethbridge Community College. This time the minister's chair at NAIT has taken away the vote on budget and staffing matters from two duly appointed staff representatives. These two governors and the people they represent are outraged. I'd like to file if I could four copies of documentation related to this misgovernance. Will the Minister of Advanced Education clarify: is the chair at NAIT following a new government policy, or is this the usual patronage bullying where individuals act without authority?

MR. ADY: Mr. Speaker, I of course am not present at board meetings at the institutions. The board chairmen have responsibil-

ity to administer their affairs in conjunction with the administration there. They have the ability within their jurisdiction to strike subcommittees, to study various options that are before the board, and I'm assuming that this may have taken place in this circumstance.

MR. SPEAKER: Supplemental question.

DR. MASSEY: Thank you, Mr. Speaker. When will the minister respond to the concerns of these staff members as requested in their letter of February 17?

MR. ADY: Mr. Speaker, I have received the letter the hon. member refers to, and I will be responding to it in the next short time.

MR. SPEAKER: Final supplemental.

DR. MASSEY: Thank you, Mr. Speaker. Will the letter outline how duly elected governors can have input into the governance of those institutions?

MR. ADY: Mr. Speaker, I'm not sure of what the hon. member is getting to when we're talking about duly elected members by the board of governors unless he means those who are appointed by the faculty being elected by their peers. I have to assume that's his reference. Certainly the board of governors are required to act within the bounds of the institutes Act, and I anticipate that they'll move forward to do that.

MR. SPEAKER: The hon. Member for Calgary-Cross.

#### Family Violence

MRS. FRITZ: Thank you, Mr. Speaker. The Canadian Centre for Justice Statistics has just released information on wife assault which restates the disturbing picture of the extent of violence against women. In Calgary 25 percent of the women accessing emergency shelters are native. Recognizing the urgency and special needs of native women in crisis situations, representatives of this community have worked hard to raise money for a native women's shelter. Will the Minister of Family and Social Services comment on how the operating money to this important facility will be allocated?

MR. SPEAKER: The hon. Minister of Family and Social Services.

MR. CARDINAL: Thank you, Mr. Speaker. The government of Alberta of course recognizes its responsibilities and has in the past acted in many ways to assist in dealing with this unfortunate problem. In Family and Social Services the office for the prevention of family violence dedicates close to 93 percent of the \$7 million to fund various programs including 17 shelters, six rural family violence prevention centres, and one second-stage centre. In this particular case, even with the reductions in the budget this particular area was untouched.

MR. SPEAKER: Supplemental question.

MRS. FRITZ: Thank you, Mr. Speaker. We know that women in immediate danger, who have left their homes in fear, have some place to go for shelter, but I don't believe that this solution is enough. It simply puts a band-aid on the symptom, and it doesn't address the cause.

MRS. SOETAERT: Question.

MRS. FRITZ: There is a question, Colleen. How, Mr. Minister, will you address the cause?

MR. SPEAKER: The hon. minister.

MR. CARDINAL: Thank you, Mr. Speaker. Of course, we all know prevention begins with education. In Alberta we have set up the office of the prevention of family violence to take a leading role in basically working towards breaking the cycle that's out there. This office of course researches, consults, works with community groups, and also leads workshops to deal with that particular issue. The office of the prevention of family violence is unique in Canada, and I believe Alberta is the model for this particular type of program. But there are also other avenues now I believe that groups out there are looking at, and those are programs under Brighter Futures. I look forward to working with our federal colleagues along with community groups in that particular area to continue providing the needed dollars for these high-needs areas.

MR. SPEAKER: Final supplemental.

MRS. FRITZ: Thank you, Mr. Speaker. Government alone cannot stop violence against women.

MR. SPEAKER: No preambles.

MRS. FRITZ: My supplementary is to the minister responsible for women's issues. What are you doing, Mr. Minister, to encourage communities and individuals to become involved in stopping violence against women that's highlighted in this new study?

MR. MAR: Mr. Speaker, every woman has the right to feel safe in her home and on the street. This government has and will continue to place a high priority on the elimination of violence. We all have a role as individuals, including the members who sit in this Legislature, to address the issue. As communities and as government we have responsibilities to ensure that we do not tolerate this kind of violence.

**2:10**

Last week I announced the appointment of Marilyn Fleger as the chairperson of the Alberta Advisory Council on Women's Issues. For the past ten years Ms Fleger has worked in the area of violence against women, and most recently she served as the provincial co-ordinator of the Alberta Council of Women's Shelters.

Mr. Speaker, to discuss the magnitude of this problem and what the community efforts have been, certainly both the city of Calgary and the city of Edmonton have established standing committees to deal with the issue of violence against women. The ADT alarm program for woman at risk of assault is available in the cities of Calgary, Edmonton, and recently in Sherwood Park. The Body Shop Canada, the YWCA, and the Canadian Women's Foundation are partners in a nationwide campaign that began this month. So certainly government has recognized the responsibility, and certainly the responsibility has also been taken up by individuals and corporations within the community to address this issue.

MR. SPEAKER: The hon. Member for Calgary-Buffalo.

### Kerby Centre

MR. DICKSON: Thank you, Mr. Speaker. The Kerby Centre in the city of Calgary involves some 750 volunteers, and those volunteers have raised privately more than \$600,000 to run 120 programs for seniors in Calgary and southern Alberta. As a consequence of reductions in funding to the city of Calgary, the future of the Kerby Centre is now in question. I put this question to the hon. Minister of Community Development: why is the government abandoning seniors in the city of Calgary and southern Alberta in this fashion?

MR. MAR: Mr. Speaker, the government of Alberta has done a great deal to assist seniors in the province of Alberta, and there's no doubt about the fact that the Kerby Centre does outstanding work within the city of Calgary. The funding for the Kerby Centre does not come from my department, but we have provided assistance for senior's organizations throughout the province of Alberta, particularly in regards to the consultation process that we're going through right now. We have had consultations with the seniors at the Kerby Centre and at many, many other places throughout the province of Alberta to find out from seniors how best we can serve their needs.

MR. SPEAKER: Supplemental question.

MR. DICKSON: Thank you, Mr. Speaker. I wonder what steps this minister as the minister responsible for seniors generally will take to address the immediate concerns of the executive of the Kerby Centre.

MR. MAR: Mr. Speaker, the members of the executive from the Kerby Centre have not addressed those concerns with me, and I would invite them to do so.

MR. SPEAKER: Final supplemental?

MR. DICKSON: No. Thank you.

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

### Unionized Labour

MR. HLADY: Thank you, Mr. Speaker. The next step of this government, as I've mentioned before in this House, is to get this economy going. One of the major parts is that international investors are concerned about investing in Alberta in regards to the labour situation and unions. To the Minister of Labour: is the rate of unionization in Alberta a deterrent to businesses or investors coming to this province?

MR. DAY: I've never heard that it is, Mr. Speaker. There are approximately a million paid workers in Alberta. Just using rough figures, about 25 percent of those, about 250,000, would be unionized. Of that 250,000 about 70 percent of those would be public sector and about 20-some percent would be private sector. If anybody thinks I've missed the math there, there's about 10 percent that are under federal legislation. So that rate compared to other Canadian provinces, if it's not the lowest rate of unionization, is one of the lowest rates of unionization in the country.

MR. HLADY: My first supplemental: are there clear steps a business owner can take to determine whether that business can operate union free?

MR. DAY: We have very clear labour legislation guidelines here in the province, and any of the officials either from the Department of Labour or economic development and trade will be more than happy to discuss with possible investors what our labour legislation is, what it entails. As a matter of fact, we'd be happy to do that because it's a very good record and one which is of interest to investors.

MR. HLADY: Most of the international money would be looking at large investments, some on a smaller scale. On large industrial sites can the quality of work be measured to determine whether non-unionized workers are provided the same quality of work as unionized workers?

MR. DAY: When we're talking about large industrialized sites, there are a lot of provisions in place that aren't even necessarily tied into a collective agreement. The safety provisions alone and the work conditions that are laid out, be it unionized or non-unionized, are roughly comparable, and I think you'd find those conditions to be roughly the same. Certainly the safety standards and the health standards would definitely be equal.

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

#### Work Force Adjustment Programs

MS LEIBOVICI: Thank you, Mr. Speaker. Older people who are losing their jobs have less chance of re-employment. Long-term unemployment and social assistance are the future for many of these older workers. This government has made a commitment to work force adjustment strategies but is abandoning older workers. It's even refused to participate in the federal program for older workers adjustment. My questions are to the Minister of Labour. What specific provincial programs are available for older workers?

MR. DAY: Mr. Speaker, we value all workers in Alberta, and we have never come to a conclusion or would even suggest in a paternalistic or patronizing kind of way that somebody's age is going to be a factor in determining their work ability. That's why we make our programs available to all Alberta workers.

As a matter of fact, the member opposite mentioned a particular program offered by the federal government, and it was her party that was pushing us to cave in on an agreement that we had never even bought into. We had said it was B.C.'s responsibility and the federal government's responsibility. As it ended up, we were in fact proven to be right, and the province of British Columbia and the federal government have honoured their involvement in that particular program, as we had said all along was the correct way for it to be done.

MS LEIBOVICI: To set the record straight, we were asking that this government engage in the program for older workers adjustment for other workers.

As the first answer from the minister was inadequate, my second question is: has the minister allocated specific funds for the retraining and/or redeployment of older workers in this province?

MR. DAY: Well, I don't know if I could draw pictures for the member to make it more understandable. I said: we value all workers; we do not discriminate based on age. We are absolutely convinced – and we see it happen – that people can be retrained and they are willing to learn. That's one thing about Alberta workers, especially older workers: they are willing to learn. They don't want to be put on passive programs, passive programs

like the Liberals wanted us to buy into, which assume that some people can no longer be effective because they're a little older than others. We don't operate that way.

MS LEIBOVICI: It's unfortunate that this government's policies have forced older workers to eat up their life's savings and go on social assistance. Let's get the picture straight. When are you at least going to get your act together and join the POWA program?

MR. DAY: Well, Mr. Speaker, whenever you're losing an argument, raise your voice, get shrill, and try and deflect from the reality of it. I can tell you very clearly that when their federal cousin Mr. Chrétien was here not too many days ago, he said that as the government reduces spending, workers are put onto the UI rolls. In fact, as he was saying that, the UI statistics were there; they were available. The UI stats were going down; unemployment was going down. I think our policies are proving to be right.

MR. SPEAKER: The hon. Member for Calgary-Varsity.

#### Provincial Credit Rating

MR. SMITH: Thank you, Mr. Speaker. It's always interesting to take a moment in this House and speak about a rare resource, and that's taxpayers' money. Following up on the Provincial Treasurer's trip last week to New York, can the minister inform us if the rating agencies have indeed come back with any concrete information that could help our weekend?

MR. DINNING: Well, Mr. Speaker, I can report to the Assembly. As I came into the Assembly this afternoon, I received notice from Moody's rating agency, and I will file with the Assembly copies of the wire copy of the report. Moody's has confirmed Alberta's double A credit rating, and it says – I can see the glum faces of my colleagues across the way. They've confirmed the rating, and it reflects the fact that the province has a

sustained commitment to eliminate its budgetary imbalance . . . The existence of a business plan outlining multi-year and detailed spending targets for the government sector adds comfort to the feasibility of the plan.

And finally they say:

The progress anticipated on the budgetary front should produce a sizable curtailment in new borrowing requirements and, therefore, lay the foundation for an improvement in the overall debt profile of the province over the medium term.

So, Mr. Speaker, you can see and members of the Assembly can see that an agency watching us from afar, judging our actions has confidence in this government's, in this province's ability to get its financial house in order.

2:20

MR. CHADI: Hey, Murray, ask him if they discussed the possibility of increasing taxes.

MR. SPEAKER: Order. Order.  
Supplemental question.

MR. SMITH: Mr. Speaker, you always get interruptions when you talk about taxpayers' money, because that's what we're interested in.

In detail, Mr. Speaker, how will this advice from Moody's affect the province's borrowing requirements for this year?

MR. DINNING: Well, Mr. Speaker, it's interesting that the hon. member would ask that question, because it's outlined on pages 58

and 59 of the budgetary plan. We have spelled out there, for the first time, a description of our outstanding debt as well as our borrowing requirements and the borrowing activity of '93-94. As this chart shows, our borrowing requirements for our cash requirements for 1994-95 will be in the order of about \$1.9 billion as well as maturities and redemptions of external term debt of some \$1.3 billion. That's a total borrowing requirement of about \$3.2 billion.

If Albertans could think of that in terms of maintaining this credit rating and thinking of it in terms of one-tenth of 1 percent. Say that we are able to enjoy a better borrowing rate of some one-tenth of 1 percent. That's a sum of nearly \$3.2 million every year, say for 10 years, nearly \$30 million to \$35 million in savings to the Alberta taxpayer, Mr. Speaker. Responsible fiscal management by this government means that others will have confidence in us so that we borrow at a lower borrowing rate.

MR. SPEAKER: Final supplemental.

MR. SMITH: Thank you, Mr. Speaker. I would like to know how the bond rating agencies reacted to the very first presentation of a three-year business plan tabled by a government, as opposed to only annual plans tabled by other governments.

MR. DINNING: Mr. Speaker, in fact, a number of them said that they had never seen a plan that was as conclusive, as comprehensive, and as detailed as the one that we provided. I'd remind the hon. members again that what Moody's has said today is:

The existence of a business plan outlining multi-year and detailed spending targets for the government sector adds comfort to the feasibility of the [government's] plan.

MR. SPEAKER: The hon. Member for Edmonton-Manning.

#### **Social Assistance Policy**

MR. SEKULIC: Thank you, Mr. Speaker. Today's FCSS announcement indicates that the Minister of Family and Social Services has finally initiated positive change. He's correcting some of his earlier mistakes. Now hopefully he can assist unemployed Alberta clients access some of those 110,000 jobs that the Premier promised them. My questions are to the Minister of Family and Social Services. Mr. Minister, why does your department, in co-operation with the Department of Advanced Ed and Career Development, continue training clients for a disappearing job market when every study on the future labour force, including your own, indicates that low skill jobs will all but disappear by the year 2000?

