

## LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, August 28, 1986 2:30 p.m.**

[The House met at 2:30 p.m.]

## PRAYERS

[Mr. Speaker in the Chair]

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: INTRODUCTION OF BILLS

## Bill 41

**Appropriation (Alberta Heritage  
Savings Trust Fund, Capital Projects  
Division) Act, 1986-87**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 41, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1986-87. This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, this Bill provides for the capital projects division appropriation of the Heritage Savings Trust Fund, which has been debated in this Assembly.

[Leave granted; Bill 41 read a first time]

## Bill 43

**Motor Vehicle Statutes  
Amendment Act, 1986**

MR. ROSTAD: Mr. Speaker, I request leave to introduce Bill 43, the Motor Vehicle Statutes Amendment Act, 1986.

This Act redefines mopeds and motorcycles to rationalize them with the Off-highway Vehicle Act. It introduces a charging section for driving while suspended and a penalty therefor and rationalizes the penalty for driving while impaired or refusing to blow to six months rather than the discrepancy of six and three respectively.

[Leave granted; Bill 43 read a First time]

## head: TABLING RETURNS AND REPORTS

MRS. CRIPPS: Mr. Speaker, I wish to table a communiqué from the Agriculture ministers' conference in Victoria.

## head: INTRODUCTION OF SPECIAL GUESTS

DR. WEST: Mr. Speaker, today I'd like to introduce to you, and through you to the members of the Assembly, two gentlemen who serve the public in the county of Flagstaff in my constituency: Mr. Ken Eshpeter, reeve, and Mr. Glen

Miller, chairman of the board of education. They're in the members' gallery. If they'd stand and receive the warm welcome of the House.

MR. ROSTAD: Mr. Speaker, I too would like to introduce to you, and through you to the Assembly, three members of municipal council from the county of Camrose: the reeve, Bob Prestage; the chairman of the board of education, Al Bishop; and the secretary-treasurer, Bill Gartner. If they would stand and receive the welcome usually accorded to visitors.

MS BARRETT: Mr. Speaker, I'd like to introduce today two children who are visiting us from Calgary. Their names are Natasha and Zakary Pashak, children of the MLA for Calgary Forest Lawn. I wonder if they would rise and receive the welcome of this Assembly.

## head: ORAL QUESTION PERIOD

## Seat Belt Legislation

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Premier. There is no question that mandatory seat belt laws save money and lives. A recent analysis of the Ontario experience, for example, shows that such laws result in reduction in death and injuries, a reduction of some 15 percent in the cost of doctors' fees, as well as a reduction of some 40 percent in the cost of treating accident victims. My question to the Premier: as head of the government why has the Premier not directed that there be a special study of the costs Alberta has incurred as a result of not having such a law?

MR. GETTY: Mr. Speaker, there have been a variety of people attempting studies, many of which end up being indecisive. I think it may well be that wearing seat belts definitely may be safer and prevent injuries. Mandatory wearing of seat belts is still open to debate.

MR. MARTIN: I'll have to try to figure out that answer, Mr. Speaker. Is the Premier saying that if you wear it voluntarily, you will save money, but if you have wearing a seat belt mandatory, you won't? I'm just trying to get it clarified.

MR. GETTY: I guess that's one of the reasons we have *Hansard*. He will just have to read it, Mr. Speaker.

MR. MARTIN: Mr. Speaker, we'll try to take our answers from that.

To move to the minister of transportation, I have here a 1976 study from the *Journal of Trauma*. What it basically says is that mandatory seat belt legislation protects the lives of other people in the car besides the occupants and especially children. My question is: what role has this sort of information played in the government's decision not to protect innocent Albertans with a mandatory seat belt law?

MR. ADAIR: Mr. Speaker, I have some difficulty with the wording of the question. I just want to see if I follow it right: if I put my seat belt on, it protects those in the backseat?

MR. MARTIN: It protects other individuals when you're not . . .

MR. ADAIR: When I'm not coming from behind? Or they are from behind? Mr. Speaker, it's going to take me a day or two to digest just exactly what that is.

The seriousness of what we're talking about is, as the Premier said a moment ago, the difference between wearing seat belts and being told you have to, the mandatory aspect of it. Certainly today we will have the debate relative to private member's Bill 211. As I've said on a number of occasions, outside the House, inside the House, at home, wherever the case may be, I await that debate with a great deal of interest, and I will publicly go on record again as saying where I'm coming from on behalf of the constituency that I represent, in which 62 percent of my constituents are against mandatory seat belts, but 100 percent are for seat belts.

MR. MARTIN: It's nice to be able to skim out of it that way, Mr. Speaker.

Let me direct the last question to the Premier. For the information of the hon. member opposite, it seems to me that this issue has been debated for years and in particular was debated for hours in this Assembly on April 21 and November 24, 1983. My question to the Premier is: why does the Premier not show some political courage and leadership by directing that Bill 211 now be placed on the Order Paper as a government Bill?

MR. GETTY: Mr. Speaker, if it was debated in 1983, obviously the debaters didn't carry the weight of the House; they were unable to convince people to do it. That's what the Legislature is all about. That's why one of the members has brought a private resolution. We're all interested in how that issue is debated in the House. It's the whole process of democracy and this Legislature working.

MR. R. SPEAKER: To the hon. Premier. I raised this in an earlier question; it's relative to a free vote on the seat belt question. Would the Premier consider giving notice this fall, say, in terms of a free vote resolution for the spring Legislature of 1987 so that members of the Legislature would have notice and as well have ample time to have community discussion with their constituents prior to that open debate occurring on the floor of the Legislature? Would that be one of the alternatives open to the Premier's policy determination?

MR. GETTY: That would certainly be one of the alternatives open, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, to the Premier. I appreciate the Reps giving them a chance to get out, but I want to put a little more heat on that. Would the Premier be willing to announce to the House today, particularly in front of the House to his back bench and to his bench, that they are free to vote whatever way they please and that he will honour that?

MR. GETTY: Mr. Speaker, I must say that if the hon. Member for Westlock-Sturgeon is going to put on some heat, I've been waiting for it and haven't noticed any. Nevertheless, it's up to the House whether this matter comes to a vote.

MR. GOGO: Mr. Speaker, I have a question for the hon. Minister of Labour.

MR. SPEAKER: Is it on this issue?

MR. GOGO: Not on this issue.

#### Labour Legislative Review

MR. MARTIN: I'll take over, but I'll ask it of the Premier.

Mr. Speaker, I'd like to direct a second question to the Premier. It has to do with government priorities, especially in spending. In making the decision to allow the Minister of Labour a blank-cheque budget for the law review and its excedents, which will apparently cost — we don't have a budget — over a quarter of a million dollars in nice round figures; it looks around there. My question is: what comparison study was made of this expenditure versus the decision to save money by retesting Aids to Daily Living clients who require oxygen?

MR. GETTY: Obviously, Mr. Speaker, all matters are judged on their own merits. Might I say that in our throne speech, long before the current disputes that are before us in labour matters, we had the plan to have a full review of our labour legislation. We have a chance to do that in the most comprehensive and current way possible to make sure that we get the best possible input in coming to new conclusions. Since labour legislation can't be changed constantly, I think it's extremely important that the people who are making recommendations to us obtain all the information possible and the best information possible and then present it to us with their recommendations.

I don't accept the fact — people talking about \$250,000 in a headline is a joke if you stick the word "may" in front of it. It may be a \$100,000. What's the impact? You're just trying to give an impression that may be completely false. I think we have a chance here to have some of the best people in this province travel and get the best information possible, bring it back to this province, and make recommendations. We should hardly be trying then to discredit those people before they even get started. [some applause]

MR. MARTIN: Look at them pound.

They've already lost credibility, Mr. Premier, and to go on a trip like this, it's lost more credibility. I was talking about government priorities, because the taxpayers are paying for it.

To come back in another question. Perhaps the Premier doesn't want to answer. The Solicitor General has adopted a policy of automatic release for the young offenders' facilities because they're overcrowded. My question is: did the Premier do any review of the need for money — say, a quarter of a million dollars — in this area before this money is spent on a world tour?

MR. GETTY: I really answered that question with my first answer, Mr. Speaker. These matters are all judged on their own merits.

MR. ROSTAD: To correct the record, the hon. Leader of the Opposition brought into the question the young offenders' centres and said that there's automatic release because of overcrowding. I would ask that he withdraw that because it's totally in error.

MR. MARTIN: Mr. Speaker, later on I'll show him the memos that we had from his department if he would like. My question to the Premier is simply this.

SOME HON. MEMBERS: Withdraw, withdraw.

MR. MARTIN: May I continue now?

MR. SPEAKER: Hon. member, the problem is that the inference was that it was an automatic release for all young offenders. The Solicitor General said that that generalization as a statement is not true. Therefore, if the generalization was made and you have information that some are, perhaps it would be better for you to withdraw the generalization and then we could proceed.

MR. MARTIN: Mr. Speaker, I have other information, so I won't; we can determine that later then. They're a defensive lot today, aren't they?