MR. CARDINAL: Mr. Speaker, one good alternative – that's the Liberal alternative – was to leave them on welfare.

The welfare reforms have a plan. Specifically in training programs and short-term job creation programs, because of the successful rate of the reforms, we've redirected close to a hundred million dollars, Mr. Speaker. A portion of that, of course, is to finance over 8,000 former welfare clients now attending school. Albertans realize that we are serious when we are trying to help a lot of our former clients get back into training and back into the work force. In fact, the dollars provided now are 30 percent higher than the rates that were provided last year if you are on social assistance.

MR. SPEAKER: Supplemental question.

MR. SEKULIC: Thank you. Can the minister tell the Assembly: what is the magic behind these six-month temporary employment

programs, or is this period just long enough to up-load costs to the federal UIC program and still the same taxpayer? There are no savings there.

MR. CARDINAL: There is no magic, Mr. Speaker. Ideally we would like to see all Albertans have a job in private industry. That is our number one goal. In northern Alberta, for an example, we have waited 40 years for all the jobs to be there, and there are pockets of areas that may never have full employment, so we do have to develop innovative alternatives to assist these people, to fill that gap. That is why some temporary employment programs are created: to fill that transitional period.

If a six-month time line is a problem, then this minister is willing to look at that very carefully.

MR. SPEAKER: Final supplemental.

MR. SEKULIC: Thank you, Mr. Speaker. Can the minister tell Albertans and this Assembly where his initiatives have placed 60,000 Albertans who have been kicked off assistance? To date he has publicly accounted for less than 20,000. There are 40,000 unaccounted for.

MR. CARDINAL: Mr. Speaker, we do have, for an example, a monthly turnover in caseload of close to 10,000. Therefore it would be almost impossible to put a tracer on everyone that opens a file and closes a file. Number one, that is not what the clients want. Once the files are closed, the client does not want us to continue following them. That is one point.

The other point is that we are optimistic that a lot of the clients that have moved off our welfare rates are now employed. I have proof across northern Alberta, for an example, talking to small businesses that have hired former welfare clients. Because of the positive changes we've made, the clients are happy, small business is happy, and there's a saving for the taxpayers.

head: **Members' Statements**

MR. SPEAKER: The hon. Member for Innisfail-Sylvan Lake.

#### **Senior Citizens' Programs**

MR. SEVERTSON: Thank you, Mr. Speaker. Seniors across Alberta have played a strong leadership role in charting Alberta's history. It is their pioneering spirit and hard work that has made Alberta the best place in the world to live. Despite the many hardships they faced, they rose to the challenge and created a better future for all Albertans: for themselves and especially for their children and grandchildren. Recently many seniors are saying that they want to rise once again to the challenge of the day: fiscal restraint.

Some people say that it's human nature to always want more, not less. However, it is also human nature to want to take care of the next generation. I hear many seniors saying that they accept that changes must happen because they know the results will be a more prosperous legacy for their children and grandchildren.

The introduction of income testing for health care premiums for seniors has received a lot of attention. We look at that in the broad picture, and we see that this is a fair decision. Income testing is an excellent way of ensuring that those who cannot afford to pay are still covered by health care, while those who can, do. Overall, the changes mean that more than half of Alberta's seniors will not pay Alberta health care premiums. A less-known fact is that approximately 35 percent of the lower income seniors will receive greater cash benefits than under the old existing plan.

Seniors know that the status quo can no longer continue for many of them. They have told me that they're happy to finally see a government that is not going to pass on the problem to the next generation.

Thank you.

MR. SPEAKER: The hon. Member for Edmonton-Rutherford.

### Consumer Protection

MR. WICKMAN: Thank you, Mr. Speaker. I want to talk a bit today about consumer affairs, and I would hope that the minister responsible for consumer affairs has the opportunity to read *Hansard*.

I raised in question period the other day a reference to consumer affairs and lack of protection even in debt. I was getting specifically at a case that was aired on CFRN TV, where a person consulting with a director of a funeral home was arranging services and was told that because the person who was going to be cremated was 160 pounds, a larger urn would be needed and that if the deal wasn't signed right away, prices went up by midnight.

There are many abuses there. There are many abuses, obviously, in the car lot business, some aspects of it. We've seen that on CFRN TV. The previous one was on CBC TV.

2:30

We've seen in the past a minister that was here prior that was very, very conscientious about the need for protection for consumers and did many, many worthwhile things. I think every member in this House had a great deal of respect for that former minister responsible for portfolio affairs. The member now responsible tends to have a whole different type of philosophy, a philosophy that is basically "buyer beware," with absolutely no protection at all. I think, Mr. Speaker, that is wrong. I think people in Alberta deserve some protection from those that will take advantage of others, and there are those like that out there that will do that. I would hope that this minister, upon the direction of his colleagues, will ensure that proper protection is afforded to consumers, the type of protection that they deserve and need.

MR. SPEAKER: The hon. Member for Medicine Hat.

### Private Seedling Operations

MR. RENNER: Thank you, Mr. Speaker. I would like to bring to the attention of the House a success story from southern Alberta. Four years ago three growers in the Medicine Hat area entered into a program developed by Alberta Environmental Protection to grow seedlings for reforestation. Demand for seedlings in the province had increased, and rather than expand the public nurseries, it was decided that we should work to promote private enterprise. The program involved the tendering and issuing of development contracts to encourage new and existing greenhouses to enter into the business of supplying seedlings for the forestry industry. The government also acted as a facilitator in this process by providing an experienced grower from the province's Pine Ridge nursery to advise these new operations in all aspects of the seedling growing business.

Since the inception of this program the seedling operations in the Medicine Hat area have performed remarkably well. Last year they produced 3 and a half million seedlings to be planted in Alberta, and this year production has increased to 9 million seedlings. Of these, 80 percent have been sold directly to the

forestry industry, and only 20 percent have been sold to the government of Alberta.

There are a number of factors that make these businesses so successful. To begin with, they are experienced growers using quality constructed greenhouses, and they are open to alternative products and opportunities. They are also aided to a certain extent by the relatively low gas prices in southern Alberta. Most importantly, though, they benefit from the climate of southern Alberta, capitalizing on another Alberta advantage. Seedlings grown in southern Alberta are acclimatized to the conditions of the province and are easily hardened off before they are transplanted. This makes the transition from greenhouse to natural environment much easier than for the seedlings imported from other provinces.

This program is an example of how the government can foster the growth of small business in this province and the success of Albertans who are willing to show initiative. With the help of the department of the environment, these seedling growers have found a niche in the market. We provided the opportunity; they put the hard work in and made it successful.

### Projected Government Business

MR. MITCHELL: Mr. Speaker, we want to know what's happening next week, and we'd like to know right now.

MR. EVANS: Well, I would have been fairly slow to my feet, Mr. Speaker, but I've been admonished, so I'm up.

We're very pleased to identify projected government business for next week. Starting on Monday, March 21, in the afternoon, Government Bills and Orders for second reading is projected to be Bills 5 and 14, and then Committee of the Whole on Bills 2 and 4. In the evening, the Committee of Supply, the Department of Economic Development and Tourism. Mr. Speaker, if time permits, we'd be hopefully moving along with Committee of the Whole and/or some other third readings. Quite frankly, that same process may continue as the week goes on. I should mention as well for that evening that we would intend to go to third reading on Bill 10.

On Tuesday, March 22, whatever second readings are still outstanding at that point, Committee of the Whole as per the Order Paper, and in the evening, Committee of Supply, the Department of Energy, followed by the Committee of the Whole again as per the Order Paper.

Wednesday in the evening, the Committee of Supply, the Department of Labour, and continuing with the Committee of the Whole as per the Order Paper.

Then on Thursday I understand that we will be moving to the Department of Transportation and Utilities.

I certainly hope that the hon. member opposite, the House leader for the Liberal Party, is satisfied with the speed with which I've given that brief report.

### Speaker's Ruling Question Period Practices

MR. SPEAKER: The Chair would like to take this opportunity to pay a compliment to the Assembly today, because the Chair feels that great improvement has been made over the last couple of weeks. Today hon. members will be happy to know that there was only one member left, who was a latecomer to express interest in question period, who did not get accommodated. So the Chair is very appreciative of this, and it just shows what can be done if all hon. members put their minds to it.

### Speaker's Ruling Anticipation

MR. SPEAKER: The Chair did notice that the hon. Member for Edmonton-McClung sort of indicated that he might have a point of order. In anticipation of the hon. Opposition House Leader's point of order the Chair would point out that the question asked by the hon. Member for Calgary-Varsity started off by asking the Provincial Treasurer for a report on the results of his trip to New York City. The Chair did not think that was in breach of the rule against anticipation, but unfortunately sometimes the answers to questions can then lead to some complaints in the Assembly. The Chair assumes that that's what the hon. . . . [interjections] Oh, it isn't. Well, in any event, he shouldn't have done that.

The Chair had better stop speaking and recognize the hon. Opposition House Leader for his point of order.

### Point of Order Ministerial Statements in Question Period

MR. MITCHELL: It wasn't really my point of order, but now that you mention it, it was a great one, Mr. Speaker.

I rose on a point of order under 409(12) of *Beauchesne* and it relates to – well, first of all, I'd like to say that I, too, am pleased with the progress that was made through the questioners' list today. However, there is always room for improvement, and I think today there was evidence of room for more improvement. Under Standing Order 7(1), which relates to Orders of the Day, it is very clearly specified that ministers have a place prior to question period to make all the ministerial statements that their hearts would desire. Today, instead, we saw three occasions in question period where private members of the Conservative caucus asked questions which appeared to set up what would more appropriately be a ministerial statement than an answer to a question. The minister responsible for seniors had a prepared statement. The minister responsible for Municipal Affairs had a prepared statement, which he literally read and then tabled in the House, and the Treasurer had a very interesting travelogue to lay out for us which would very, very well have lent itself to a ministerial statement.

What this kind of abuse of the rules of the House does is detract from question period, which is one of the most important features of holding a government accountable both by opposition members and by government private members. So we would simply ask, Mr. Speaker, that you be vigilant in watching that and that the ministers be vigilant in watching where they would more appropriately present a ministerial statement than try to construe such a statement as an answer to an obviously contrived question.

MR. SPEAKER: The hon. Government House Leader.

2:40

MR. DAY: Well, thank you, Mr. Speaker. First, I congratulate you for being persistent with us and reining us in. We're finally heeding your good advice, and we're trying to encourage the members opposite to behave themselves more. So it's beginning to improve, and we appreciate that.

*Beauchesne* is so clear in 414 and 416: no debate is allowed in terms of a type of question or an answer being out of order. These things are not items that an opposition member can stand and rise on. As a matter of fact, I'm sure, as you have indicated to us in the past, anybody who goes through the *Hansard* record will see that they make opposition statements as preambles to their questions, and it's very tough for you to rule on it, so we don't

shriek at that type of thing. I would expect that they also allow us time to give certain answers.

We always subject ourselves to your ruling. I hope you would see that indeed this is not a point of order.

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

MRS. HEWES: Thank you, Mr. Speaker. Just to add to some of the comments made by my colleague the hon. Member for Edmonton-McClung. I, too, as well as other members of this caucus noticed the preponderance of read messages from ministers today in the House, and that is not the first time it's happened.

Mr. Speaker, the tradition of this House is that ministerial statements – and we welcome them – are made from time to time on important issues and that the statement is circulated to the Leader of the Opposition, which gives the Leader of the Opposition an opportunity to make a statement in response. Very often these are statements simply reinforcing what the minister has said, but not always. If the process that we saw today is allowed to continue, that, I believe, would be a breach of the intent of ministerial statements with a response from the opposition, because when a backbench member asks a member of the cabinet and it elicits a statement from the minister, then of course the Leader of the Opposition doesn't have an opportunity to respond at all.

Mr. Speaker, I know you'll look carefully at this, because I believe that is not what is intended in ministerial statements, and I hope that will be corrected.

MR. SPEAKER: All the Chair would like to say is that the rules, as has been evidenced today, provide hon. members on both sides to get things off their chest with regard to procedures in the House. That's good that it's that way. The Chair would remind hon. members that we did make good headway today, but for a long time now we've left several members waiting, and there is still room for improvement. The Chair would only remind hon. members that brevity in both the questions and the answers is of great importance in *Beauchesne* 410 and in 417. "Answers to questions should be as brief as possible . . . and should not provoke debate." That is the corollary of the preambles being as informative and noninflammatory as possible that would then lead into a longer reply.

As the Chair has pointed out before, it takes two to tango, and it will require the co-operation of all members to repeat what we've done today on Monday. On occasions past when I've congratulated the Assembly on a good performance, the following day I've almost rued that action. In any event, hope springs eternal, and we hope that you all have a good weekend and in particular the hon. Member for Innisfail-Sylvan Lake who will be celebrating a rather significant birthday tomorrow.

head: **Orders of the Day**  
head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: Call the committee to order.

head: **Main Estimates 1994-95**

### Treasury

MR. CHAIRMAN: To begin this afternoon's consideration of these estimates, we'd call upon the hon. Provincial Treasurer. [some applause]

AN HON. MEMBER: There's a little applause for you.

MR. DINNING: Very little.

Good afternoon, Mr. Chairman. It is a pleasure for me to stand before the Assembly today for, I believe, the second time as the Provincial Treasurer to defend the estimates of the Department of the Treasury contained at page 281 of the government estimates book for '94-95, requesting the Assembly do grant authority for the expenditure of some \$49,748,000 on a net basis for the year beginning April 1, 1994.

I'm particularly pleased to see the ranks of the opposition filled to the brimming level here to talk about the exciting things that are going on within the Department of the Treasury and some of the exciting initiatives that we as a department are taking.

Mr. Chairman, just to advise the committee of the nature of the activities of the Department of the Treasury, we are in the business of collecting revenue primarily through taxation, primarily in the business of corporate income tax, the fuel tax, the tobacco tax, hotel room tax, pari-mutuel tax, insurance corporations tax, as well as the financial institutions tax. We're also in the business of operating a number of tax credits and grants and rebates and deductions listed in the following way: the small business deduction, the royalty tax credit and installments, the Indian tax exemption, manufacturing and processing profits deduction, the royalty tax deduction tax cost, the Alberta farm fuel distribution allowance, and the utility companies income tax rebates. In the financial operations side of the department we're also responsible for investment management of a rather significant portfolio, as well as managing the liability side of the government's portfolio, as well as the banking and cash management side, the risk management insurance, and of course the comprehensive operations of our comptroller's office.

2:50

As well, Mr. Chairman, on the budget side we're responsible for the operations of the budget bureau, which provides advice and counsel to the Treasurer and to all members of Treasury Board and, indeed, the Executive Council on the expenditure of funds as are laid out in the various estimates books that I filed in the Assembly on the 24th; as well as the tax and fiscal policy and the financial planning analysis of the department, that are essential in budget preparation, in quarterly reporting and accounting; as well as our borrowing and investment responsibilities across the province. As well, we're involved in the pensions administration side, responsible for the administration, under the direction of newly appointed, more independent pension boards, of the public service pension plan, the local authorities pension plan, the public service management pension plan, the universities academic pension plan, the special forces pension plan, and the provincial judges and masters in chambers pension plan.

Until this year we've been responsible for the Alberta farm fuel distribution allowance program, which is now coming under the responsibility of the minister responsible for agriculture. As well, we're involved with the farm credit stability program, the small business term assistance program, and of course the Alberta Municipal Financing Corporation. As well, the department is responsible for the regulation of credit unions and trust and loan corporations. As well, we're responsible, of course, for the management of the debt responsibilities and the debt servicing costs associated with the government's previous overspending, such that this year some little over \$1.4 billion will be devoted to paying the interest on the accumulated deficits, or the debt, or as Albertans would call it, the mortgage that has been accrued over the last number of years.

[Mr. Clegg in the Chair]

Two other areas, Mr. Chairman, that I would comment on include the Alberta Treasury Branches, which are not before this Assembly today seeking supply from the committee because the Treasury Branches operate as an arm's-length institution to the government and ask for and require no taxpayer funding. It hasn't since 1938, and in our view as a government it will not require that taxpayer funding. It received only some \$200,000 from the taxpayers of the province when it was established in 1938. Finally, I also serve as the minister responsible for the Alberta Securities Commission and their activities in regulating the securities markets of the province.

Mr. Chairman, that explains the responsibilities and activities of the department in a nutshell and justifies the request for some \$49,748,000, which is a considerable reduction, almost \$6 million, from the last year estimated forecast expenditure of some \$55,549,000.

Briefly, Mr. Chairman, in my duties and responsibilities as the Treasurer, not only in the Department of the Treasury but in preparing the annual budget and preparing the four-year fiscal plan with my colleagues in Treasury Board, cabinet, and within the government caucus – I know they are deeply interested in the activities of the department, and that's why I've got their attention totally, and they are gripped with anticipation for all the pearls that may drop.

One of the responsibilities I had in the last few days was to meet with investors, with investment institutions, and with the rating agencies in New York City. These people are influential in investors around the world making decisions about whether they will invest in Canadian securities and in Canadian debentures, and I can report to the Assembly that there was considerable interest on the part of these institutions in the activities of the province and in the four-year plan that we spelled out as well as the three-year business plan. I know this is not the place to debate, perhaps, those sorts of things given that we're simply talking about the Treasury Department, but I think it only fair to advise the Assembly that in our objective to achieve a confirmation of a positive credit rating of double A with both Standard and Poor's and Moody's, I can report to the committee, as I did earlier in the Assembly, that the Moody's rating agency has advised through the Dow-Jones service, the copy that I have before me today, that Moody's has

confirmed the double-A2 rating for the [province's] outstanding long term debt following the completion of a review which began last month with the release of the [February 24] budget.

Moody's, in confirming our rating, said that it reflected a number of credit considerations including

the province's sustained commitment to eliminate its budgetary imbalance, as demonstrated by the results of year one of its four-year . . . plan, and the new round of expenditure cuts in the 1994 budget.

They also commented on

the existence of a business plan outlining multi-year and detailed spending targets for the government sector [and that it] adds comfort to the feasibility of the plan.

I would be remiss, Mr. Chairman, if I didn't at this juncture heap praise and thanks to all of my colleagues who helped in the preparation of these business plans across government. It was an effort that was unparalleled, unequal to anything that this government or frankly any other government in this country has done in the last number of years: the involvement of caucus members, of consultants from outside, of businesspeople giving us their advice, and the involvement of hundreds of senior officials of the provincial government and the various government departments to

stretch their minds, to think ahead to the future, and come back to the core business of what this government really should be all about. I want to thank my colleagues here in the Assembly. I want to say a special word of thanks to the MLA for Calgary-Varsity for the work that he did in helping us to pull together the business plans in a consistent format and to synthesize the government's business down into its five core businesses. I do appreciate the hard work and time put into the exercise by the MLA for Calgary-Varsity.

Just going on, Mr. Chairman, Moody's also spoke of "political realities in Alberta" and that they "have often inhibited the introduction of tax measures as an option to improve the province's financial performance." They point out that "the current deficit elimination plan does not contemplate any tax increases." They're convinced. We have some work to do with the Liberals, but the rating agencies are convinced. They do acknowledge, as Premier Klein acknowledged hours, literally hours, in advance of the June 15 election, that

if support to the expenditure reduction initiatives was needed in order to secure a balanced budget . . . Moody's believes that some form of tax increases could . . . well take precedent over any delay in the elimination of the deficit.

That is what the Premier said 10 days before the election and two days before the election on June 15, 1993. It made the headlines in the newspapers. It was in the *Calgary Sun*. It was in the *Edmonton Sun*. It was spoken of. The facts were laid out honestly and on the table.

I should remind the committee today that the only party in this Chamber speaking of raising taxes is: which party? It is not the Alberta Progressive Conservative Party. It is the Alberta Liberal Party led by Laurence Decore and his dashing gang of deficit wimp-outs and of wannabe taxers. Mr. Chairman, I perish the thought that the responsibilities for Her Majesty's government would fall into the hands of these people who speak only of raising taxes and especially imposing a sales tax. That would be a sad day for the people of Alberta.

Mr. Chairman, I would also note that the Moody's rating agency spoke of:

The progress anticipated on the budgetary front should produce a sizable curtailment in new borrowing requirements and, therefore, lay the foundation for an improvement in the overall debt profile of the province over the medium term.

Mr. Chairman, I believe that these people and others in the days and weeks to come have seen and those others will see that we have taken the responsible steps to get our financial house in order and that the Treasury Department in a humble fashion has made a significant contribution to the achievement of that task.

**3:00**

I know that under the leadership of Premier Klein, my colleagues in the Department of the Treasury and I are proud to serve. A number of them are in the members' gallery today, and I want to pay a special tribute to Mr. Al O'Brien and Mr. Allister McPherson, both serving as deputy provincial treasurers, and a tremendous team of professionals that work with us to accomplish this task. I also benefit from an office of the Provincial Treasurer, the minister's office, with some incredibly talented people under the leadership of Paul Taylor. I know that members of this Assembly have benefited from his wisdom, sometimes sharp, incisive tongue, and clear wit and candour.

Mr. Chairman, I would be happy, having opened the debate about the details of the estimates, to hear comments from my learned professorial colleague from Edmonton-Whitemud and some of his sidekicks and certainly would welcome of course any of the rapt attention of my colleagues on this side of the House.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Thank you, hon. Provincial Treasurer. I'm sure the hon. Member for Edmonton-Whitemud is ready to praise you.

The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Deputy Chairman. Well, I'm glad that the Provincial Treasurer was so wide-ranging in his comments, because obviously since they were acceptable to the Chair, it allows us, then, the vehicle to pursue a wide range of interests related to business plans and the like, because they formed a significant portion of the Treasurer's remarks.

However, before I go into that, just as I attempted to correct the record about overexpenditures in previous years in the Department of Education's budget, the minister's budget, I just would like to fully quote the ratings news report from Moody's. They did note that:

Moody's believes that some form of tax increases could very well take precedent over any delay in the elimination of the deficit.

It's very clear, Mr. Deputy Chairman. They're concerned about slash-and-burn cuts. They're concerned about an effort that has just aggressively downsized the status quo without putting performance targets in place, without putting incentives in place to allow a more efficient delivery of government services. So I read this, and I think that they're alarmed, and they're concerned that this government may be forced to turn to taxes. They're concerned that this government, because of the ad hoc, across-the-board, lacking in priority method of expenditure reduction, may be forced to turn to taxes far sooner than if they had applied a method that employed prioritization of programs, a value-for-money audit approach, and the elimination of a lot of additional waste in expenditures, some of which we'll be coming to.

It is also interesting, Mr. Deputy Chairman, that the hon. Provincial Treasurer neglected to mention the fact that Moody's is really eagerly awaiting some announcement on the heritage savings trust fund review. We've all been awaiting that with rapt attention. Where is it? When will it be announced? What's its mandate? What's its scope? We're waiting, because the hon. Provincial Treasurer has assured us that there's been an expenditure allocation made for it. So we hope to see it announced soon. Certainly Moody's is waiting, and it sounds like the probationary double A that they gave us is contingent on some additional information about the assets and disposition of the heritage savings trust fund.

With those introductory comments, before I go into detail, let me table with the House something that the Provincial Treasurer might find really interesting reading. It's the strategic plan for the 1992-1998 period for the state of Texas with the appropriations Bill for Treasury for the state of Texas. I'd like to table that. It's really interesting reading. It's kept me up a number of nights, I might add, Mr. Deputy Chairman.

What is interesting is this. The government should be praised for moving towards setting out business plans. In fact, the document that they provide provides, in a sense, the structure. I would think you can sort of visualize yourself, when you look at this structure, as being like a forensic anthropologist. You have a skull in front of you, and somehow you have to visualize what it would look like in real life. So you've got to put the clay on, and you've got to put the eyes in, the hair on to see what it actually looks like, because all you have here is a skeleton without any of that detail: the colours, the eyes, anything that makes it really look as though it's fully developed. So we congratulate the hon. Provincial Treasurer for having the skeleton, but, Mr. Deputy Chairman, where's the meat? Where's the flesh? All

we've got is a bone, a skeleton. There are no performance measures given; there are no outcomes defined.

If you look, for example, at what Texas does – and there are, unlike what the hon. Provincial Treasurer has suggested, a number of states that do this, and what's more important is that these states provide specific benchmarks and targets in the appropriations Bill. Texas does it. If you look at table 3 – and I'll just give you a couple of quotes of what we mean – this is an appropriations Bill, and what it sets out are specific "output measures;" for example, the "number of investment transactions reconciled and balanced on [the] Treasury portfolio." They set out a "targeted performance" for 1994, the actual number they want to achieve, and they give you what they actually did achieve. They allow you to measure performance. They allow you to see: did the government spend its money wisely and actually achieve the target set out?

What we find in A Better Way is basically qualitative targets: good things, motherhood statements that nobody can quibble with. So this is the skeleton. It's the initial stage, but it certainly ought not to be the end of the line. I would really urge hon. members to look at this, because it sets out targets. I've only included the Treasury Department targets for Texas, because they're quantifiable in terms of what type of yield they want to achieve relative to the 10 highest-yielding funds. They ask: what is the return on the portfolio we want under our control relative to those assets managed by the private sector? That is set out as a quantifiable target, a prediction. They put their money where their mouth is. So we'd like to see that as we move down this route to actually having far more quantitative output measures, performance measures, in place.

Before I get into the details of the budget on a vote-by-vote basis, I would like to also address one more time, because it falls under Treasury, the issue of dedicated revenues and earmarking. I've said this before and I will say it again: I think there is a real flypaper effect with dedicated revenues, and if a department raises revenues, knows it has a monopoly in providing those services, it has no competition. Fees can be raised through orders in council. What will happen is that departments will always expand to absorb the available tax base. What we will see emerging through time is administrative bloat unless there are clear targets set out on a department-by-department basis about administrative overheads and clearly defined performance measures, because there will be departments – and I would hazard that Transportation and Utilities would be one of them, given that the budget there is approximately \$500 million and we'll be voting on the net estimates of \$18 million. The potential's there for significant efficiency problems in the absence of well-defined performance measures.

There is a flypaper effect in government. When money comes into a department, it generally stays there. It's stuck. So I'd much prefer to see the money go to the Treasurer's hands and then allocated on a basis of priorities determined by the Legislative Assembly. [interjection] I hate to say it, but I'd rather see that happen.

Now, I'd like to turn to some specific issues, Mr. Deputy Chairman – and we'll be coming back to these numbers again in another session, I'm sure – with regards to vote by vote. Program 1, departmental support services: the net operating expenditures for 1994-95 are \$3,797,000. This represents an increase of 5.3 percent, or \$193,000, over last year's comparable forecast. This certainly is inconsistent with the overall direction being taken in the department in 1994-95, in which net operating expenditures are projected to decline by 10 percent.

When I look at these numbers, I'm struck very much by something, which was so ludicrous, that I read in the paper today,

where a local government official said: we need more managers to look after fewer people. [interjection] It was the fire chief. That is an incredible statement: that you need more managers to look after fewer people. This was a local government.

3:10

MR. DINNING: Who said this?

DR. PERCY: The fire chief.

What do we see, Mr. Deputy Chairman, in Treasury? What do we see? We see a downsizing of the department in terms of its projections, a decline of 10 percent. Yet what do we see in program 1, departmental support services? We see the very administrative bloat that I warned you about. It's there now. Certainly, then, I'd like the minister to explain why he decided to increase departmental support services by 5.3 percent in 1994-95 in light of the direction he has taken in the department as a whole and what he's recommended for the government in its entirety. If you live by the sword, you die by the sword.

What are the benefits, results, outcomes, discernible performance measures that Albertans can expect that will justify this additional expenditure of \$193,000 in 1994-95? Can the minister explain why support services are only being reduced by 3.2 percent over the next three years, when the overall level of reduction within the department is 20.6 percent? This looks very much like the type of centralization and power grab that we're seeing in the education system, with all power coming into the dome. Now we see that all the power comes into the minister's office. What is the justification that the minister can provide to Albertans for reducing support services by only 3.2 percent over the next three years? These are the numbers in the budget and the projections. What specific performance measures and targets have been developed by the minister to evaluate the effectiveness of service delivery by support services that would justify this level of expenditures over the next three years? Where is the meat in the business plans in the department that has to set the example for government as a whole?