My question has to do with something that recently came up. The Unemployment Action Centre in Calgary has been operating a special youth employment program of particular use for young offenders. My understanding is that they requested \$50,000 from the Solicitor General's department and were turned down. My question is: will the Premier be suggesting to these young people that they should perhaps apply for employment as support staff on the labour law committee's trips?

MR. GETTY: Mr. Speaker, again it's the same answer; that is, all of these matters are judged on their own merits.

MR. MARTIN: Well, we're just trying to establish government priorities, and I guess we are.

Mr. Speaker, on June 26 the Minister of Social Services indicated she would have to find money from another allocation before the government could fund a provincewide Zenith line for battered women. My question to the Premier: what consideration has the Premier given to cancelling this labour law committee's travel plans and instead directing the money to this Zenith line?

MR. GETTY: Mr. Speaker, any request of the government is dealt with seriously and judged on its own merits.

Let me now say that the matter of the labour review panel, as I said earlier, is very important to all the people of Alberta, and we have the finest selection of individuals from this province on that review panel. We're extremely proud of the fact that they were willing to accept that. They face some considerable dedication of their time away from their homes, working with a heavy responsibility. We appreciate that. We have three members representing organized labour, three members representing management, and three members of the general public: a very balanced and effective group.

I come back and say that I think it's regrettable that the NDP are aligning themselves with Mr. Werlin in trying to discredit this organization. They have asked, Mr. Speaker, for a labour review panel. It was already in the throne speech. It's been created: fine Albertans prepared to work for the good of all the people of the province. They aren't caring about the working people of the province; they're just trying to discredit another group of Albertans. They should be ashamed of themselves for aligning themselves that way.

MR. TAYLOR: Back to the original question. I feel a little sorry for the Premier having to face an opposition. [interjections] It's feeding time; the seals are flapping their desks.

I would like to ask the Premier if he has finally decided who the lucky travel agent will be that will look after this quarter of a million dollar windfall, or is he waiting for a new company to be set up by another defeated Tory?

MR. GETTY: Mr. Speaker, it's kind of a foolish question, but I think I'll respond to the first part. In thinking about an opposition and being on both sides of the House before, I've met a lot better oppositions.

MR. R. SPEAKER: Mr. Speaker, my supplementary question is to the Minister of Labour. In terms of the format being used by the committee, has the minister considered a subcommittee travelling to these various places rather than the whole committee? What type of prework is being done by the committee to prepare themselves before they go to these faraway places?

DR. REID: Mr. Speaker, consideration has been giving to dividing up the committee, but in view of the nature of the people who are on the committee and the responsibility they have, it was felt that having subgroups of the committee report to the rest of the committee would inevitably start a sort of secondhand process; we didn't want to do that. Consideration was given to the matter, however, and the decision was not to do it.

Perhaps while I'm on my feet, Mr. Speaker, this would be a suitable time to inform the Assembly that yesterday afternoon I received information by telephone directly from Mr. Jack Murray that he was resigning from the committee. He has been replaced by Mr. Joe Berlando of the Alberta Teachers' Association.

MR. STEWART: Mr. Speaker, a supplementary to the Minister of Labour. Will the agenda of the review committee's work, including its itinerary, be determined by the minister's department, by the minister as chairman, or by the committee itself?

DR. REID: Mr. Speaker, I've attempted to adopt the Premier's technique and say: yes, yes, and yes. But perhaps I should explain a bit more thoroughly than that. The situation is that for some weeks the department has been doing much work preparing briefing material. Indeed, I went over the material myself. Some of that material was passed on to members of the committee at the meeting on Tuesday afternoon. They are now studying that material.

Some decisions were made by myself, and other decisions have been and will be made by the committee. In other words, we are attempting with reasonable haste, which I think is the term I used before, to make a full review of our own and other labour legislation. Various decisions are being made by various people in order to expedite that process.

#### Psychiatric Care of Children

MR. TAYLOR: Mr. Speaker, the question is to the Minister of Community and Occupational Health. The approach taken by the provincial government in the provision of psychiatric services to adolescents is clearly one of crisis intervention rather than prevention.

MR. SPEAKER: Hon. member, please. Yesterday this topic was discussed not once but twice. The Chair awaits careful

framing of the question, that we're not reverting to the same questions being asked time and time again.

MR. TAYLOR: Mr. Speaker, it has been carefully thought out. There was a series of three questions, and they cover different areas. This is in the community health field. As I mentioned, clearly the government's is one of crisis intervention rather than prevention. The key word is "prevention." We see evidence of this lack of preventive focus and the increasing numbers of adolescents all the time in Alberta psychiatric hospitals, as we raised yesterday. Does the minister have any plans to implement a provincewide media campaign aimed at educating parents and adolescents on adolescent mental health as AADAC has so successfully done with their teenage alcohol abuse campaign?

MR. DINNING: Mr. Speaker, I had the good fortune to read yesterday's transcript of the exchange of questions between the hon. member and two ministers on this side of the House. I appreciate the representation by the hon. member, but I would like to reinforce what my colleagues said: if the member has any cases where he has some particular concerns, we on this side would certainly welcome that information.

More importantly, Mr. Speaker, we on this side of the House believe our job is never done and that more can be done. We are working on psychiatric services for children in this province. A number of government departments are in the process of working on that very important initiative now. We'll be going out to the people of Alberta on a consultative basis, and that group will be reporting back to us and providing advice as to future directions in the provision of psychiatric care for all children in Alberta.

MR. TAYLOR: Mr. Speaker, that's not quite what I'm on. I'm on the question of a public knowledge campaign. What is the minister doing to improve public knowledge of and accessibility to mental health support services in order that more adolescents receive the help they need before they develop serious problems?

MR. DINNING: Mr. Speaker, the member has a very good point in, that prevention before the treatment is required, focussing on the family, is clearly so very, very important. I think Alberta is well served by the 56 regional mental health clinics throughout this province, plus some 48 travelling mental health clinics that do a circuit throughout the province. At least 104 communities in this province are served on a regular basis by the Alberta mental health services within the Department of Community and Occupational Health.

MR. TAYLOR: Mr. Speaker, to the minister. Obviously something is not working out right if there are 56 clinics and cases are still increasing. Would this government allocate funds for much-needed research into the cause and prevention of child and adolescent mental health problems in order that services can be designed to address the problem more effectively before the case has developed, not after?

MR. DINNING: Mr. Speaker, I repeat that if the hon. member has cases or incidents he'd like to bring to our attention that are not being addressed, I welcome that, as do all of my colleagues. I think it's important and incumbent upon the hon. member to do just that instead of waving

some mythical white flag of alarm that we're not able to deal with because it's a blank white flag.

MR. TAYLOR: Mr. Speaker, if there are any blanks here, I think it might be in the minister's thinking on the project. The point is that what we're trying to get across here is the identification. I don't think we can depend on 80-some MLAs to go around and identify ahead of time. What I want to get across is: is the government taking the initiative of utilizing after school care or day care facilities as potential vehicles for early identification of psychiatric disorders in children, rather than waiting for an MLA to come and tell you?

MR. DINNING: Mr. Speaker, I guess I could rhyme off all the centres — including 56 mental health clinics, 48 travelling clinics, 27 health units and a multiple number of subunits, family and community support services, day care centres, and after school care centres — where professionals are at work on a day-to-day basis identifying any problems that come up and reporting them to the school system, doctors, hospitals, and Alberta mental health services. Mr. Speaker, those people are out there. They are responsible nurses, physicians, and other specialists who are trained in their fields and are identifying these problems and finding solutions for them.

MS LAING: Mr. Speaker, to the minister. Has he determined if there are blanket programs to ensure that all school teachers and counsellors are cognizant of the indicators of child sexual and physical abuse and violence in the family so that they can in fact report and deal with those problems?

MR. DINNING: Mr. Speaker, there is no doubt about the fact that the matter which the member raises on a regular basis is of very serious concern to this government, and whether it is the Minister of Education and her officials or any number of other ministries in this government, it is our attempt to raise the understanding of the very serious nature of the problem she is addressing. Through the Department of Community and Occupational Health — that's the one I can best speak on — the 27 health units, the various subunits around this province, and the regional mental health clinics are making people in those communities and those schools understand just how serious a problem this can be and are doing their very best to identify the problems and act on those problems as soon as they've found them.

#### **Gleichen Industrial Waste**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of the Environment. In discussions with the mayor of Gleichen she indicated that environmental officials have reviewed the waste in the town. Could the minister report at this time what was found and whether a report has been filed with his office?

MR. KOWALSKI: Yes, Mr. Speaker, I can report that I have received a report from officials from Alberta Environment who visited Gleichen yesterday. Essentially a variety of materials were found. The majority of the drums contained solidified glue, similar to contact cement. One part drum contained linseed oil, one drum contained emulsified roofing tar, two drums contained chemical toluene — I have to understand how to pronounce some of these words — and

about 30 drums contained Piccovar AP 25, which is an alkali aromatic thermosetting resin. Three large tanks were set at ground level in a pit; two of them contained toluene.

The conclusion given to me is the only dangerous goods identified on site were toluene. Due to the relatively good condition of the drums and tanks there is no imminent danger to the environment. There is no sign that any of the drums were leaking.