Can the minister provide a breakdown of program 1 by subvote: the Provincial Treasurer's office, Deputy Provincial Treasurer's office, administrative support, communications, and standing policy committee on financial planning for the fiscal years 1995-96 and '96-97? Can the Treasurer explain why his own office is subject to only a 2.6 percent reduction in 1994-95 when his department is taking a 13.4 percent reduction overall?

Again in terms of the issue of performance measures and business plans, which the Treasurer spoke to in his opening statements, can the Treasurer explain exactly what quality indicators have been established within his own office to measure performance in meeting the mandate? Certainly New Zealand, which has turned out to be a model in some instances for this government, in its treasury corporate plan sets out quality indicators for ministerial servicing; for example, the speed with which replies to ministerial correspondence and parliamentary questions are met. Certainly parliamentary questions we have a feel for on this side of the House.

Notwithstanding the superb professionalism of the staff of the Provincial Treasurer's office and the dedication to duty of the Deputy Provincial Treasurer, can the minister explain why the Deputy Provincial Treasurer's office is being increased by 4.6 percent over the previous year's forecast? What additional duties are being taken by the Provincial Treasurer's office, and what are the expected outputs and outcomes which justify the additional expenditure?

I'd like to jump ahead; I'll be coming back to this later. I certainly have a specific question on the revenue side of the

budget I'd like to get in place right now. This would come in under program . . .

MR. DINNING: Oh, God.

DR. PERCY: Yeah, there's more. It would be program 2, revenue collection and rebates. I would like to know if the Provincial Treasurer would tell us what would have happened in this budget year in terms of revenue projections on personal income had we not gone to an accrual system, as we did in the third quarter provincial update. To what extent, then, has the revenue forecast that we see here reflected accounting changes, the shift to accrual as opposed to what would have occurred under the previous regime? Just so we get a better handle on the impact of accrual accounting in that particular category.

Can the Treasurer comment on what steps he will be taking to address the recommendations of the Alberta Tax Reform Commission to phase out a variety of taxes? They point to the hotel room tax. Certainly the estimates include an item entry for the hotel room tax. We've had the recommendations of the Tax Reform Commission. What are the moves with regard to their recommendations on the tax side? Has the Treasurer considered the recommendation to redirect a portion of the annual \$25 million generated by the hotel room tax to the tourism industry to meet the target of \$4.4 billion in tourist revenues generated by the year 2000 and the creation of an additional 17,800 jobs by the year 1997, as is set out in their own document *Seizing Opportunity*? The tourism industry has very specific ideas of what they'd like to see done with the hotel room tax revenues. The government is aware of those recommendations, has received them through the Tax Reform Commission, has received them through other submissions to standing policy committees. So we would like to see to what extent they're going to be addressed.

Has the Treasurer considered a phaseout of the capital tax on financial institutions? It was interesting reading the Premier's presentation to the C.D. Howe Institute in Toronto where he said we had no capital tax. We do have a capital tax on financial institutions. We're one of the few provinces that do. To the extent then that we want to induce capital into this province, removing that tax on financial institutions makes a lot of sense, or making a level playing field by ensuring that all financial institutions in the province pay the comparable tax rate. Right now there's tremendous heterogeneity. When you look at the Treasury Branches: no tax. We look at the chartered banks, the tax that they paid, then a separate tax for the credit unions, which is higher than either in Saskatchewan or British Columbia. What is the Treasurer doing, then, to address those issues of a level playing field and to address the recommendations of the Alberta Tax Reform Commission as they pertain to these set of taxes?

In vote 2.0.2, the operations and audit. Can the Treasurer indicate the reasons behind the reduction in this area? Is this simply the result of the decision to have the federal government resume collection of corporate taxes effective January 1, 1995? What benchmarks for evaluating effectiveness have been established in this area? What is the percent accuracy rate of the reported amount of original audits? What is the estimated increase in the number of delinquent account closure rates per audit officer? What are the specific performance measures that the Provincial Treasurer is going to put in place in this particular program area? This is element detail that ought to be part of the business plans, but it's certainly not covered in the business plans and is relevant then to assessing the effectiveness with which Treasury will carry out its duties.

I'd like to turn to the issue of valuation adjustments, again an item that we always find of interest on this side of the House.

MR. DALLA-LONGA: Artistic.

DR. PERCY: Yeah. Creative accounting.

So I'm seeking a breakdown of valuation adjustments, obligations on the guarantee indemnities, and other provisions. Can the Treasurer provide a breakdown by component of \$120,800,000 in consolidated valuation adjustments and other provisions, as noted on page 43 of the 1994 Budget Address? Can the Treasurer provide a breakdown by component of the consolidated valuation adjustments and other provisions for the year 1995-96? It's \$99 million. In 1996-97 it's \$77 million, as noted on page 13 of the Budget Address. Can the Treasurer provide information on the terms and conditions of the contracts between the government of Alberta and Burns Fry relative to the search for a private-sector buyer for MagCan? This was a question asked in the House that just floated by, and we have not yet had a response as to the terms and conditions, and it clearly forms part of the expenditures of the government.

3:20

Will the Treasurer confirm that \$49 million outstanding on the guarantee provided to MagCan is contained within the \$274,323,000 estimated liability for principal and accrued interest, as noted on page 62 of the Budget Address?

Can the Treasurer explain the status of the \$700,000 loan guarantee provided to Nortech Surveys Inc., and can he explain why the outstanding balance on the bank loan facility appears on Nortech's own financial statements as \$111,000 yet appears in the province's book as a \$700,000 guarantee?

Can the Treasurer comment on the status of discussions between the government and Ridley Grain relative to the annual capital expenditures program for the terminal and future taxation issues of concern to the members of the consortium?

MR. DEPUTY CHAIRMAN: The hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Chairman. It is with pleasure that I rise to ask a few questions on this budget. The Treasurer in his opening comments talked about maintaining the credit rating, and I'm sure that he was very disappointed that it wasn't increased. After all, with all the hardship that he's causing this province, it's the least that could have happened.

I recall the initial comments that he made when the budget was first released. He talked about us being halfway there in his four-year plan. Let's see; the election was on June 15. We're about nine months into your mandate, and we're halfway through. I guess what he's saying then is that this budget he's come out with is already implemented and we're halfway through.

Now, a comment that keeps coming up is this comment about no tax increases. I really like this one: no tax increases. I got the dictionary, *Concise Oxford*. What does it say about taxes? It says, "Tax . . . Contribution levied on persons, property, or business, for support of government." I guess if we look at what's happening with all these fees, we could say that that's a contribution levied for support of government. If we keep increasing these fees, maybe we won't need any taxes. Now, there's a novel idea. I guess the thing that we keep losing sight of, or at least the members opposite lose sight of, is: how did we get ourselves into this mess? I recall back in 1988 reading excerpts from *Hansard* where the then hon. Treasurer laughed.

MR. DINNING: This one?

MR. DALLA-LONGA: The then hon. Treasurer – 1988. The Treasurer must pay attention here. This is important.

He laughed and said: there's no problem; we're going to hit – what was it? – \$24 a barrel for oil, or something. Forty dollars? I can't remember. Anyway, the hon. Leader of the Opposition constantly questioned him: you've got three or four deficits in a row; you can't continue on like this. Then there was the infamous \$33,000 surplus that we were going to have that turned into a \$2.4 billion deficit.

AN HON. MEMBER: How much?

MR. DALLA-LONGA: Two point four billion.

AN HON. MEMBER: Let's hear it again, Dan.

MR. DALLA-LONGA: Two point four and it's got a whole bunch of zeros behind it. [interjections] At least they're listening; they're paying attention.

Then there was the famous comment after the leadership convention that the Tories had. Do you remember who said: the deficit is manageable? It's manageable. Do you remember who said that? It was our hon. Premier. [interjection] Yes, it was our hon. Premier.

Now we find ourselves with a group across the way here that's so possessed with cutting that if somebody introduced the 10 commandments, they'd want to cut them down to eight. But to get them going, they had to have an example. They had to have something to go by. I don't have the real book. I've got just a copy here today; I forgot my book *Unfinished Business* by Sir Roger Douglas. They even had him in here, paid him some dollars, denied that they paid him. [interjection] It's probably through one of those. As a result of getting all that notoriety, now he's on the lecture circuit. You know, the members opposite come out with these phrases every once in a while like: don't blink. You know, I thought: gee, that was kind of interesting. I don't know what it means, but: don't blink. So we go to the 10 commandments. There are 10 commandments in this book too: "10 Principles for Politically Successful Structural Reform." I won't go through all of them because I know that the members opposite know what is in this book because they've each got their own copy.

AN HON. MEMBER: They had to memorize it.

MR. DALLA-LONGA: Yeah, and they go over them every day. "Speed is essential. It is almost impossible to go too fast." Number 8: "Don't blink." I was just going to jump around here. Number 6: "Let the dog see the rabbit." Now, is that the electorate out there? Are they the dog?

MR. DEPUTY CHAIRMAN: Hon. member, it's a nice speech you're giving. I really enjoy it, but let's get on to the votes. I mean, we're in estimates on the votes here, and you're . . . [interjections] Order. One member talked about something in Texas, and I don't know where you're at. Let's get to the votes here.

MR. DALLA-LONGA: We're in the estimates.

MR. DEPUTY CHAIRMAN: We certainly want to give some leeway, but I hope you're going to get into the votes. Can I say it that way?

MR. DALLA-LONGA: You just have to be patient. In my case I'm not saying it's impossible to go too fast.

Anyway, I think that this *Unfinished Business* should now be appropriately called: the Tory manifesto. They seem to be copying it just like lemmings. [interjections] What we've got to do is we've got to look at your plan. What ours is we'll let you know when it's time.

So, Mr. Chairman, I'd like to at your request go into a few things in the budget. I'd like to focus in on program 4 – I know I've got some notes here somewhere – dealing with regulation of securities markets.

AN HON. MEMBER: No plan, no notes.

MR. DALLA-LONGA: And no debt. [interjections] I'm sure they stayed awake at night, burning the midnight oil, trying to figure out how to blame that deficit on us, and at 18 bucks a barrel – what used to be 18 bucks a barrel – they just couldn't come up with a way.

3:30

Mr. Chairman, I'd like to talk about regulation of securities markets. In here we've got a reduction, in the brackets, called dedicated revenue, and I assume that that's where those fees are coming from. Could the Treasurer let us know what that dedicated revenue is for, where the revenues are going to come from, and provide us with a bit of a background?

As a matter of fact, while I'm on it, with those 80-plus new fees or fee increases, would it be possible to give us sort of a little bit of a breakdown of how much all these are going to generate?

MR. DINNING: It's right in there, Dan.

MR. DALLA-LONGA: No, I don't think it is.

MR. DINNING: Well, look.

MR. DALLA-LONGA: Well, then you can give it to me in your response after.

Okay. My first question is: can the Treasurer indicate what benchmarks have been established for the performance measures for the satisfaction of Albertans with balance between market access and investor protection? In other words, what benchmarks have we got that Albertans out there are going to be happy with getting access to our stock market that we've got and the protection that they're going to have? What is the government using as a benchmark? What benchmark is the government using in saying that they are going to be successful in preventing the number of financial failures of Alberta dealers?

Under the administration side – that's reference 4.0.3 – can the Treasurer explain the reason for the 21-plus percent increase in administration costs?

Under reference 4.0.5, market standards, can the Treasurer explain the reason for the increase there of almost 7 percent? If I could stop for a moment at 4.0.7, I wonder if I might be able to give the Treasurer some good advice. It's free advice too. The franchise analysis section here, the whole franchise area in this province is anything but an Alberta advantage. For a franchisor to set up in this province is a nightmare, and I think we're not getting all the business that we could in franchising.

MR. DINNING: Start again. I'm sorry.

MR. DALLA-LONGA: Read it in *Hansard*.

You know, if we keep talking about this Alberta advantage, we should look for opportunities where we can change things, and this is one area that can be changed. It is the most difficult area in this country to get a franchise. I think we should look at what the other provinces are doing and bring it more in line. If anything, maybe we can even make it easier.

Now, under 4.0.8, policy development, I wonder if the Treasurer could explain the reason for the increase there as well, almost 10 percent.

So I guess – yeah, those are all my comments on program 4.

I'd like to move on now to the business plans, if I may. You know, we talk about these business plans throughout this whole budget that came out and all the good things that are going to happen with these cutbacks. I'd like to quote from a quote made by Mike McCracken from Informetrica Limited. That's a reputable polling agency, not like that Yerxa outfit. He says that layoffs in the public sector could lop off one percentage point of the projections of Alberta's economic growth of 3.5 to 4.0 percent next year. He goes on to say that it will keep the employment rate from declining or at least from declining as much as it would have, and this will result in further loss of consumer confidence and reduced discretionary spending and declining public support. That's what we're talking about in terms of the method with which this government goes about bringing out these budgets. We're not talking about tax increases. That's just where the members opposite are trying to fear monger. No, we're not talking about tax increases. We're advocating a saner way of bringing these costs under control, the costs that, I might add, got out of control when the members opposite were in government.

I'd like to talk about comments that the Institute of Chartered Accountants had, another reputable organization, on this budget. I can't seem to find them. Anyway, we'll go on. I'll get to them later.

The problem I have with these business plans – and I've had experience in doing a few business plans – is these things are supposed to be a road map. What I see having happened with the business plans in this book and in particular the Treasury Department's business plan is a set of objectives, ideals, motherhood statements but no real meat in there as to how these things are going to happen. Now, I don't know if that's just in keeping with the government's traditional ways of wanting to try to keep the opposition in the dark or trying to keep Albertans in the dark, but a business plan should give more specifics.

I'm going to give you a couple of examples. Go to page 4. Okay? We talk about – and it's talked about in other places in this book – under the government:

The government's second fundamental commitment is to create an environment that will allow the private sector to create 110,000 new jobs for Albertans over the next four years.