I've instructed Environment officials to gather up the drums containing toluene and have them stored in an appropriate site in the province of Alberta. Despite the fact that I'm not sure I have the authority to do that, I've said that it take place.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Could the minister indicate what research or investigations are going on in other centres of Alberta to locate waste disposal sites or businesses, either active or inactive, that could contain hazardous wastes that are not documented at the present time?

MR. KOWALSKI: Mr. Speaker, members will recognize that if we go back a number of weeks here in the Legislature, some drums containing industrial waste were located at Dow Chemical in Fort Saskatchewan, and I indicated at that time that the government would be initiating a multiphase program. The government will be initiating such a multiphase program. Around about the first week of October, if planning goes okay, we'll have a public information campaign in the province of Alberta with respect to a program called HELP, which will address itself to that kind of situation. In addition to that, correspondence will be addressed to all municipalities in the province of Alberta asking them to search their own records for any kind of storage dump containing any kind of waste that may have occurred in the province of Alberta prior to 1973, when legislation came in requiring these types of materials to be stored and identified.

The situation in Gleichen is a very strange situation. In the last several days the research that I've had undertaken with respect to this matter indicates that on October 16, 1985, the town of Gleichen sent a letter to Taylor West Industries, which is the owner of the property, advising that Taylor West Industries should undertake a cleanup within 30 days of receiving that letter dated October 16, 1985. The town also says that

If this condition is not remedied within the specified time council may act without further notice and shall remedy the condition as directed and apply the costs to the tax roll.

That is certainly a legal provision applied to any municipality in the province of Alberta if they are concerned about an abandoned site within their municipal jurisdiction.

I asked the mayor when I contacted her on Tuesday last if Taylor West was in arrears in terms of their property taxes, and the mayor said that she didn't know. We undertook further investigation yesterday morning and determined that Taylor West had not paid property tax for ...

MR. SPEAKER: The Chair thanks the hon. minister. The Chair has undertaken further investigation of its own and discovered that all further supplementaries have now been answered.

#### Chiropractic Profession

MR. GOGO: I have a question to the hon. Minister of Labour in his capacity as minister responsible for professions and occupations. Mr. Speaker, it relates to Bill 47. In view of the fact that some 240,000 Albertans utilized the services

of chiropractors last year, why is the minister restricting the practice of chiropractors?

DR. REID: Mr. Speaker, I think that perhaps I should first explain that Bill 47 will amend the as yet unproclaimed Chiropractic Profession Act of 1984. In that Act, without getting into debate on the Bill, there was developed a definition of chiropractic which has caused considerable difficulty to chiropractors and to myself. Since that Bill was passed by the Legislature, the chiropractors themselves have realized a difficulty with double registration. There is certainly no attempt to restrict the practice of chiropractors except to prevent them from practising as naturopaths as well since the disciplinary function would be complicated by the ability of the individual who was double registered to skip from one profession to the other to avoid disciplinary proceedings.

MR. GOGO: A supplementary question, Mr. Speaker. Why then is the minister restricting or stopping the use of X-ray equipment by chiropractors?

DR. REID: Mr. Speaker, I think there's some misunderstanding there. I mentioned the definition of chiropractic, and in the definition that exists in the unproclaimed 1984 Act, there is reference to X rays and other modalities of treatment and investigation or something like that. That's the phrase that has been removed, but the removal of it does not prevent chiropractors from using X rays. It was the difficulty of defining in regulation, in view of improvements in X-ray equipment and techniques, as was required in the 1984 statute, but in no way will this prevent chiropractors from using X-ray equipment as they have traditionally done and as they continue to do.

MR. GOGO: Mr. Speaker, a final supplementary that would put this member at ease. Has the hon. minister met with the Alberta Chiropractic Association, which represents some 310 members, prior to these proposed changes in legislation coming in?

DR. REID: Mr. Speaker, let me reassure the House that there have been many meetings between myself and the executive of the Alberta Chiropractic Association and between my officials and their executive as well, and all of these changes were indeed initiated to a large extent by the association and have their approval.

#### Gleichen Industrial Waste

(continued)

MR. YOUNIE: Mr. Speaker, I wish to question the matter of Gleichen and would state from the outset that I feel I'm going into new areas that as yet haven't been dealt with. The questions have been framed very carefully. In fact you will note that one was scratched out and changed because it would have been redundant.

I would like to ask the minister if in the list of finds that he went through — considering that the owner stated there was trichloroethane on the site as well and that he still had use for it, did the minister or his people find any drums or containers the contents of which were not identified, and will there be more sophisticated testing required to identify them?

MR. KOWALSKI: Yes and yes, Mr. Speaker.

MR. YOUNIE: Thank you. I'm not used to answers quite that brief. I hardly got to sit down.

What steps has the minister taken to improve procedures and communication in his department, given that there seems to have been a three-month lapse between the first visit and his notification of the problem?

MR. KOWALSKI: Mr. Speaker, I think I've already referred to the action that I said I would undertake on Monday of this week if it was determined that there was some failure on behalf of anyone in the Department of the Environment. But in reading the report that was written to file as a result of the investigation that took place in May of 1986, the information conveyed to the town of Gleichen was that there were provisions in place for the town to in fact undertake final conclusion of this. It's regrettable indeed that an individual associated with Alberta Environment did not pursue this matter any further with senior officials, his superiors in the department, and eventually have the matter brought to my attention; that certainly will be corrected. But there was an interesting statement made in the investigation that took place on May 28 when a statement was made to Mr. S. Holt:

No substance was found to be leaking or blowing from any of the drums. I believe this is a local dispute which we need not be involved in. (Mr. Holt stated that the Mayor doesn't want to be the "heavy" in solving this matter.)

A suggestion was made that the town could resolve it.

MR. YOUNIE: Thank you. I'll look forward to checking into that myself.

I was interested that the minister seemed comforted that grass was growing around the drums and that this indicated everything was safe. I'm wondering if the minister is going to undertake a study to inform himself of the difference between substances that are harmful to grass and those that give off fumes that could be deadly to humans?

MR. KOWALSKI: I think, Mr. Speaker, what's really important is that when I was asked outside the House yesterday for a preliminary comment with respect to this particular matter, I said that I had only had at that point in time a preliminary assessment with respect to grass, and I indicated yesterday that further investigations would take place. Today when I was asked by the Member for Little Bow whether or not we had anything further to offer, I provided him with the specifics that I had. Just a few minutes ago the Member for Edmonton Glengarry indicated to me, "Would further tests be undertaken?" and I responded yes.

One indication in terms of the impression the member tried to convey in terms of the public news media earlier in the week that there was something really terrible going on here is that if the environment close to drums or pits or whatever the heck they are is sterile and no growth occurs, that allows one to conclude that something may be amiss. But if there appears to be health in the environment surrounding drums in question, one should with common sense be able to make the suggestion that it would appear that not all has gone awry and astray. It was in that light that the comment was made by myself

MR. YOUNIE: Thank you. There are still two problem spots on the site that I'm concerned about and that haven't been mentioned, and that is two completely buried, under-

ground tanks facing Main Street on the site. I'm wondering if those were opened and the contents tested, considering they are very large tanks and could be dangerous.

MR. KOWALSKI: I think I responded to that in the first question the hon. member raised. When he asked if any further testing was going to take place, I said yes.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Approximately just over a year ago the owner of Taylor West Industries lost his three sons in one of the containers on site. Could the minister assure the House that those containers will be either locked securely or removed from the site as quickly as possible?

MR. KOWALSKI: It's my understanding that the three deaths occurred in 1981, Mr. Speaker, not 1985. It's my understanding that as a result of the reports of the medical examiner, the public enquiry that took place in 1981, that action has occurred, but I will do a double and triple check to ensure that it has in fact happened.

#### **Battered Women**

MR. MITCHELL: Mr. Speaker, my question is to the Minister of Social Services. The problem of battered women, which affects about 55,000 Alberta women, must be addressed through a public awareness campaign. A life-style media campaign like that done by the Alcohol and Drug Abuse Commission was recommended in 1984 by the federal/provincial working group on wife battering and again in 1985 by this government's own special report on family violence. The government has been thinking about this for a long time. When are we going to see a provincewide, AADAC-style media campaign on wife battering?

MRS. OSTERMAN: Mr. Speaker, the whole area of family violence — and I think it should be discussed as a whole — is a very important matter to continually have before us. While we've launched a fair number of programs, obviously they haven't met with the kind of success we would like to see. The hon. Minister of Education is not in her chair at this time, but as a result of some of the recommendations the hon. member has mentioned, through the federal group, I know that education was a very important component. To that end, there's been a life-style course piloted, others proposed, and so on. So certainly the schools have a fairly important role to play in the lives of young people as they form their attitudes about their future life.

I would say that the hon. member should also be aware of the major booklet that we produced that spoke to family violence, which we hope will be shared with communities right across the province in order that people will become more aware.

MR. MITCHELL: Thank you. Could I pursue this question beyond the Department of Education, specifically with respect to what Social Services is doing? Is this package entitled family violence prevention, which includes a number of pamphlets on the area of family violence, all the minister herself is doing by way of a public awareness campaign outside the schools for the public in general?