Where? Where is this going to happen? I think the government has pretty much given up on this 110,000 figure. Maybe it's 90,000 now, but where is it going to be? Twenty thousand in the oil and gas industry and so many thousand here? How is that going to happen? Is it going to be industry itself that creates these jobs? Is it going to be the government? Or is it going to be all these laid off teachers that are going to be finding jobs someplace in the economy? But where? I mean, nobody expects that you're going to be a hundred percent accurate, but at least we're moving towards a plan. Albertans know. We're going in this direction; we're going in that direction. All we know is that there are 110,000 jobs out there.

I like this fourth statement here:

The fourth commitment of the government is to listen to the people it serves; to consult with them, and to be as open, compassionate and fair as possible.

I have doubts about that commitment.

Now, I'd like to go on, under the Treasury, to goal 2: "Develop an efficient competitive tax/revenue structure." Well, what's going to happen with all these fees that we're collecting? Is it the intention of this government – and this is a question that I'd like answered – to offset all these revenues that they raise against their costs so that they show that they've reduced their costs by increasing the fees?

### 3:40

One of the things that I was sorry to see – and I guess maybe I don't know what the cost was – was that we're going back to having the federal government collect the taxes. I know that there's probably a net cost savings, and that's good, but if we recall, the reason why we initially started collecting our own taxes was that we wanted to have made-in-Alberta fiscal policies. Now, if we think that maybe we need to do something that's going to spur the economy on, I'm not going to advocate that we give them money. That's not our position, but I think we can have certain incentives built into our own tax system that will encourage investment in certain areas. Therefore, I think we lost something when we had the feds collect our taxes, because I'm not a big advocate of the efficiency of the federal government in its efficiencies.

Under strategies under this second goal we talk about

Using appropriate . . .

I emphasize the word "appropriate."

. . . recommendations of the Alberta Tax Reform Commission, ensure the maintenance of a competitive tax system which encourages productivity, growth and wealth.

Should the word "appropriate" really be selected? We're going to select what we want?

Mr. Chairman, he's coming over here. I think he likes us so much, he wants to get closer.

Stay tuned for part 2.

MR. DEPUTY CHAIRMAN: Hon. member, you're on even terms now. Your time is up, so it's okay if he comes over.

The hon. Member for Edmonton-Roper.

AN HON. MEMBER: Give us something different, Sine.

MR. CHADI: I'll try. Hang in there. We'll try and give you something a little bit different here but a little more entertaining, because what's happening here is that the facts are too difficult for the other side to comprehend, Mr. Chairman. I understand that. So I'll just try and take it a little easy on them today. I understand it's St. Patrick's Day, and on behalf of St. Paddy what I'll do is I'll take it easy on you, out of respect only.

I find it interesting that the Treasurer would stand up today and say that it was with pleasure that he "defend the estimates of the Department of Treasury." I would suspect that if somebody was going to defend something, it would mean that there was a chance that something could change, that the defence would be up to ensure that his side would prevail, that his side of the argument would come through. In this case, Mr. Chairman, there really isn't an argument anymore, and that's what I'm going to talk about, the system within the estimates themselves, the estimates within Treasury, for example.

When we talk about estimates and the amount of money that is required to run the department for a year, we have to also bear in mind that there is a thing called appropriation and an interim supply. It is with disgust that I should have to speak on the fact that the appropriation and the interim supply for this department and some of this department was approved in Committee of

Supply without the benefit of debate or much debate or without the benefit of even coming to this House and saying that on such and such a day we will discuss the appropriation with respect to Bills 9 and 10. We did have discussion with respect to Bill 8, and when we talk about the appropriation, I think we took Bill 8 into Committee of Supply, and we dealt with it there and it's probably passed. But it is not right, Mr. Chairman, not right at all that we should have to approve the funds required for these estimates that we're debating now. It makes no sense whatsoever that the funds have been approved before the debate even starts. That's what bothers me, and this practice really ought not take place. I think we've got the cart before the horse, and that's wrong. I hope the government members will look at it seriously and consider it in the future practices of how we govern ourselves and run the affairs of this Assembly.

With regard to the way the estimates are set out now, it is quite evident that we have a split, a departure from the past experience whereby, Mr. Chairman, we used to see all the sums required within the programs all lumped together. We now see capital, and we see the operating expenses, et cetera, broken down. You know, one must applaud the government for a good first step forward in doing that, but I think we have to go a step further than that and that is to use the Texas model or something similar to that, and we can adjust our system of estimates to something that the Texans have.

My colleague the hon. Member for Edmonton-Whitemud tabled some copies of the Texas model, and I've got a copy in front of me. One thing that I want to stress would be that the way they have it is a sensible approach to the estimates. It's a sensible approach because one who's debating the estimates can look at this objectively and say: "Is this correct? Is this the right amount of money that we think we can use in this department? Do we have to have this amount in this other department? What sort of outcomes are we looking for, what sort of benchmarks? Are there any?"

The three-year business plan is a step again towards doing and achieving that goal, and I would hope that one day we could integrate the two. But at the same time, we have to ensure that these things are mentioned so that we can try to work together to come to a decision for the betterment of the members of this Legislature so that it makes our job a lot easier and it makes it a lot easier for the people of the province of Alberta to understand it when they do look at the budget estimates.

The Texas model clearly sets out a goal right in the estimates, Mr. Chairman. It sets out the objective, it sets out outcomes, it sets out strategies, and it sets out something that we've been saying for an awful long time: efficiencies. I note that in the business plans that were tabled in the House at the time the budget was presented by the Provincial Treasurer the word "efficiencies" came up so often in those budget plans that I think because we've said it so often and so much, it's finally sunk home. It's there. The word "efficiency" is on the minds of everybody on all sides of the House now, and that's a great step forward.

Mr. Chairman, again with respect to the opening remarks made by the Provincial Treasurer, I can't help but comment about the experience in New York. That was, I would imagine, the first part of his trip. Like my hon. colleague from Edmonton-Whitemud I'd like to talk a little bit as well with respect to the rating news, the Moody's news release. It says in the news release: Alberta's tax system continues to confer a distinct economic advantage to the province compared to other regions of Canada. That's a strong statement, a great statement. I'm wondering if the sell job that the Provincial Treasurer did on the people with Moody's – and I've got to applaud him for that one, because it says here that

political realities in Alberta have often inhibited the introduction of tax measures as an option to improve the province's financial performance.

Well, gee, I'm sure he went in there and said: "Lookit, we've got the lowest tax rates in the country. This is where we're at. We're at 45 or 47 percent, whatever the case is. Look at all the rest of the provinces. We're doing an excellent job of holding down our taxes." In the same breath, Mr. Chairman, I doubt very much if this Provincial Treasurer told them that things like health care are not included in those tax percentages.

3:50

So the tax system really isn't all that great after all, because when you look at how much money we spend in taxes, each person, each one of us that goes out and contributes to the \$527 million that is expected in terms of revenues this year – it's not included. But if you did include that \$527 million in the already \$3 billion or thereabouts in terms of how much we expect to collect in personal income taxes, that amounts to about a 15 percent – I think a 17 percent increase in personal income taxes. Now, every other province and jurisdiction, I think with the exception of one or two, includes it in their personal income taxes. This is not done, and it's not the practice in the province of Alberta, and therefore he deceived them. Because the taxes do not include health care costs and health care costs are separate, we are deceiving people like Moody's, and that's good. I would imagine that, you know, we've held onto our double A rating because of the sell job that the Provincial Treasurer did, even though it might be misleading. [interjection]

The hon. Minister of Health knows full well what I'm speaking about, even though she makes it sound as though she doesn't. And maybe she doesn't understand what the collection of health premiums really is in this province. I'd be happy to enlighten her a little bit afterwards if she's interested, because it is taxes that we're talking about, and it's the collection of taxes, Mr. Chairman, that are embedded within the estimates. That's why I speak about them today.

Oh, good. I need the Provincial Treasurer here because sometimes when he nods at me, he knows that I'm telling the truth. Then he knows that what he said in New York was exactly correct, and when he shakes his head, then I know that he didn't say that. So if we'd all keep our eyes on the Provincial Treasurer, we'd know what really happened in New York.

Mr. Chairman, the Moody's report goes on and says that "the current deficit elimination plan does not contemplate any tax increases," which is correct. Of course, the Provincial Treasurer didn't talk about the fees that were embedded within this budget, and that's a considerable amount of money spread over three years, somewhere in the range of \$300 million. Those are quite impressive increases in taxation, if you want to call them that, quite impressive increases in fees, if you want to call them fees. It says:

Nevertheless, if support to the expenditure reduction initiatives was needed in order to secure a balanced budget position by 1996-97, Moody's believes that some form of tax increases could very well take precedent over any delay in the elimination of the deficit.

Well, I really want to know what was discussed at those meetings, and I'm wondering if the minister couldn't tell us and table a document or something along those lines, Mr. Chairman, of what took place at the meeting that he had with the different people that he met with in New York. I'd kind of like to know when he talked about the deficit elimination versus their statement here – I mean, their statement is quite clear. Moody's believes that some form of increase in taxes "could very well take precedent over any delay in the elimination of the deficit." So

they're kind of a little worried about whether or not this province could actually meet this deficit elimination.

I suspect that when the Provincial Treasurer had shown them the budget documents and in particular if he showed them I think it's page 122 – yeah, it's page 122, Mr. Chairman – the Provincial Treasurer was out there saying that based on his estimates this is what it's going to be, he can balance the budget within three years, and this year alone he's going to do it, because the price of oil is going to be \$16.50 U.S. So Moody's is probably sitting back going: "Well, we kind of don't think that could happen, but that's okay. We know that it might not happen, but at least there's room for tax increases." I'm wondering if the Provincial Treasurer didn't say those exact words as well. I want to reiterate by saying that I would like to see copies or perhaps some sort of documentation from the Provincial Treasurer as to what took place in those meetings with the different bond rating companies in New York.

Here's another strong statement made – and I'm trying to figure this one out – in the Moody's document, Mr. Chairman. It says that

the assets of the heritage savings trust fund remain an important source of support for the province's operating needs, as well as providing a considerable amount of flexibility in debt management.

It goes on to say:

Of importance to future credit quality evaluations by Moody's will be the outcome of the province's review of the heritage fund.

So they're a little concerned about what's happening here. I'm pretty certain that Moody's is probably sitting back saying, "This circular accounting that's taking place is making it all look good, in the balancing of all this budget, but is it really necessary?" The statement that Moody makes here – it says that it's all going to depend on "the outcome of the province's review of the heritage [trust] fund, which was announced in the budget."

I think they've told the minister something, and I'm wondering if the Treasurer couldn't indicate that in a document that would be tabled in this House along with what I asked for previous, and that is what took place in those meetings, and if he could talk a little about what was discussed, about what to do with the heritage savings trust fund or their comments on it.

#### Point of Order

#### Dress Code in Chamber

MR. WHITE: A point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Yes.

MR. WHITE: I rise on a point of order under Standing Order 13(1), which reads that "the Speaker shall preserve order and decorum." I cite 329 in 'Bowchesnee' for the member opposite. It is extremely difficult for members from this side to carry on debate when they must look opposite and see this flash of colour. It's really, really difficult. This flash of colour moves back and forth at neck breaking speed. I cite in particular 329, the last line of which is: "In general, Speakers have enforced conservative, contemporary standards." Sir, I suggest to you that wearing pajamas in the House is certainly not the order of the day, and I ask you to rule on same.

MR. DINNING: In speaking to the point of order, most members on this side of this Assembly would heartily concur with the hon. member. If you are unable to rule in favour of the Member for Edmonton-Mayfield, then I think it would be only in the interests of you, Mr. Chairman, that you might provide us all with sunglasses.

MR. HENRY: Mr. Chairman, I'd like to also speak in support of the point of order. I wanted to point out that the Member for Lacombe-Stettler has been vying for the brightness, but there's a matter of taste. I believe that's in good taste, but I think the pajamas have to go.

MR. DEPUTY CHAIRMAN: Just one minute then. Okay; just a second. Go ahead. We let two go. The Minister of Labour, 30 seconds.

MR. DAY: Strictly on the point of order, because I am going to be rising to speak against the estimates of the Provincial Treasurer in a minute. Clearly, there's an element of discrimination regarding my dress, and I honestly didn't think . . . [interjections] For those who are reading *Hansard* at this moment, I'm not wearing a dress; I'm talking about my clothing.

I know that envy has pervaded and snuck into the Assembly this afternoon. It's raw envy that has spurred these remarks. And there's an element of discrimination, because clearly the Member for Lacombe-Stettler is wearing an outfit equally as brilliant and as celebrant of springtime as I am, yet nobody has complained about hers. So I do not intend to tone this down.

I will have it on record that my wife actually gave me a lift here this morning, and as I was departing from the vehicle, she said: if anybody makes a comment on what you have on today, please make it plain that I had nothing to do with the selection of the garments. So I'm clearing her good name, but I'm not promising any retraction of dress or of my attack to follow in just a few minutes on the Provincial Treasurer's estimates.

4:00

MRS. ABDURAHMAN: Mr. Chairman, with regards to discrimination, I want to reassure the hon. member that that's indeed not the case. I made the comment that I found his outfit very attractive.

MR. DEPUTY CHAIRMAN: Thank you. Well, obviously there's not a point of order. I do think your wife has got wonderful taste, and I'm sure that she didn't pick that outfit out.

With that, hon. Member for Edmonton-Roper.

#### Debate Continued

MR. CHADI: Thank you very much, Mr. Chairman. I hope that didn't cut into my time.

Mr. Chairman, I want to refer my comments now to page 13. I'm looking at full-time equivalents in the business plans. When you look at the full-time equivalents and you see the projections for 1996-97, by that time we are expected to see a reduction of jobs in the range of about 175. Currently, in this fiscal year, we're going to see in the range of about 40 full-time equivalents within the Treasury Department alone. I know that there was never anything done with respect to co-ordination of all the full-time equivalents between all the different departments, because I'm certain that the department of social services is going to have the same thing and the Department of Environmental Protection and the Department of Labour and public works, et cetera, et cetera. I'm wondering if there wasn't an overall impact assessment done with respect to the amount of jobs that will be lost and the impact on the province. I suspect that is going to be quite dramatic. I'm hoping that the Provincial Treasurer would advise us that not only did he do some sort of an impact assessment with respect to the full-time equivalents within his department but he actually co-ordinated something for all departments.