MRS. OSTERMAN: Mr. Speaker, in more of a treatment sense and particularly with the type of workshops that seem to be needed in various communities, which communities

themselves organize, we would supply speakers and information for those that are interested and believe they have a problem of such a magnitude that it has to be addressed en masse in a community. Certainly where we are called upon — we haven't launched a provincewide media campaign, as the hon. member has raised, but we certainly respond to requests where they evolve.

MR. MITCHELL: How effective can that approach to this kind of problem be? How effective can these kinds of pamphlets be when they're only given to people who request them? Surely the minister isn't expecting that a wife batterer will actually make the effort to pick up these pamphlets, read them, and then stop battering his wife?

MRS. OSTERMAN: Mr. Speaker, obviously I find this topic to be a very difficult one. All of us in this Legislature and Albertans as a whole, as I have spoken to them and they have communicated with me, also find the area very difficult, and they're very concerned about it. This concern radiates through various communities, and I've indicated that I've had a fair amount of contact. There's one other thought that also radiates through those communities, and that is that the people in this Legislature and the MLAs, as they go through their constituencies, cannot be entirely responsible nor can they hold themselves up to be the saviours of the families in this province. So I say to the hon. member: all of us must try very, very hard with the resources we have to implore our communities and citizens to contend and come face to face and try to deal with this problem wherever it arises.

MR. MITCHELL: The government tried very hard with respect to alcohol and drug abuse, and it's to be congratulated for its AADAC campaign. That kind of campaign is more than appropriate for this area. Will the minister confirm that funds are being allocated in the 1987 budgetary process, which is taking place at this time, or are we going to miss this opportunity as well to provide funds for this important media campaign in this very vital area?

MRS. OSTERMAN: Mr. Speaker, in my view and in the view of many others, what we're really talking about here is reinforcement of more positive life-styles right across the province. Again, I would say, and hopefully the hon. member will concur, that this is an area where education helps a lot. It's the type of thing that can be discussed within the classroom, with information going to young people who have it for their consideration in determining what type of future they will have and their conduct in the future.

I would also remind the hon. member that yesterday, I believe, in response to one of his colleague's questions I spoke about having put aside funds in the Calgary region that deal with the whole area of child abuse, which is again part of the family violence syndrome. We're very much looking forward to the proposal that will come out of some \$600,000 that we will allocate for suggestions that can help to deal with this area.

MS BARRETT: A supplementary question, Mr. Speaker.

MR. SPEAKER: The time for question period has expired. Might we complete this one set of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

MR. ANDERSON: Mr. Speaker, if I might supplement the answers given by my hon. colleague. I should mention to the House that this topic has been discussed at length by our government as part of the intergovernmental working group on family violence, the report of which was tabled in the Legislature some time ago. Since that point there have been a number of additional steps taken, particularly within the Department of Education, the results of which have been just recently relayed to me. The report is representative of a concerted effort from across all of the departments of government, as the hon. Minister of Social Services indicated. The programming we're involved with in the Department of Education is a major part of that instance. We're assessing the public campaign in concert with options and programs of that sort initiated by other governments. We hope that as part of overall plan, combined with those that we've already initiated, it will be considered.

I might say, incidentally, that I think any of the governments involved in that program would indicate that Alberta has done as much if not more than most provinces in the country, and we look forward to doing even more in terms of dealing with this very crucial problem.

MS BARRETT: Mr. Speaker, I wonder if the Minister of Social Services would assure the members of the Assembly that she would personally undertake to gather studies to indicate the extent of wife battering in the province, bring them personally to the Premier, and discuss them with him, so he can understand that in fact there is a high priority for this and not just for globe-trotting on labour legislation reviews.

MR. MUSGREAVE: A supplementary, Mr. Speaker. I don't know whether I should address this to the Minister of Social Services or to the Attorney General, but I would like to know if the minister is pursuing with vigour those cases where people have been accused of wife battering and is laying charges to ensure that in cases where there is a strong indication of this taking place, proper legal action is being taken.

MRS. OSTERMAN: Mr. Speaker, my hon. colleague will probably want to supplement the answer. In terms of my own experience and the responsibility that our department has, when information comes into our hands that appears that there would be some criminal element to it in terms of possible charges, that information has to be relayed immediately to the proper authorities to be dealt with.

MR. HORSMAN: Mr. Speaker, perhaps I could supplement the answer. Members who are new to the Assembly may not be aware that as a matter of policy my predecessor directed police forces throughout the province to lay charges in cases of wife battering. If my memory serves me correctly, that was within the last two to three years. Members will be aware that it had been a situation where after reflection or due to pressure the victim often refused to proceed with the evidence necessary to carry out successful convictions. That is an important step forward. I think that some review would be useful to indicate whether or not there have been increased successful charges. I would undertake to the Assembly to try to find that information for hon. members, because I think it is an important issue facing Albertans.

**ORDERS OF THE DAY**head: **MOTIONS FOR RETURNS**

MR. HORSMAN: Mr. Speaker, today I would move that motions for returns 158, 163, and 165 stand and retain their places on the Order Paper.

[Motion carried]

head: **WRITTEN QUESTIONS**

169. Mr. Ewasiuk asked the following question:

- (1) In each case where the government, any of its departments or agencies, or the Crown in right of Alberta has leased office space from any other person, where such lease or successor agreement was in effect at April 1, 1986, what were the terms of that lease, including but not limited to
  - (a) the square metreage of the space covered by the lease and its address,
  - (b) the term of the lease,
  - (c) the period of term during which the lease and its predecessor agreements had been in effect,
  - (d) the cost per square metre to the lessee at April 1, 1986,
  - (e) the monthly charges to the lessee arising from the lease agreement as at April 1, 1986,
  - (f) the identity of the lessor,
  - (g) the identity of the lessee,
  - (h) the purpose for which the space had been leased, and was the office space occupied by the lessee at April 1, 1986?
- (2) Noted separately in each instance for the city of Edmonton, the city of Calgary, and Alberta excluding the cities of Edmonton and Calgary, with regard to office space leased by the government, any of its departments or agencies, or the Crown in right of Alberta, at April 1, 1986, what was
  - (a) the total amount of space leased or rented and occupied by the lessee,
  - (b) the total amount of space leased or rented and unoccupied by the lessee, and
  - (c) the total charges, including but not limited to leasing, renting, and utility charges, payable by the lessee pursuant to the leasing of office space?

MR. ISLEY: Mr. Speaker, the government is not prepared to accept Question 169. The reasons for rejection are as follows. We as government are involved in hundreds of lease agreements with private-sector landlords. For years we have been competing in the marketplace with other users and like most other parties have followed the policy of treating lease agreements and lease rates as commercially confidential. If the hon. member is interested in information such as the total amount of lease space, average lease rates, and total lease costs, I am prepared to provide that type of information. On the other hand, if the hon. member has concerns with respect to a specific lease agreement, subject to receiving concurrence from the landlord, I may be prepared to release that type of specific information. However, we cannot accept the question in its present form.

head: **MOTIONS OTHER THAN  
GOVERNMENT MOTIONS**

220. Moved by Mr. Musgreave:

Be it resolved that the Legislative Assembly urge the governments of Alberta and Canada to consider an enterprise allowance scheme which would help unemployed people start businesses of their own by providing, for those people unemployed for at least three months who are drawing unemployment insurance benefits, the following:

- (1) financial operating assistance for one year;
- (2) an instructional period of two months in business procedures, to culminate in the creation of a business development plan; and
- (3) start-up capital to a maximum of \$10,000, to be matched by the applicant.

MR. MUSGREAVE: Mr. Speaker, one of the most crushing facts of life in Canada today is that over a million people are unemployed, and many of them are young people. Sadly, many of them feel that the 90 percent of us who are working do not care. As a nation we should hang our heads in shame at this waste of human potential. We all know that a day in idleness cannot be recovered; it is gone forever.

MR. SPEAKER: Order. Perhaps members of the Assembly moving about might do it a bit more quietly so that other members could pay closer attention to the speaker, please.

MR. MUSGREAVE: Mr. Speaker, we are all aware of the ongoing tragedy of unemployment: the loss of self respect, the rise in family violence, alcoholism and drug abuse, and in many cases various stages of mental illness. The purpose of Motion 220 is to try to make some new strategy to reduce unemployment.

I appreciate the debate to and fro over the PGRT, the idea of loans to the oil industry, or a North American floor price for oil. I also appreciate the many joint programs between the provincial and federal governments, everything from our medicare program, the training of citizens, education, agriculture: the list is endless. These programs involve millions and in some cases billions of dollars. In my view, there's hope that a joint program using UIC benefits and provincial help can be developed.

Other than small business organizations, the small business community has no forceful group of people to speak on their behalf I'd like to make a comparison between the business community and agriculture. In our federal and provincial jurisdictions there have historically been many varied programs to assist the agricultural community. There have been cabinet posts in all provincial and federal governments since the time of Confederation. Politically the rural areas have had the strength to carry out programs of aid to farmers. Just to name a few, we have veterinarian schools, research centres, marketing agencies, transportation facilities, and aids to market products internationally. But as Professor Gilson said in a speech last year:

the majority of Canadian farmers are still financially solvent even if the profit margin is small and uncertain. The net income margin in agriculture has fallen but farmers continue to produce and hundreds of thousands of people continue to be employed in the farm supply and processing industries of our country.

Here in Alberta right now our farmers are expecting a bumper crop even though anticipated prices are very low. Costs in some areas have also declined. To further help

the farm community we have now introduced the farm credit stabilization program, which has reduced the cost of money for \$200,000 to 9 percent for each family farm. This will certainly be a positive step for the farm economy.

[Mr. Gogo in the Chair]

What many do not remember is that much of the farmland was obtained under land grants or homestead programs. Thus the initial capital which is basic to the farm community came from the community. To make it productive, though, the hard work of many of our pioneers was necessary. Many lost their lands for taxes, and here is where some current owners took a chance and bought land. Many veterans were also helped with land purchases after the war.

The benefit of years of struggle are now being passed on to the farm descendants. The actual percentage of people on the land as part of the total population is declining. In my view, those remaining are in a much better position economically than the young people in our cities. Why is this? It's because they have a capital base. This is what I urge you to consider today: first of all, the creation of a capital base; secondly, the necessary training; and thirdly, the necessary planning.

I would challenge any of my colleagues to refute my suggestion today that you won't find any farmers in Alberta lining up at food banks asking for food. In Calgary in May of this year, the number of people drawing unemployment insurance was 24 percent higher than a year ago. Every day there are reports from my city of people losing their jobs, and many are leaving the province to seek jobs elsewhere.

So I think there is no question that there is a need, but how do we solve the dilemma of creating jobs? Many of our programs have provided a variety of ways of assistance, but in my view too many of these are aimed at developing employees who must depend on someone else to provide the jobs. I would suggest that we should be developing people who will take the risk that many farmers did and create jobs. Our province has more than doubled in population in the last 20 years, and much of this growth is made up of young people. While many have found jobs, the rate of job creation is less than the numbers coming onto the market, thus we have our rising or continuing high unemployment rates. In July of this year the total cost of UIC benefits paid to Albertans amounted to \$816 million. The tragedy of such large amounts is that \$816 million is paid out of the Treasury instead of helping people to work and to create our country's wealth and add to the Treasury.

There is no question that there are many reasons why Alberta is a good place to do business. Personal and corporate tax rates are the lowest in Canada, and the average take-home pay is the highest in Canada. In my view, there is potential for many new businesses. I appreciate that much has already been done, and there are many and varied ways in which this government has helped our private sector create jobs. For example, the Alberta Manpower budget for 1986-87 for financial instruction and counselling services is \$214 million. The small business division of Economic Development will receive \$4.3 million this year for similar services. This summer Alberta Manpower, the private sector, the federal government, and the YMCA of Edmonton developed a youth entrepreneur program that involves \$125,000 in funding by the department. Also under way with the support of the department is a 12-week entrepreneurial training program at the Northern Alberta Institute of Tech-

nology. Once students participate, they can no longer draw UIC benefits.

The idea for this entrepreneurial program was first given to me by a member of the Organization for Economic Co-operation and Development, better known as OECD, while he was in Alberta two years ago doing a study on the research that was carried out in the western provinces. He mentioned to me a program that had been working in Europe, and we all know of the high unemployment in the European countries. When the Hon. Boomer Adair was Minister of Tourism and Small Business, he also encouraged me to discuss this program with Mr. Phil Shragg, who was then the executive director of the small business assistance program. This gentleman was of great assistance in outlining the benefits and merits of the particular proposal. Similarly, I had some useful follow-up discussions with the Hon. Ernie Isley when he was Minister of Manpower and with Mr. Barry Day of his department.

Because of several events in the government — change of leadership, an election, and pressing problems in the oil industry — this concept has not reached a point where a decision can be made, but I am informed that it has received considerable study in the government. To have this idea adopted as a pilot venture would in my view be worthy and desirable.

Whether or not this motion is passed, Mr. Speaker, is not nearly as important as hearing from members of the House to see if they agree that there is a way to reduce our unemployment rolls. I hope that our ministers of Economic Development and Manpower will give careful thought to the debate on this motion. Some people may say that there are ample agencies to loan money to young people wishing to start a business. What I am suggesting is a co-operative idea between the unemployed and the governments of Canada and Alberta whereby we will encourage young people to take a risk and get into business for themselves. Besides a sense of self-worth to replace existing despair, I am sure that the feeling of achievement will more than make up for the long hours of study and work necessary to develop a successful business venture. Whether it is a loan or a grant or a combination of sweat equity and personal contribution is not important. We give incentive grants to the oil industry if they spend funds on certain programs. This suggestion of mine to launch a small business is very modest compared to other ventures of various government agencies to stimulate the private sector.

I'd like to briefly discuss and review the success of this program elsewhere. In Great Britain an enterprise allowance scheme for unemployed people was started in 1982. Over 110,000 people entered the program and about 75 percent of the businesses started are still operating. This program was copied by Great Britain from socialistic France, of all places, where they started a similar program in 1980. Under the French program unemployment compensation of up to six months was available to make a lump sum investment. Three years after the program started — that is, in 1983 — 75,000 people had taken advantage of this program, with a 70 percent survival rate. Half of the 70 percent advised that they would not have started the business without financial help.

There are many areas of concern or weakness in such a program, but I am sure my colleagues will deal with those. The advantages, though, I would like to list for my colleagues. First of all, it is one of the cheapest ways we know to create jobs. Secondly, it helps people develop business skills they never realized they had. Once having

tasted the freedom and responsibility, they never again will want to work for someone else. Many who will be successful will expand and create jobs. It works well for those who have trouble finding work because of colour, education, skills, or language difficulties.

I remember my days in the construction industry in Hull and Ottawa after the war. The entrepreneurs in home construction were mainly young French Canadians, many of them from rural areas of Quebec with limited education. The majority of them spoke very poor English. But they had a desire and a free spirit, and as a result many of them did very well. The important thing, though, was that they had not been conditioned to work for someone else.

I urge support of this concept by government. We need some ideas that are new to our province but have worked elsewhere if we are to care for the 10 percent of our population denied the opportunity to participate in the good life of Alberta and Canada.

MR. SIGURDSON: Mr. Speaker, I know that the hon. Member for Calgary McKnight lives in the constituency of Calgary Forest Lawn, and I wonder if during the campaign he didn't receive a little information from the New Democratic Party, because we proposed something along this line as well. We won't take the credit for this, because as I say, there are a few discrepancies, and I'll get to those in a little bit.

Mr. Speaker, what we had proposed ... [interjection] Sorry, Greg. We'll work on it for next year as well; don't worry. To get back to the program we had proposed, it was based along the lines of a program in Manitoba which has had a good deal of success. We had called the program in Alberta YouthStart, and it was formed on the program that has gone on in Manitoba. For those unemployed folk — not necessarily unemployed but young people who want to get started in a business venture who may not have any working capital whatsoever but don't like the idea of having to maintain a residence with their parents because they're at an age when they'd like to get away and they can't find work — the YouthStart program that we propose may allow them to set up a venture so they can go out and become productive members of society.

The program in Manitoba that we used as a model has a start-up grant of up to \$4,000 per applicant and in a partnership would go as high as \$8,000. In Manitoba in the first year of the program they had some 71 successful applicants. Thirty-six of those were in the service industry, 33 were in sales companies, and two were in manufacturing. Along with the proposed motion, this program, too, would ensure that there were necessary courses and consultants provided to these people that were starting up the program. What effect has that had? Surely we can't take this program alone and look at the kind of effect it has ...

MR. DEPUTY SPEAKER: Order please. I hate to interrupt the hon. member. I may be the Chairman of Committees, but we're not in committee. Would the House remember that the hon. member is speaking.

MR. SIGURDSON: Thank you, Mr. Chairman — or Mr. Speaker. I do apologize.

Certainly this one program hasn't created or made the real change in unemployment that we experience in Alberta as compared to Manitoba, but let's look at the difference in figures between the two provinces. In Manitoba for June 1986 there were 14,000 young people between the ages of

15 and 24 years unemployed. In Alberta there were some 45,000 people unemployed. That's 10.7 percent for the province of Manitoba and 14.8 percent here.

What we should also be looking at is having other programs that would assist in the experience that young people require, a program much the same as the federal program of Katimavik. The reason I suggest that is that that program is not a job-creation program; it's a program that allows for experience to be gained across the country or, if we were to set up such a project in our province, across our province. From that program, Katimavik Canada, a 1985 study showed that 59.8 percent of those who had participated in the program had employment, 27 percent were in school or university, and only 6.7 percent were unemployed. So surely there is experience to be gained in the volunteer world that can be taken to the business world.

I have a couple of problems with the motion. I had in my office the other day a constituent who was trying to set up a small business and needed some capital to try and get a prototype under way. He would perhaps qualify for the program were the government to adopt this motion and set up a program like this. I say "perhaps" since he would qualify because he has been unemployed for more than three months and is receiving unemployment insurance benefits; he wouldn't qualify because he hasn't got the money to match the program.