[Mr. Tannas in the Chair]

My next question, Mr. Chairman, is with respect to the collection of taxes. Some time ago I asked a question – I believe it was in the last budget estimates of Treasury – on whether or not the federal government was charging us any money for the collection of corporate income taxes, and the answer was, no, they wouldn't. I find that difficult to believe, and I kind of want to have that in writing. I'd kind of like to know whether or not we are actually charged any funds or what the arrangement is with the federal government.

In a letter that was sent from the Provincial Treasurer to the then Minister of Finance, Don Mazankowski, his counterpart in Ottawa, it says: I suggest our officials meet soon to begin discussing this matter on a priority basis; this should involve both the policy and administrative sides. Mr. Chairman, this matter refers to the collection of corporate income taxes by the federal government. He goes on to say: I'm concerned about the impact of my staff working in this area and on employment opportunities for Albertans; I would hope that we would come to some arrangements where job protection could be maximized, possibly by transfers to federal civil service.

Firstly, my question is: when is the federal government going to take over collections of our corporate income taxes in this province? Secondly, it's clear in the business plans on page 12 that there's going to be a transfer of corporate tax to the federal government, and the savings in 1994-95 would be \$2 million. It goes on to say: 1995-96, \$3.9 million; and '96-97, \$7.1 million. So my question is: why the huge difference? It would appear that perhaps there's going to be some sort of a transitional change, and the savings that would accrue to the province in this fiscal year are only \$2 million. Why aren't they the \$7 million that he says they're going to be in 1996-97? Because I can't imagine there being a gradual kind of a change. Either you're going to have them collected or you're not going to have them collected. There's \$5 million in this sector here, and I want to know what the spread is and why. If it's going to cost us \$2 million . . . If that's the buzzer that tells me my time is up, that's inaccurate. I would suggest that you redo that.

MR. CHAIRMAN: Hon. member, I'm not in charge of the clock but would remind the hon. member that he will have an opportunity immediately following the next speaker; you can take your chances and jump up and be recognized.

The hon. Minister of Health and then Edmonton-Whitemud.

MRS. McCLELLAN: Mr. Chairman, I would like to take the opportunity to speak very briefly to the estimates of the department of Treasury. Just for interest, initially I would say that I would certainly recommend to the hon. member who was the last speaker that he check *Hansard* and listen very carefully to the definition of tax which was read out of the Concise Oxford Dictionary by his colleague from Calgary-West.

I would be happy to discuss with him at any time the policy on health care premiums in Alberta. I would point out for him that, yes, there are two provinces in Canada who do charge health care premiums in two slightly different ways, but there is only one province in Canada that does not have a sales tax, and that is Alberta. I think that's a point we want to make very clearly. I would suggest that if you spoke to Albertans and asked which their preference would be, it would be clearly the role that we have taken.

Mr. Chairman, there has been reference made to the business plan of the department of Treasury, and as it's connected, I guess,

with the estimates, I wanted to make a couple of comments on what I think are some very positive aspects of that business plan and certainly fitting the overall government strategy of this government.

We have made, I think, four very fundamental commitments to the people of this province, and certainly the role of Treasury in keeping those commitments is very important. The first commitment is probably the most important, in my view, and that is to balance the provincial budget within four years. Clearly the estimates of Treasury in this year and the business plan for that department over the next three years is definitely – I heard the discussion of road map. Yes, it is a road map, and, yes, it does lay out many paths that must be taken to achieve that first commitment.

The second commitment, which is extremely important to a province like Alberta, is our commitment to create a climate for business to flourish, to have an opportunity for the private sector to be the engine, the driver of this economy and to allow them, not government, to create some 110,000 jobs over the next four years. I looked at a snapshot in time – unlike some of my colleagues across the way, I used a 12-month period – and I believe the net gain in jobs in this province in the 12-month period was some 35,400. I would say that in that snapshot of time that was a very laudable achievement. But that is the fundamental function of this government, and it is within our plan.

#### 4:10

The third goal is certainly the deregulation and the streamlining of government, and the department of Treasury plays a very important role in that. We want to create a climate for business to operate freely in this province, to acknowledge our role in setting standards and guidelines but not have unnecessary barricades and barriers to doing business.

Certainly the fourth commitment was to listen to the people of this province. I think the department of Treasury has done that perhaps better than any other department by having a committee look at all of the finances, look at our budget, tell us what our real position is. We had that report. A recommendation to have a Tax Reform Commission was carried forward by this department. We have received their report and some recommendations from that group, which will be carried out where appropriate by the department of Treasury.

Mr. Chairman, I think we have to put this in focus and remember what government really is here for. I believe that the department of Treasury through its estimates this year, starting in the first year of the three-year plan that's outlined in the business plan, has clearly laid out that road and has said, as the Premier has said on many occasions: the destination is clear, and that destination is a balanced budget. The path to get there is laid out in our business plans. Yes, indeed, if people come to us and through consultation and discussion show us a better way, we are here and we are prepared to listen. Again, as I say, I think the department of Treasury, in its business plan and its budget estimates, stands firmly ready to go down that path and lead us into economic prosperity, which I am very concerned cannot be enjoyed by other provinces in this country unless they take the same strong plan forward to achieve a balanced budget.

I think the ratings that were provided today by a bond agency – and I think my colleague has lost the sheet. I wanted to refer to that because one of the hon. members did talk about it, and I wanted to read a section from that. I think this very clearly shows that people in this business have clearly looked at our plan, have clearly looked at the direction this government has taken, have looked at the quarterly reporting system that we have in

place, have looked at the deficit elimination plan legislation that is in place. Certainly they are recognizing that. They are also commenting that tax increases, which may have previously been used as options to improve a province's performance, are clearly not contemplated in this government's plan. I expect that had very much to do with their very favourable rating for this province, and certainly we look forward to hearing from the other rating agencies.

Mr. Chairman, I wanted to bring this back into perspective and talk a little bit about the real goal of this government through its business plan. Certainly I could go on and refer to many areas in the Treasury Department's business plan where those goals meet the government's goals and where the path over the next three years takes us to that balanced budget; to that economic climate with less taxes, a very favourable climate for private sector to develop business; to deregulation and streamlining, an important area for this department to look at; and to listening to Albertans and ensuring that we develop the fiscal priorities that they have clearly laid out to us in the plebiscite that we held last June 15.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman. I want to refer to some of the issues that were brought into debate by the previous speaker. The first point is the definition of a business plan. A business plan sets out what you intend to achieve. It sets out performance measures and objectives. Business plans for this government tell you what they're going to cut but not what they're going to achieve.

If you look at the business plan for Treasury, Mr. Chairman, and you look at the detail that they provide on page 12 of the Treasury business outline, it tells you how they're going to reduce expenditures. But the government forgets that deficit reduction is not an end in itself; it's the means to an end, and they've confused the two. It is not an end in itself. What you want to achieve is an Alberta economy three to four years down the road that is capable of producing skills, capable of producing a health care system that is accessible, and capable of providing a learning environment where people can always go back, reskill, retool, and find a job. So telling us how much you're going to cut is not providing us with performance indicators. Telling us where you're going to cut is not providing us with performance indicators. It is simply confusing means and objectives, so it is not an end in itself.

The second point, Mr. Chairman, is that we on this of the House have used year-to-year comparisons of employment, and in fact the figures mentioned by the hon. Minister of Health for January to January were quite startling. Although there was a 35,500 increase in employment, 22,500 of it was part-time.

I think it should be brought to bear as well in debate today that when we look at the year-to-year changes for February, although the Liberal government in Ottawa is to be congratulated for their job stimulation policies and their ability to engender some optimism in the economy and we've seen employment go up across Canada, it is noteworthy that you should look at what has happened in Alberta in terms of employment in specific areas. Would you believe, Mr. Chairman, that employment in manufacturing, which this government puts great store on, in February of 1993 was 95,900 individuals. Lo and behold, in February of 1994 it's now 89,800, so it's gone down. In an area where Alberta has a clear comparative advantage – business services, tradeable services – if we look at what has happened in business services from February '93 to February '94, employment was 83,600 in February '93, and it has now declined to 74,600 in

February '94, not a record to be proud of. In those areas where we should be growing, where we should have employment growth, we see decline. So I wouldn't be beating the table or pounding my chest over those employment statistics.

The third point I want to raise is specific, and it's actually vote 3.4, risk management and insurance. I think it was on September 17, 1993, in Treasury subcommittee that the hon. Treasurer commented, "We have one of the best risk management and insurance of property programs in the country." Notwithstanding that, the Provincial Treasurer then has allowed other areas of government to farm out risk management, and in fact what has he done? In an area where you would expect the Treasury Department to provide leadership, given the obvious quality of this particular group in the department, what do we see happening? We now see departments able to choose the appropriate levels of coverage and corresponding premium charges. We have in-house expertise. Now, the question here is: what are the rules of the game? Is the Treasurer referring to the fact that these departments can go out and solicit insurance from the private sector and then compare with the charges that would be provided by Treasury? Is that it? Is it a level playing field? Are we going to full cost, then, the services provided by this particular department? If so, we'd like to see how that full costing is going to be achieved.

4:20

With regards to the issue of risk management and insurance, when we look at the heritage savings trust fund – and I realize there is a separate body that manages that – one has to ask: why at this stage do we have so much in liquid funds when interest rates are this low? It's perhaps because we anticipate. Given overall conditions and what's happening in the United States, the interest rates may rise, and we want to lock ourselves into higher returns down the road. But at the same time that we're paying interest charges on a stock of debt that is well in excess of what we're earning on those liquid assets, one has to ask: is this then an appropriate use of those funds, to have them earning short-term interest rates, when you look at what we're paying on our debt in the longer term of the market? Because I'm sure that even if there's a penalty for early repayment, it would be more than offset by the interest rate charges that we would save.

Another point I want to raise, which again comes into the issue of risk management and insurance, is an issue that was brought up in the House a short while ago in question period regarding hedging and the oil market. It is true that oil prices are extraordinarily volatile. It is also true, though, that your ability to hedge in this market is somewhat limited by the depth of the market. It's potentially a thin market to hedge in, in the options market, and we might end up helping set the market if we entered into that in any way, shape, or fashion. So my question would be to the hon. Provincial Treasurer. Has the risk management and insurance group looked at this? Have they assessed the structure of the market, and have they assessed the other risks that we might bear in this market?

The second question I want to ask concerns, in fact, another vehicle for spreading risk, Mr. Chairman. This is not a question that lends itself to being asked in question period because it's rather long, but here's the point. The options market is relatively thin. It's a market where we in fact end up helping determine the market, and that's not something you want to do if you're trying to spread risk.

On the other hand, another risk vehicle that is open to us is in fact denominating bonds in terms of rates payable and linked to the price of oil. Mexico does it in terms of [inaudible] debt instruments. This has a beautiful feature to it, Mr. Chairman.

Two things: first of all, it allows oil importing countries to hedge themselves. In the Pacific Rim, in particular, countries like Korea, Singapore, and Japan would be looking for vehicles by which they could hedge against rising oil prices. To the extent, then, that there would be financial instruments denominated with a return based on oil, that would allow them to in fact hedge against rising oil prices. Because if oil prices rise to the extent that the coupon rate on Alberta-based bonds might be linked to the price of oil, there's an offset in that market. That's a potential financial market out there that is deep, where there's lots of money, and is a market where we're not locked in by a six-month or a year period in terms of what exists in the options market.

So there's scope in there for saving money for Albertans and using the obvious expertise of the risk management and insurance group there to try and look at different financial vehicles for this province to spread risk. To the extent, then, that the coupon rate itself is linked to the price of oil, if oil prices fall, it is true our revenues decline, but at the same time our payout on these bonds declines. Now, there are issues here related to where you set the levels, the floors and the ceilings. But it strikes me that if we're going to go down the route of innovative financial packages, it is clear that we would want to go down the denominated bonds route as opposed to the options route, simply given the existence of those types of capital markets.

One of my questions with regards to vote 3.4, risk management and insurance, is: to what extent is the obvious talent in this department being turned to new and innovative financial instruments that both spread risk from the perspective of Albertans but take advantage of some of the depth that exists in other capital markets out there? This is an area where we might be in very good shape, because relative to other oil-producing regions – Mexico, Ivory Coast, Iran, Iraq, the Gulf states – we actually have a reputable credit rating, so in fact the risk premium that would be associated with these bonds would be far lower than a lot of these sovereign countries, whom you wouldn't want to loan money to.

So my question really is: why aren't we doing these things? Why are we looking at just where we can cut? Why aren't we being positive, going out there and looking at what we can do that saves money but doesn't cost jobs? This strikes me as being something that is important, something that should be dealt with in Treasury, and I would think it would be obviously dealt with in this particular vote, risk management and insurance. There's scope here for being innovative, but the innovation lies in the capital markets; it doesn't lie in foreign markets or options, at least that's my view.

So with those comments, Mr. Chairman, I will conclude.

MR. CHAIRMAN: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Chairman. I'm much younger and much quicker.

MR. CHAIRMAN: Is that a challenge to the Chair?

MR. KIRKLAND: I want to thank the hon. minister this afternoon for confirming that we have a double A rating with Moody's, Mr. Chairman. I think that confirms an earlier statement that I made some time ago that the sky really is not falling and we do not have to move with the great insensitivity that we are today. So I'm pleased that he brings that back one more time. I would also like to spend some time on the revenues, and not a case of raising revenues, as we did with some 80 new fees or taxes – that term that the hon. Minister of Health so detests – but the reduction of some of the revenues, because

reduction of some of the revenues, which I will speak to, Mr. Chairman, will give us some very long-term, positive benefits, and it would give the side opposite the opportunity to create those 110,000 jobs they so long for.