The problem with this motion is that you have to match up to \$10,000. The applicant has to match that so that money will be matched by the government. That is the problem with the motion. Too many people, especially after they've been unemployed for three months and their incomes have been greatly reduced, start to turn to their savings accounts and draw on those savings accounts to pay the rent, to pay for the food and, if they're married, to pay for the clothes of children that are growing, and that money is soon drained. So when they come up with an idea that would get them out of the rut of unemployment, all of a sudden they find that their money, the capital that is necessary for this motion, isn't there. It's gone. They've used it.

Instead of having a program that would be available to assist unemployed people, I think this would be just another program on paper, and I wouldn't want to see that. I think the intent of the motion is good. But to include in that that they have to be unemployed for three months and that they have to put up a matching amount, although it doesn't specify when that amount would have to go in — perhaps we could look at the applicant having to match it after a period of time, or after a period of successful operation money would have to come back. I am concerned about the immediate matching by the applicant for the start-up capital. With that I'll conclude my remarks.

MRS. KOPER: Mr. Speaker, I am extremely pleased that the hon. Member for Calgary McKnight has introduced this motion, because I think the unemployment situation in our province and in our country needs a new approach. The statistics that the hon. member brought forth are alarming and a constant reminder to us that we must start looking at things with new eyes — take a new look at employment in our province and country.

Alberta's economy still creates as many jobs for its population as any other province, as is proven by having the highest employment to population ratio in all of Canada. However, the province's job demands are such that our unemployment rate continues to grow, just as our population

has grown by 26,000 over last year, as statistics have recently proven. So this problem is with us.

The hon. Member for Calgary McKnight also mentioned that the Alberta government has striven to make Alberta an attractive place for carrying on a business. Our personal and corporate tax rates are among the lowest in Canada, and there are a wide range of services given directly to the unemployed. These include financial, instructional, and counselling services administered by Alberta Manpower. If you take a look at programs specifically targeted toward the unemployed, the federal government offers many programs under the Employment and Immigration Commission jointly with our province: the Canada mobility program, Challenge '86, community futures program, foreign entrepreneurs, CEIC job development program, job entry program, national institutional training program, the outreach program, skill investment program, skill shortages program, and work sharing program.

Mr. Speaker, in addition to that there are provincial programs offered for businessmen, the unemployed that wish to be upgraded. In addition, the Alberta government has many programs aimed specifically toward financial and instructional assistance for businesses, and I could name them. Under Alberta Agriculture we have the business analysis branch, which provides consulting, and the product process development section of Alberta Agriculture that has put many small businesses into the world market. One, for example, is in my constituency. It's an ice cream parlour that has taken the idea of making a very low calorie dessert that is cold and tastes a bit like ice cream. He has worked with Alberta Agriculture and developed a product called Toffait that is now marketed in New Zealand and Australia.

Alberta Consumer and Corporate Affairs provides extensive services for the unemployed, counselling services that will help them to get back into the work force. The Alberta Department of Economic Development and Trade, of course, has programs for funding: the AOC; the SBECs, the small business program that we were promised in our throne speech. We have all sorts of services such as small business tips, starting a business in Alberta, and strategic planning. All of these consulting services are available.

But all of it goes for naught if the person starting to create the job does not have the proper tools, Mr. Speaker. Private-sector job creation via subsidies is an incentive policy. Whether or not private employers react positively to these incentive policies depends on a variety of other circumstances, including general and firm, specific demands. On the other hand, while public-sector programs don't depend on such market reactions, there is still a greater risk of make-work arrangements that are not fulfilling to the individual and perhaps do not prepare him or serve a need in our community. If public job creation is to play a significant role in dealing with the structural element of unemployment in the mediate term, I believe it needs a well defined, long-term role. I see this motion as very, very important in that regard.

As the hon. Member for Calgary McKnight has mentioned, this enterprise allowance scheme was first established in Great Britain in 1982 for unemployed people. Prior to that there was a 16-week British program at the University of Manchester, and I'm sure all hon. members have a vision of the kind of city Manchester is. It required participants to spend the first month in residence at the university, and participant selection from quite a large pool of applicants was based upon judgment of each applicant's potential to succeed. Therefore, Mr. Speaker, I think we should very

carefully consider under the first part of this motion the nature of each applicant and the characteristics of entrepreneurship that are so important to the success of this project.

After running this program in Britain seven times, Manchester undertook to measure its success, and it was really exciting, Mr. Speaker. Seventy-six percent of the participants completing the program initiated a business. That is quite a feat. One year after completion the average employment level was eight people per new firm created.

About the same time an Irish program involved about 830 young people under 25 years of age, Mr. Speaker, and 67 percent of these people subsequently became self-employed. The parent program has processed over 1,600 people, mostly over 25 years of age, since 1978 and has seen 42 percent of the graduates become self-employed. As of the most recent measurement, the average business employed 4.6 persons per start-up, per initial investment.

Mr. Speaker, the Member for Calgary McKnight brought out that advantage. This scheme is one of the most cost-effective ways of creating new jobs through the small business sector. The statistics prove that in Britain jobs cost an average of \$3,000 each compared to the estimate of \$20,000 per person in governmental support given to job creation here in Canada.

Mr. Speaker, this creates a group of people who, if really successful, gain confidence in their own business abilities and inspire others to discover the benefits of self-employment instead of the defeat of unemployment. Their life-style changes and so does ours. These people will expand and create further jobs as their entrepreneurial ventures take root and succeed.

Mr. Speaker, I believe this approach will work very well for many disadvantaged and minority groups who have difficulty getting into the labour force. There's an old Greek saying something like this: "Where the rewards for valour are greatest, there you will find the most valiant." I think the same can be said of the development of entrepreneurs and entrepreneurship. We have proven that entrepreneurship is not only indigenous to Alberta but can and is being cultivated through many of the activities of our government and the people in Alberta. It must start with creativity, imagination, intelligence, perseverance, focus, determination, and self-motivation. It can be taught. With that you can teach the good managerial, financial, technical, and interpersonal skills that are needed to make a successful business start.

Mr. Speaker, in Calgary quite a bit has been done with the transfer of technology. An article was brought to my attention a short while ago that talks about innovation and technology and has a few steps in what to do with an innovation. I feel sure it would be of interest to the hon. Member for Edmonton Belmont. One of the places you can go is the Canadian innovation centre at the University of Waterloo in Ontario. They ask a fee so they can provide an overview of the innovation or the project's feasibility. You can go to the Alberta Research Council in Edmonton, where they'll assist in the development of the commercialization of products and transfer of technology. The electronic products testing centre is an immensely successful place. You can go to Vencap Equities to look at venture capital for those concepts showing a big business potential. You can go to the industrial and regional development program, or you can try the entrepreneurship program at the University of Calgary called New Venture Development. It offers assistance with planning and marketing feasibility by taking

students, many of them in the work force and studying part-time.

This course seeks to marry theory and practice by students actually working with small businesspeople, inventors, and innovators, developing ways and means to extend both the expertise, of the students and the success of the companies. The program is rooted in the idea that one of the best ways to teach anything is to do it. By linking together the downtown communities and businesses with the actual work of the students, there have been many, many instances of success. A pilot study in 1984 of MBAs from the University of Calgary revealed that eight out of 10 MBAs graduating with three or more courses in entrepreneurship had businesses under way and the remaining two were planning on start-up businesses in the not-too-distant future.

Mr. Speaker, the spin-offs from this kind of activity are immense. I think we really must examine this idea very seriously, because it can work for us. It can be an exciting new and bold step into the future. We want to diversify. We find it necessary to take a more creative look at small businesses. We have been conditioned to believe we must work for someone else. By programs such as the Member for Calgary McKnight has suggested, there will now be an opportunity to identify business opportunities and potential in people and to help them to get organized. If they lack confidence in starting a business, there is a way to teach them, and there is a way to develop and grow.

Mr. Speaker, I believe a few items need consideration before we start this. Regardless of what the opposition member for Edmonton Belmont has suggested, I know that the government of Alberta has been working on this idea for three years. Entrepreneurship has been extremely important. It has made a partnership of the departments of Manpower, Economic Development, and Advanced Education. They have worked together to create a climate where entrepreneurs are recognized and assisted.

Mr. Speaker, in considering this motion, I think we must look at the needs of the local community, where job creation is needed. We must look at the availability of appropriate candidates, because entrepreneurs are special; I've listed a few of the characteristics. We must look at the costs of the effective design of the program and at the community payoffs and the kind of spin-off resulting from this project work.

Mr. Speaker, there is a model in existence right now at the University of Calgary under New Venture Development. If I may close by talking about the symbol of their program, it's an open hand with a butterfly. It suggests to me the very delicate nature of starting a new venture, launching a new career, and getting an entrepreneur out into the work force so that he can create jobs and improve and maintain the quality of life that we have here in Alberta.

Mr. Speaker, I very much support this motion and feel it should be considered. There may be some problems that need adjustment, but I think there is good direction here. I hope all hon. members will support this.

MRS. HEWES: Mr. Speaker, just a few comments on this motion. I too would like to applaud the hon. Member for Calgary McKnight for introducing it. As other members have indicated, I believe a number of the programs we've developed in this province to deal with unemployment have been very costly, and in some cases the figures don't appear to justify the investments. I think it's time for a much more creative approach. We need new ideas, new options, and

new alternatives, and I believe this one has some important elements in it.

Mr. Speaker, the problem of unemployment is exacerbated and also accompanied by an increase in a rather new phenomenon; that is, underemployment, where we see people who have been educated in a chosen trade, skill, or profession unable to make use of their educational capacity and seriously underemployed, although managing to keep a job. Those circumstances create many, many hardships both to the individual and to the economy in the community.

[Mr. Musgreave in the Chair]

Mr. Speaker, just an aside. I believe the small businesses we see being developed in this province and elsewhere are the driving force in the economy. It's always pleasing to me to read the new research which shows that in recent years most small businesses have been started by women, that women are the ones who are initiating and the creative thinkers in beginning and getting operational small business. Further, the research tells us that the vast majority of those small businesses that succeed are in fact owned and operated by women. Women are more successful in not only getting them started but making successes of the business. That's a source of some comfort to those of us of that gender.

Mr. Speaker, having acknowledged that, I would like to comment on a couple of problems I see here, recognizing that the hon. Member for Calgary McKnight has presented us with an outline and there will of course be some things to be worked out in any program. I think the idea embodied in item (3), "start-up capital to a maximum of \$10,000, to be matched ..." is not an unusual one and not wrong in many ways. Certainly an investment on the part of the individual is a good idea, because there is a commitment on the part of that person.

However, I believe this could have a very serious negative effect and might in fact not allow the program to work at all. Unfortunately, the individuals who wish to get into this kind of business, who have very creative and innovative ideas, often have very little in the way of security or collateral and are not in a position to go out and get a bank loan or dispose of assets which they don't have in order to match the amount required. I believe that could have some serious negative consequences. Frequently these people have used up all their resources, in some cases trying to get into business, and would not be in a position to access a program if this kind of requirement and constraint were placed upon it.

Mr. Speaker, I would like to see a different approach taken there or some adjustment made to that, where the matching process could be phased in as cash flow was available or where it was part loan and part capital, the loan repayable over time as cash flow is established. I think the concept is a good one, but if this is how it's to be done, matched at the outset by the applicant, it might be quite negative.

Mr. Speaker, the other one I want to comment on is item (2), the instructional period. Sorry I got them backwards. Again, a good idea, but in my view it doesn't go far enough.

During the campaign our party as well had some things to say about Albertans' entrepreneurial spirit and the need to give some support to start-up systems for small business. We call it a small business incubator, and I think this program has some of those same elements in it. However, they aren't fleshed out far enough to suit me. I believe,

Mr. Speaker, that consultant services should be available to these enterprising businesses on a more ongoing basis. In my view, all too often successful beginnings are just that: beginnings. Business failure can occur because the owner didn't have any continuing consultant service available to aid in decision-making on expansion, undertaking new product lines, and so on. I feel very strongly that the incubator idea, which provides continuous support until the business itself has achieved stability, is one of the items that should certainly be built in and could well be built in to section 2 of the motion put forward here.

With those few comments which I hope will be taken into consideration, Mr. Speaker, I think the motion has some excellent elements in it.

MR. DOWNEY: I rise to speak in favour of this motion because it describes in general terms the direction that this government should be taking in alleviating the economic and social concerns that we have with high unemployment and a faltering economy. Although I have some specific reservations about the motion as it stands on the Order Paper — and some of these have been mentioned — I believe these can be worked out before the concept is patterned into legislation. I believe our priority today should be to proceed with the concept in order to develop it into an innovative and practical solution.

Economic diversification in this province is a priority. I believe all parties will concede that. I submit, Mr. Speaker, that we have an untapped resource in the anonymous unemployed. There are people out there who have been partially defeated by the system. They have been beaten down but not out. They are looking for an opportunity close to home but have been led to believe that all the opportunities are in the larger centres. Nothing could be further from the truth. Opportunities abound in rural and smaller urban centres. Many residents are starved for service. Modern mobility and travel being what they are, most people have experienced at one time or another superior service, whether it be a bellman at a good hotel, an exceptional dinner service, a multitude of variety in shopping, or a midnight pizza. These people will pay for a service like that closer to home, but it's not available.

The socialists have succeeded in creating an atmosphere of "work at your trade." If there are no jobs or if a labour dispute develops, the government will take care of you. This social safety net must be made leakproof. It is time for this Conservative government to stand up and say, "Here is an opportunity for a worker to make his own way." It is not unlike the incentives that were offered to pioneers in this country when it was settled. As the mover of this motion alluded to, 160 acres were made available for a \$10 registration fee to those who were willing to prove it up in a specified length of time. There should be no gifts from government other than a new sense of direction, a visible horizon for the recently dispossessed or the UIC recipient. Assistance could be offered in lump sum payments of UIC as per the French example or limited interest-free money. No gifts, Mr. Speaker, but let us motivate and inspire a new direction.

Mr. Speaker, I believe there is widespread support for a program of this type. A couple of years ago the policy committee from the Wetaskiwin-Leduc constituency presented a similar proposal to the Department of Manpower. I believe support of this nature exists throughout the province. Indeed, Mr. Speaker, the pioneering spirit in Alberta is alive but not well. It flickers as a candle in a draft. The

wick is dampened and struggles to hold the feeble flame. We can shelter the flame. We can dry the wick, and we can fire the flame with natural gas. The wax candle will become a Bunsen burner, and the Bunsen burner could ignite flares all over the province. The flares would light the way to new prosperity. I say, "Let's carry the idea embodied in this motion forward."

Thank you, Mr. Speaker.

MR. PIQUETTE: I rise to support the Bill put forward by the Member for Calgary McKnight and to offer some suggestions. I would also like to respond to one of the ideas that the Liberals also took from us, from our election campaign platform: the business incubator program that we had submitted.

It was kind of funny that all of a sudden during the middle of the campaign we saw that the Liberal platform so closely resembled the New Democrat platform. Now I can see that the Conservatives were also looking at the ideas proposed by the social democrats in other parts of Canada like Manitoba, where their youth incubator program has been very successful and has gotten a lot of young people working at their own initiative. When we start looking at the social cost of welfare and unemployment, I believe the current statistics indicate that it costs over \$20,000 a year to keep somebody on welfare without looking at the whole structural, social, and emotional costs that are incurred. This government is making a very heavy investment in terms of keeping people on welfare and unemployment insurance.

With this Bill, I think for the first time I am hearing something from the Conservative side, which very often misinterprets what "socialism" means. Basically, the social democratic parties have always worked toward full employment as opposed to the capitalistic governments which seem to believe that unemployment is good because it keeps wages down. We've heard that from a lot of Conservative members in the past. Our party policy basically respects human dignity, and human dignity dictates that we respect the right of productivity of people and that we strive to have social and economic programs where the individual is able to realize himself to the fullest potential.

The idea of making sure that we invest money wisely in a job creation program is at least addressed seriously by this Bill. It would only be improved by helping people who do get into business to get the expertise and counselling to make sure they don't make very silly mistakes. Very often when people get into small business, they fail to do little feasibility studies, they fail to research their market, and they fail to even understand the proper accounting and bookkeeping procedures. It's all very nice to invest money, but we have to make sure it's a wise investment. It could simply be open to people who apply for a \$10,000 grant and perhaps match it to some extent, but they're perhaps going to take your money and run. Unless we address the very serious aspects of making sure of the success ratios of these grants and that they're wisely invested, they could be open to a rip-off by people who get involved with this kind of misuse of government money.

A Bill like this should also come out with the programs to support a small business venture loan program to business people, people who are on welfare or unemployed and who wish to start their own jobs. The business incubator program that the New Democrats have proposed addresses that. The money would be made available through Treasury Branches and credit unions, and attached to these credit unions and

Treasury. Branches would be the business expertise these people who are looking to start up new businesses would need so that they would not be completely naked when they get out there in the business world, that they would have a fair chance of being successful.

Presently small business suffers a success ratio of only 15 percent; only 15 percent of our small businesses that start up survive the first five years. If this program we're proposing here has that same kind of success ratio, that is a very poor investment of our taxpayers' money. The Manitoba youth incubator program has a success ratio of 65 percent; only 35 percent fail. That is the difference when you have a program that is thought out and implemented by a New Democratic government, as opposed to a Conservative or Liberal government, which very often, again, takes a good idea except doesn't work out the details to make sure that the program will work.

Thank you very much.

MR. BRADLEY: Mr. Speaker, I hadn't intended to speak to this motion proposed by my hon. colleague, but I would like to set the record straight and commend my hon. colleague for bringing this motion to the Legislature. To set the record straight for the members in the New Democratic Party opposite, the hon. Member for Calgary McKnight brought forward this idea in the 1985 session. It was on the Order Paper. So their allusions that somehow the Conservatives are adopting their ideas in the last election campaign are not accurate. Just one further comment I'd like to make is that I understand their leader at that time was less than impressed with the idea put forward by my hon. colleague.

MR. NELSON: Mr. Speaker, I appreciate the opportunity to stand in my place and speak to the motion. Although I recognize the sincerity of the hon. Member for Calgary McKnight in placing this on the Order Paper, I have some difficulty in supporting its concept.