First of all, we cannot forget nor lose sight of the fact that small business creates about 80 percent of the jobs in this province. If we were to reduce the small business tax from about 6 percent to 4 percent, we would give up, or forgo, \$51 million worth of potential revenue. We have been fortunate in this province this year to have some windfall profits from natural gas. I think the opportunity to balance one reduction of revenues and increase the other was there, and the opportunity should have been captured. The spin-off effects of tax reduction, of course, are not immediate, but in the long term certainly it's not arguable that we will not benefit substantially. It would stimulate the Alberta economy and it would capture the Alberta advantage, which I would suggest was missed in this particular case.

I want to spend a minute on one specific area of tax reduction. It has a large potential to stimulate in not only Edmonton, in Calgary. The area I'm going to touch on is the aviation fuel tax and the associated \$11 million there. I think, again, if we were to look at windfall profits from natural gas, we have a classic opportunity to reduce and forgo that \$11 million. I did not bring the study with me, but the Alberta Aviation Council put out a study three or four years ago showing the spin-off effects. I don't recall the figure. I won't quote it, but it is substantial. It far exceeds the \$11 million that we forgo on a short-term or a temporary basis.

The long-term benefits are tremendous. We have heard the hon. minister himself and the Minister of Economic Development and Tourism speak about the global market that we're in. The trading patterns are changing. Clearly if we were to reduce that aviation fuel tax, we would finally put Alberta at a better advantage than Saskatchewan. I find it somewhat ironic that our neighbours can sell refined aviation fuel, most of it originating in Alberta, for less than we are. We are geographically well located to capture the global trading markets, and we certainly should be able to take the Alberta advantage and apply it to Alberta, instead of Saskatchewan and B.C.

Before I leave this area, I would also suggest that if we were to look at that, the hon. minister would through that little undertaking probably solve a large aviation fuel crisis in the Edmonton area. When I say that, you would give the Edmonton Regional Airports Authority tools to actually aggressively market that facility they presently are managing and have some difficulty with, due to a logjam at the municipal level. Now, that suggestion was sent over to the hon. Member for Barrhead-Westlock, the hon. Minister of Economic Development and Tourism, some time ago. Unfortunately, my letter wasn't dignified with a response. I would ask a question, seeing as we are into estimates. I would ask the minister if he's a skeptic that the concept of aviation fuel reduction would actually create jobs. My second, follow-up question to that would be that he revisit this in the '95-96 budget to ensure that we capture some of that Alberta advantage.

4:30

I want to just take the hon. minister back to one comment he made in his opening comments. I won't belabour the point, but he indicated that the Alberta Treasury Branch operates at arm's length from the Treasury itself. Perhaps I could be ruled out of order for addressing this particular matter, but I don't think there's anyone in this Legislature that is not aware that West Edmonton Mall is apparently in some financial difficulty at this point. We have some \$80 million at risk here. I would ask the

minister how he intends to ensure that that risk, even though it's operating as an arm's-length agency, is protected.

I have to take a minute and respond to the Minister of Health, who again brought to our attention the Concise Oxford definition of taxes, and she took exception to the Liberal side calling the 80 new fees taxes. She indicated that in fact that was not the case. Well, I would suggest that it is the case. When we look at the mind-set that we deal with from side opposite today – and we hear it time and time again when we look at new fees or new taxes – we also look at the downloading to the municipal side. When we speak to that municipal downloading, they of course always respond that they have confidence in municipal politicians. Well, I do too. I have a great deal of confidence in the municipal politicians, but I would suggest that they're abdicating some long-standing traditional areas of responsibility. They're attempting to dodge some tough decision-making. I also have confidence in all Albertans, and whether we call them fees or whether we call them taxes, Mr. Chairman, I give full credit and confidence to the people of Alberta. They understand exactly what they are. I'm not convinced that the hon. Minister of Health gives that same credit and due respect to the Alberta people.

So with those comments, I would close my address to the Treasury budget, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I want to make a few comments with respect to the department of Treasury, a few questions for the hon. minister. I'd like to start with program 2, that being the section on revenue collection and rebates. One of the points that's referred to in the main budget book on page 284 is "payment of commission to collectors of hotel room tax." As best as I can figure out from the element details, that looks like about a \$600,000 expenditure. I'm wondering why it is that we are paying a commission to individuals who are required to collect a hotel room tax that, quite frankly, most of them wish wasn't there at all. From the Alberta Hotel Association and from the Calgary hotel association, where I've met some individuals, the hotel room tax is perceived as being a discriminatory tax on a select part of the tourism industry. I'm wondering a little bit about the future direction of this.

I know that the hon. Minister of Economic Development and Tourism has had a new proposal put on his plate regarding a change in the structure of a tourism authority, but I wonder if the Treasurer might comment on why it is we're paying this commission on the collection of a tax. It seems to me to be rather a contradictory kind of a procedure to pay someone to collect a tax. It seems to me that it would be far simpler and certainly less bureaucratic, if the government decides we need to have a tax, to simply reduce the cost of the tax rather than pay a commission, and instead of it being a 5 percent hotel room tax, make it a 4 percent hotel room tax and make it easier for people to pay it. That in effect would probably, then, become very much self-paying, because you would perhaps draw more people to come visit Alberta when you have a reduced level of taxation on that particular area. So I wonder if the minister could refer to that.

Mr. Chairman, I'm also concerned that under program 3 there's a section under vote 3.3, finance, that talks about monitoring loan guarantees, which I find rather odd. I find that odd, first of all, because the government says that we're getting out of the business of loan guarantees. There is some reduction from previous years in this particular area, but the government still is proposing nearly \$5.4 million in gross expenditures for this area called finance.

Now, what is particularly, I guess, concerning about that is that on page 286 of the budget document I see a line that talks about monitoring loan guarantees under the department of Treasury. Yet when I flip back to the Department of Economic Development and Tourism, on page 72 I see a line that talks about business finance, that talks about "monitors loans, investments, grants and loan guarantees." So in two different areas – and the expenditure in that particular section, Mr. Chairman, is \$1.657 million. So between the two of them it seems like we have two different departments both of which are monitoring loan guarantees that total in excess of \$7 million from a government that claims they're getting out of the business of being in loans, grants, and loan guarantees. It seems rather odd to me, number one, that we have that expenditure. Number two, it seems odd to me that we have that expenditure in two different parts of the budget. So my question that comes out of that is: what kind of communication is occurring between officials who are monitoring loan guarantees in the department of Treasury and officials who are monitoring loan guarantees in the Department of Economic Development and Tourism? It seems to me to be substantial duplication and overlap. For a government that wants to get rid of duplication and overlap, there are two different areas where there seems to be clear duplication.

I wish that the Minister of Municipal Affairs were here to straighten these guys out a little bit, because I know he would do that.

SOME HON. MEMBERS: Order. Order.

MR. BRUSEKER: I wish he would straighten them out. Let's just leave it at that. I just wish he would straighten them out.

So, Mr. Treasurer, perhaps you could talk to your colleague a couple of seats over, the one who wears nice shirts, not the one that's there now.

MR. DINNING: When he's back.

MR. BRUSEKER: When he's back? I didn't notice he was gone. I'm sorry; gee.

So that certainly needs to be given some consideration, Mr. Treasurer, and I hope you would look into that duplication and overlap in monitoring loan guarantees, between you and K too.

Speaking of duplication and overlap and so on, I had an interesting letter from a constituent who was concerned. Now, this was actually from the Department of Health, and it sort of applies here to the Treasury revolving fund and deals with accounting and banking and so on. Two letters went out to a husband and wife saying, "You're going to get a cheque." So picture this. Two envelopes show up at the same household, with Mrs. So-and-So and Mr. So-and-So on the envelopes, so there's 86 cents. Then a couple of days later the cheques show up, a cheque to Mr. So-and-So and a cheque to Mrs. So-and-So. So four envelopes, and all of the information could have been rolled into one.

What I'm offering is a suggestion here, because I know the Treasurer is always looking for good ideas. I want to offer the suggestion that if that process could be streamlined, you would save potentially three sets of postage, potentially . . . [interjection] No, it was actually under the Department of Health, not WCB.

You could save postage, you could save printing costs, and you could streamline things substantially. So I'm offering that as a suggestion to the Treasurer in his role of looking after accounting and so on. If those kinds of processes could be streamlined, service delivery could be the same and yet the cost to government to deliver those services could be reduced substantially. I don't

imagine that's a big budget item. In fact, when I look at the revolving fund on page 297, for cash, banking and securities administration, for payroll and pensions and all those sorts of things, the expenditures there are only \$9.3 million, so relatively speaking a small amount of money. But if that then gets translated into other departments as well, perhaps some savings can be realized in that particular area.

So I will leave those few comments and questions with the Treasurer and look forward to his clarification of those points.

Thank you, Mr. Chairman.

4:40

MR. CHAIRMAN: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. I first of all want to bring to the Treasurer a question the seniors in St. Albert have asked me to ask him. The question is: how much is there in the heritage savings trust fund? They would like his answer. They also would like to know how much there is in liquid assets. The third question: they would also like an explanation of what has happened. It was supposed to be a rainy day fund, and they are not able to use it as such today.

The second point. I read the budget several times. As I went through it, it always says that we'll leave our children debt free. I could see deficit free. Debt free? I'd like an explanation that I could take back to my constituents that would explain this. We know the pension funds go for 67 more years, some of them. How will this be eliminated, or how do they plan to get rid of it? Also, our debt of \$30 billion plus: how is that going to be gotten rid of to leave our children debt free? I would like that information for them.

Another concern that is brought to mind from St. Albert is the seniors' lodges. The formula for funding is that if you spend more money, you receive more money back. They reward incompetence, and if you're efficient, you get penalized. Why is this formula not changed or has not been changed in the Department of Municipal Affairs?

The next question my constituents have and want the Provincial Treasurer to address is windfalls that may come along. Will they be applied to the deficit, the debt, or where do you plan to put the money that comes in?

The chamber of commerce has a question they'd like answered. They would like to know why the small business income tax was not reduced from 6 percent to 4 percent. They would like the facts and the information to support your position, Mr. Treasurer.

I also have a number of questions I would like to proceed with under 3.5.1, financial institutions. Can the minister comment on why there are no business plans for the Alberta Treasury Branch and North West Trust contained in the budget documents? Can the Treasurer provide details on the plan by the Alberta Treasury Branch to eliminate its \$99 million accumulated deficit by the end of 1997? How does the Alberta Treasury Branch expect to generate \$54 million surplus in 1995-96 and 1996-97 and \$21 million in this year? Next, what steps has it taken to streamline operations and still provide Albertans with the diversity of services – brokerage, trustee, and insurance services – that are provided by chartered banks? Can the Treasurer comment on what steps the government has taken to improve the review and accountability of the Alberta Treasury Branch activities as recommended by the Alberta Financial Review Commission? Has the Treasurer given any consideration to establishing an advisory and audit committee for the Alberta Treasury Branch in order to improve and review accountability? Has the Treasurer given any consideration to having the superintendent of the Treasury

Branches appear before the Standing Committee on Public Accounts to account for the implementation of policy?

A couple of questions from constituents on the Alberta Treasury Branch. Why does the Alberta Treasury Branch not have a recycling program throughout its branches? Secondly, why are personal files taken to the dump without being shredded first?

Moving on to additional questions. Given the government's commitment to creating a tax environment in Alberta which promotes capital investment, wealth creation, and a level playing field, what consideration has he given to phasing out the capital tax on financial institutions? Next, is the Treasurer prepared to provide a permanent extension to the remission order that reduces capital tax payable in Alberta to 10 percent of pretax income of those chartered banks headquartered in Alberta – for example, the Canadian Western Bank – as recommended by the Alberta Tax Reform Commission?

Can the Treasurer provide an update on government's efforts to sell North West Trust over the past year? What is happening, how many potential buyers are there, and so on? Can the Treasurer confirm that the government would have to receive \$220 million for North West Trust in order to break even on this venture without impacting on the province's net debt?

Next, what steps has the government taken to allow credit unions to raise the equity required to allow an orderly redemption of the \$335 million in preferred shares that are held by taxpayers through Holdco, 391760 Alberta Limited? What consideration, if any, has the Treasurer given to increasing the competitiveness of the credit union system by reducing the Credit Union Deposit Guarantee Corporation premium levy from its current level of one-quarter of 1 percent to one-seventh of 1 percent, as prevails in Saskatchewan? Can the Provincial Treasurer report on the results of the review undertaken by financial institutions in 1992-93 and '93-94 to increase the equity and capital base of credit unions? Has the Treasurer given any consideration to establishing a program similar to Quebec's equity program by permitting a deduction from an individual taxable income for investments in credit union shares?

Continuing on, what benchmarks have been established with respect to the following performance measures: industry cost of compliance; cost of government regulatory activity; losses to depositors, policyholders, and compensation plans; increase in deposit insurance fund as a percentage of system assets to increase the equity level from 1 percent of credit unions' assets in 1992 to 5 percent in 1999; and market concentration in the financial sector?

Next, 3.5.2, insurance standards. A couple of questions here. What implication does the Treasurer foresee in moving towards a model of self-regulation in the insurance industry? Can the Treasurer indicate what performance measures have been established by the department to monitor the performance of the insurance industry in meeting consumer standards and fulfilling the needs of clients? Can the Treasurer indicate the level of service fees that would be remitted to the insurance industry by Treasury as a result of moving to a self-regulation model?

I would await your answers. Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you, Mr. Chairman. I've got some questions once again this afternoon with respect to the Treasury estimates. My questions to start off with are going to relate to the Provincial Treasurer in the category of the collection of taxes and his letter to his then counterpart in Ottawa; that is, Don Mazankowski. When the Treasurer wrote to Don Mazankowski

asking him to work together with respect to the collection of corporate income taxes in this province, he said that he's concerned about the impact on the staff, that he's concerned about jobs, that he's concerned about whether or not Mr. Mazankowski would agree that there would be some job protection, possibly by transfers to the federal civil service. You know, the employees that we currently have in terms of the collection of our corporate income tax would go to the feds. My question is: how many jobs are expected to be lost as a result of the shift from the Alberta corporate side over to the federal income tax collections? I suspect that there should be and must be some sort of impact assessment done with respect to the job losses, Mr. Chairman. I would hope that the Treasurer would provide us with that information, because his comments in that letter, if one would take them to heart, are reflected in the business plans themselves.

4:50

In the business plan within the department of Treasury it's quite clear. Under Treasury Goals and Strategies it says that the first commitment this government will make is to balance the budget within four years; the second commitment is the commitment to create 110,000 new jobs for Albertans. Now, all we've seen so far is the loss of jobs from every department that we have discussed the estimates in, and Treasury is no different. One would think that Treasury wouldn't have had such a great impact in terms of job losses, but here we are talking about job losses. The business plans themselves, Mr. Chairman, talk about approximately 42 job losses, the full-time equivalents, this year alone, from 1993-94 to this fiscal year of 1994-95. Moreover, we're talking about job losses to the tune of about 200 full-time equivalents by the time the budget gets balanced in 1996-97. Those are projections.

Now, 200 job losses there. We talk about more job losses every time we talk about deleting a certain program. One of the programs that we're talking about getting out of – or a subprogram, of course – is the one pertaining to revenue collection and with respect to the collection of the corporate income taxes. One has to wonder where these jobs are all going to come from when we start to lose jobs program by program by program.

Another program that is kind of puzzling when we start talking about that, Mr. Chairman, is the land purchase fund. Obviously, jobs were lost there as well. This program itself is now going to – there are no funds at all put into the estimates of 1994-95 as compared to 1993-94 and previous years. In the estimates books themselves it says:

The Government Land Purchases Act will be repealed. Future land requirements will be acquired by Public Works, Supply and Services for governmental departmental needs and by Transportation and Utilities for rights-of-way and road construction [and the like].

Now, I wonder if the Treasurer thought about how many job losses took place there as well and if he could comment on that.

Since I'm talking about the land purchase funds, particularly on the estimates on page 292 and the fact that the Act will be repealed, I'm wondering if the Treasurer, because he says that now public works is going to be acquiring the properties in the future, before doing anything at all to allow for any further properties to be purchased would actually get some kind of an inventory of properties that we already have. I keep stressing this because I feel it's of vital importance. In the transportation department the other day when we were talking in the estimates it was quite clear that there is a tremendous amount of surplus property there. Mr. Chairman, we've got so much property that I don't think there is a single department head, a minister, or the Premier that could tell us just what is held by the provincial government. So that's one thing that I would encourage the

Provincial Treasurer do. A good first step is to eliminate and repeal the land purchases Act. I'd like to ask him to take it one step further as well and not only talk about what we have in the different departments but what the Education department has in . . . Did you want me to keep going?

MR. CHAIRMAN: No, hon. member. I was trying not to interrupt you. The level of noise has increased considerably. I wonder if people who are standing engaged in lively conversations could carry them on outside. They're welcome to go if they clear it with their Whips.

MR. CHADI: Thank you, Mr. Chairman. I understand the hon. Minister of Community Development is a great joke teller, and I'd kind of like to hear that St. Paddy's joke once again. Perhaps he could tone it down just a little till I'm done.

In the Department of Education itself, Mr. Chairman, there seems to be – and I know from past experience – a fair amount of properties that were owned by the different boards throughout the whole province. I'm wondering if we couldn't get some kind of an evaluation done with respect to the properties, the surplus properties owned by the school boards throughout the province. Because if we're clearly going to take over and administer all departments in a prudent manner, we have to look at what we have first. We have to get a listing, we have to understand what we own, and then we can try to utilize the properties we have so that we don't have, like we have in Treasury, the land purchase fund that we're going to now create because we've repealed this Act here. We're going to create something to that effect in public works and then have public works not knowing what we've got. So we have to know where we stand with all this stuff so that we're not leasing properties or not buying properties to use when we already own properties that would do.

My next area of concern, Mr. Chairman, is something that my colleague from Edmonton-Whitemud had touched on, and that is risk management and insurance. I'm a little bit confused as to exactly what risk management and insurance pertains to. When I look in the Treasury estimates, particularly page 286 of the estimates book, the heading is Risk Management and Insurance, and underneath it just says: "administers the government's risk management and insurance program." Now, it could very well mean – and the hon. Member for Edmonton-Whitemud was talking about certain hedging with respect to our liquid funds, our cash. That could be a bit confusing. Risk management and insurance could also go into another category. I'm wondering if the Treasurer would explain to us in a little bit clearer detail as to exactly the meaning of it, because we're spending \$1.888 million this year alone. Last year the estimates were \$2 million and the forecast was \$1.9 million.

I'm wondering if these are claims paid out. Are they premiums that were paid out? Is it something that we insure here? Are we a self-insuring entity, the province of Alberta? We own a fair amount of property; we have, I'm sure, a fair amount of automobiles. We've got all this sort of thing. Does each individual department do their own insurance? I can't recall seeing those within every particular department, so are we self-insuring in that respect? If that's what it means, I would like to know, then, what sort of claims we've got. If Treasury is underwriting this stuff, if we're doing it ourselves under our own self-insuring portfolio here, then I'd kind of like to know what mechanisms are in place to do some underwriting. Do we actually do any underwriting? I can recall a couple of years back when the then Solicitor General, Ian Reid, was called Speedy Reidy. I'm sure he would have had a government car, and he would be driving this thing.

Therefore we ought to have some sort of mechanism in place to charge different departments, wherever they may be, a certain amount of money for that insurance. If we don't have any underwriting going on at all, we could have somebody who's got a bad driving record going out there and actually causing . . . [interjections]

#### **Chairman's Ruling Decorum**

MR. CHAIRMAN: I'm sorry to interrupt, hon. member. Some of the members have forgotten themselves. I know this is an informal part of the Legislature, but if you wish to engage in some communication, please do it by writing or whispering. The level has gotten so high that the Provincial Treasurer can no longer hear the hon. Member for Edmonton-Roper.

#### **5:00 Debate Continued**

MR. CHADI: Thank you very much, Mr. Chairman. That's a wise ruling.

If we are a self-insuring entity here, I would also like the hon. Provincial Treasurer to perhaps provide us with a list of losses within this program. I'd kind of like to know: are there any losses, and if there are, what departments were responsible for those losses accruing to this \$1.88 million? Again, we could be totally wrong here. I'd want the minister to explain it and set the record straight.

Mr. Chairman, with respect to regulations of financial institutions, when we look at the different financial institutions that we have in the province of Alberta – and I know the Provincial Treasurer in his opening remarks said that the Treasury Branch isn't one that he considers would be under review right now. I happen to think that perhaps the hon. Provincial Treasurer is wrong. I think the Treasury Branch is part and parcel of this. When we talk about regulation of financial institutions, we're spending gross expenditures of \$2.6 million. There has to be something attributed to the Treasury Branch out of that \$2.6 million, whatever it may be. I would imagine there's got to be some funds. If there aren't, I'd like the minister to explain, and we would certainly look into that from my own sources. I would very much like an explanation why Treasury Branches aren't included in the regulation of financial institutions, because this has got to be something that is touched upon in this category: North West Trust, the Agriculture Financial Services Corporation, AOC, the credit unions, and the story goes on.

We passed a motion in this House, Mr. Chairman, not long ago. I think that perhaps the Treasurer would like to know that we passed Motion 505, which clearly dealt with reviewing the mandates of all the financial institutions that we have in this province. That motion was passed in this House. It calls for this review. It says that the Treasury Branch along with North West Trust along with the Agriculture Financial Services Corporation, the Alberta Opportunity Company, the credit unions, perhaps the heritage savings trust fund ought to be included in that as well. I know that we have Bancorp Mortgage as well that North West Trust did a deal on. I mean, that all has to be looked at in seeing if there's any duplication in the financial institutions here. I think that would go a long way to eliminate some of the regulation costs that we are incurring within this vote.

I note that an hon. member from the other side was mentioning that Motion 505 was garbage. Well, I say it's not garbage. I say that if it was garbage, then he ought not to have voted for it. I think we had almost a unanimous agreement to proceed with the acceptance of Motion 505.

I think Motion 505 was passed because not only members on this side of the House but members on that side of the House as

well, Mr. Chairman, agreed that the regulation of financial institutions and the \$2.6 million in expenditures could definitely be reduced.

Another reason that I mention Motion 505 now is that as well imbedded within Motion 505, which was passed in this House, is the review of the capital tax in creating a level playing field in this province. That level playing field is primarily with respect to a financial institutions capital tax, and that capital tax is currently, I believe, 2 percent. The Treasury Branches and other lending institutions in this province, an example would be the credit unions, are not subject to these levies or fees. Therefore, it's not fair. I think what you have to do is you have to either charge them or you have to tell other lending institutions in this province that you're going to eliminate the tax. You can't have it both ways. Taxpayers ought not to be in the business of competing against the people of this province, particularly when capital institutions pay a tax which is used to finance businesses to go directly in competition with what they're doing. So a level playing field has to exist. Again, that's embedded in Motion 505, and I think it was a wise decision on the part of this House that we passed that motion.

My next question falls under the fact that when we look at certain projections in the province in terms of the revenues – and I refer the Treasurer to the business plans – the increase in growth in this province is projected in the range of about 3 percent. Well, that 3 percent is where the government says that 110,000 jobs are going to be created. This is the first step. This is one of the major steps where this is going to create 110,000 jobs. But I have some concerns with that insomuch as the projections of revenues really don't reflect the 3 percent or the 2.7 or whatever the case is of growth. I thought it would directly correspond. For example, right out of the budget book – and I believe it's page 44 in personal and corporate income taxes – one would expect that if we were going to have a 2 or a 3 percent increase, it ought to reflect directly in the personal income tax side and on the corporate income tax side.

MR. DINNING: I can explain why it doesn't.

MR. CHADI: It is not your position now. If you want to ask me a question, Provincial Treasurer, then you might want to get up and suggest to me that you'd like to ask me a question. I may respond to you.

MR. DINNING: I'd like to explain something.

MR. CHADI: Mr. Chairman, the Treasurer keeps interjecting because he wants to answer this question really quickly, and I don't want to use up my time with the Provincial Treasurer right now. There's plenty of time for him to respond.

When we look at the corporate income tax side, I see no difference whatsoever from the budget of 1993-94 of \$665 million. The actual in 1992-93 was \$636 million, so we actually had an increase from there until 1993-94. But the forecast was \$665 million, so that's the number that I'm going to go along with. The estimates this year, Mr. Chairman, are \$665 million: once again the same figure. Now, somebody's got to explain to me, if we're going to have 3 percent growth, then it ought to reflect right in that corporate income tax side, and if it's not reflected there, then I'd suggest to you that there will be no growth whatsoever and the Provincial Treasurer is misleading somehow with all of this documentation. Therefore, I welcome the Treasurer's explanation about the revenues and the projected increases of these revenues.

MR. DINNING: Well, Mr. Chairman, I'm shocked, delighted, astonished, and very pleased that the members across the way have had their research department prepare so many good questions for us today, because they have accepted my or our challenge to be able to ask good questions. I was so overwhelmed, Mr. Chairman, that my pen ran out of ink trying to keep track of all the questions that were asked. I know in my heart of hearts that I'm going to be back here again. So I look forward to being able to respond with as much information as I can to all the good questions that were asked.

**5:10**

I did think it important to address the last speaker's question first. He was talking about jobs and job losses. It is a fact that we have had to make some difficult decisions that affect the lives of public servants and a number of people who work in the public sector. With the reductions of some \$2.7 billion that we promised in May of 1993, that does touch the lives of especially a number of people in Edmonton, and there's no getting around that, Mr. Chairman. We're going to do it in a way that is as sensitive and as caring as we possibly can with the objective of being a better and a more streamlined and efficient government.

Mr. Chairman, while our objective is to streamline government, ours is not a deliberate, purposeful exercise in job elimination and taking jobs away from Albertans, many of whom live in Edmonton and work in the public sector, unlike the Member for Edmonton-Roper, who before Christmas was prepared to throw 1,200 Gainers employees onto the streets of Edmonton without a job.

**Point of Order  
Imputing Motives**

MR. CHAIRMAN: Point of order, Edmonton Roper.

MR. DAY: Sit down. There's no point of order. Sit down, and take your medicine like a man.

MR. CHADI: There is a point of order here. [interjections] Shame on you. You keep quiet.

MR. CHAIRMAN: Whoa, whoa, whoa. Do you have a citation?

MR. CHADI: What is it? [interjections] Twenty-three (h), (i), and (j). There you go; you've got it.

Mr. Chairman, it's . . .

MR. CHAIRMAN: Order. You've cited 23(h), (i), and (j). You are alluding to the imputation of motives.

MR. CHADI: Thank you, Mr. Chairman. I think it's incredible that the Provincial Treasurer would get up and suggest that I was talking about 1,200 men and women, jobs that I would like to see lost. I'm pretty sure that he is referring to the Gainers project here in Edmonton. In fact what I was saying was that these men and women ought to be given the opportunity just to take over the plant, not buy the plant, because the government was giving it away. The fact of the matter is . . .

MR. CHAIRMAN: Hon. member. [interjections] Hon. member. I'm afraid you must sit down. Do you wish to be named?

The hon. Member for Edmonton-Roper has made the point that he was not wishing that those people be unemployed. I presume we can take him at his word.

MR. DAY: A point of order, Mr. Chairman.

MR. CHAIRMAN: Hon. Government House Leader, we've dealt with the point of order and would request that the Provincial Treasurer . . .

**Debate Continued**

MR. DINNING: Mr. Chairman, knowing that I have now caught the attention of the Member for Edmonton-Roper and knowing that I am going to have an opportunity to come back here again to recommence the very debate that he began to interrupt, I would move, sir, that the committee rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Department of Treasury, reports progress thereon, and requests leave to sit again.

Mr. Speaker, I wish to table a copy of the document tabled during the Committee of Supply on this date.

MR. ACTING SPEAKER: Thank you, hon. member. Are you all in favour of that report?

HON. MEMBERS: Agreed.

MR. ACTING SPEAKER: Opposed, if any? Carried.  
The Government House Leader.

[At 5:17 p.m. the Assembly adjourned to Monday at 1:30 p.m.]