Mr. Speaker, there are a number of areas in the program I guess we could talk about. Of course, it's always useful to discuss those areas of concern, and certainly when people are out of work and concerned about their families and their well-being, I know we all share that concern. Over the years I know that the government of the province has done everything in its ability to make life much easier for many of these folks who have reached some difficulties.

Presently there are umpteen dozen programs available through federal and provincial make-work things. Certainly there are moneys available for people to go out in the business community. As a businessperson, I'll be damned if I want my tax dollars to be taken from me continually to be placed into a competitor's pocket to allow him to compete with me with my money. Basically, that's what this says.

Now, what is free enterprise? You know, there is this view by many — and let's face it, the country was built on the initiative of pioneers, and many of them, new to this land, brought hard work, good minds, and didn't ask for social handouts by a bunch of communal-thinking commies or whatever you want to call them. Let's deal with these types of issues. The programs that are available in the province today — although I have some difficulty with one or two of them personally, such as the Alberta Opportunity Company.

We have the Treasury Branches. We have the Alberta Research Council which has moneys available to people to go out and assist in research activities. Technology, Research

and Telecommunications: another activity for people with technology to be developed. Vencap, of course, is a joke. We have the SBEC program, which is there to help small business. The small business term assistance fund will be coming into being shortly, I expect. The feds have programs. They have guaranteed bank loan programs of 1 percent over prime interest rates, business development centres. And you know, Mr. Speaker, the list goes on and on and on. There are programs there and people to assist those who require assistance, to direct them to the right program that may give them that opportunity.

Mr. Speaker, we've had two decades of extremely rapid growth in Alberta. At times there was very little or no unemployment. We all know that that type of growth, no matter where it may occur, whether in Canada, Alberta, Australia, or wherever, cannot continue at the same level it was in the '70s and early '80s. I can recall many years ago in Australia where there was less than 1 percent unemployment. Then they elected a Labour government, and look what's happened down there. Let's read the facts: 12 to 14 percent unemployment, total labour unrest, caused by a labour organization. The Prime Minister now, of course, was the leader of the Australian Labour Party.

[Mr. Speaker in the Chair]

Now we have our socialists over here who just love to shoot holes in the private sector, free enterprisers who don't want a heck of a lot to do with government totally. Yet we are continually determined to remove the initiatives of some of these people.

MR. SPEAKER: I hesitate to interrupt, but the time for consideration of this item of business has concluded.

**head: PUBLIC BILLS AND ORDERS  
OTHER THAN  
GOVERNMENT BILLS AND ORDERS  
(Second Reading)**

**Bill 211  
Seat Belt Act**

DR. CASSIN: Mr. Speaker, I rise to move second reading of Bill 211, asking for legislation on mandatory seat belt use in this province. This Bill would amend the Highway Traffic Act, amending chapter H-7 of the *Revised Statutes of Alberta 1980*.

Mr. Speaker, approximately 30 years ago, in 1956, the automobile industry introduced seat belts as an option. In 1964 they were standard equipment on all North American cars. As a physician practising for a good number of years in many emergency departments in this country and experiencing firsthand the carnage that takes place on the highways of this nation and being in a position to compare the injuries of those individuals who were in motor vehicle accidents and wore seat belts and those who did not, I found it difficult to comprehend why one would not wear a seat belt. This is particularly true of the improved shoulder/lap seat belt combination.

When seat belts were first introduced, they were primarily for the purpose of preventing someone from being ejected from an automobile. A recent study released in July of this year indicated that although they achieve that purpose, there may in fact be a danger of wearing a seat belt, particularly

a lap seat belt in the backseat because of injuries that are caused. I must state, however, that some 26 head-on collisions are included in this study and this is an insufficient number. The study also indicates that seat belts, particularly the three-point seat belt that protects the torso, are still the most effective way of reducing the carnage on the highways of this nation.

Mr. Speaker, this Bill has been before this Assembly in the past, put forward by hon. members with strong convictions and perhaps personal experiences that compelled them to bring forward this Bill. These people recognized that public education and common sense are not sufficient to address this problem. I must, however, compliment their efforts, including the efforts of organizations such as Transport Canada and our own Alberta transportation system for the educational programs that they put in place. There has in fact been a substantial improvement in the utilization of seat belts in this province over the last five years, from 11.5 percent in 1980 to 22.8 percent in 1985. This is, however, the second worst in this country. In Canada in those provinces that utilize seat belts, the utilization is some 62 percent.

Mr. Speaker, in reviewing the literature and the presentations that were made before supporting and objecting to this Bill, it's obvious there's not a question of effectiveness. The question is ideology. Many people feel that it's just another example of government intervention in their civil rights. We may be accused of paternalism in a derogatory manner by our citizens. There are occasions, however, when paternalism is in the best interests of all and not contrary to democratic principles.

It is difficult to believe, Mr. Speaker, that in the 20th century we allow thousands of people to die and tens of thousands more to be injured because of ideology. Driving is not a right. It's a privilege. We are licensed for that privilege. We must pass certain tests. We must abide by the laws of the road, whether that be wearing a helmet if you ride a motorcycle, wearing glasses if you have impaired vision, stopping for red lights, yielding to oncoming traffic, driving on the right side of the road, or not driving while intoxicated. Are these laws examples of undue government interference, or are they the necessary rules of a civilized society? Should the licence read, "Invalid unless seat belt is worn"?

In a recent court case in the province of Quebec a panel of three judges of the Quebec Court of Appeal ruled unanimously that the provincial seat belt law does not contravene the driver's constitutional right. They ruled that seat belts qualify as a reasonable limitation within a free and democratic society.

It has also been found, Mr. Speaker, that the majority of people are not against seat belts. It's just that most of us find them inconvenient, obtrusive, and a nuisance. And they are. A recent survey, however, by the city of Calgary's police department during one of their check stops found that out of 2,498 vehicles that were stopped, 69.5 percent of those people indicated that they would be in favour of mandatory seat belt legislation in this province.

Mr. Speaker, the majority of us don't like to think about safety because in so doing we think about an accident. The majority of us have the feeling that it will happen to perhaps our neighbour but it's never going to happen to me. In this province in 1984 there were 376 people killed in traffic accidents; 354 of those were not buckled up, and it's estimated that 234 could have been saved. I would estimate that none of these people thought they were going to be

in an accident. I also suggest that if they knew they were going to be angels in 1986 and in an accident when this Bill was introduced in the 1980s, that their name was on that list, they'd be pounding at this door, asking for this province to bring in the legislation to look after those who are still to be killed on the highways of this province.

Mr. Speaker, the support for seat belt legislation does not come just from a few overzealous members of this province; it's supported by large numbers of citizens and responsible organizations who have taken a public position on this issue. I'd like to name a few: the Alberta Medical Association, the College of Physicians and Surgeons, the Alberta Motor Association, the Motor Dealers' Association, the Alberta Hospital Association, the Alberta Public Health Association, the Alberta Association of Registered Nurses, the Health Unit Association of Alberta, the Alberta coalition for child transportation safety, the Alberta Safety Council, the Royal Canadian Mounted Police, the police departments in the cities of Calgary and Edmonton, the Consumers' Association of Canada, Alberta division, the Insurance Brokers' of Alberta, the north Calgary Jaycees, the Cochrane health unit, The Family Health Magazine, as well as a number of the newspapers and journals of this province. I've also received a number of calls from individuals, people like Ken Read, who represented this country as a downhill ski racer and presently plays a very active role with CODA. During this time I've only had two letters and one call from individuals opposed to this legislation.

Mr. Speaker, I'd also like to point out that in the province of Nova Scotia, which brought in the legislation in 1985, utilization in that province jumped from 20.2 to 80.8 within one year. In the urban area it had jumped to 94.9 percent. I must also point out that when legislation has been brought in in the past, usually there is a peak and then it drops off. We have a present average of 62 percent across the country. But I should also point out that there was an increase in utilization in all provinces last year with the exceptions of the provinces of Saskatchewan and British Columbia. It must be further recognized that if this program is to be successful, it will only be successful if selective traffic programs are in place.

Mr. Speaker, in support of our argument for the use of mandatory seat belts in this province, we have to look at the example of the legislation when it came into effect in other provinces. In Ontario in 1975 prior to the introduction of legislation, 1,314 people were killed on their highways. In 1985, ten years later, there were 800. At the same time there were 25 percent more accidents. In the province of Saskatchewan prior to the introduction of seat belt legislation in 1977, there were 129 deaths compared with 24 in '85.

Mr. Speaker, this is only part of the story. It is estimated that in Ontario buckling up saves the province approximately \$2.5 million annually in hospital costs, another \$20 million in lost time and productivity, and somewhere between \$40 million and \$45 million in indirect social and other costs. It's estimated that the lack of seat belt legislation in this province costs us approximately \$10 million a year in medical and hospital costs. Can we as a reasonable and responsible government continue the wastage of lives and services and dollars when the alternative is so readily available? One has to conclude that mandatory seat belt legislation is the most efficient, instantaneous, and least-cost method of increasing seat belt usage in any jurisdiction.

Mr. Speaker, it has been suggested in the past that seat belt legislation be limited to those 18 years and younger.

I have a great deal of difficulty with this. One has to recognize that the poorest utilization of seat belts is in the ages five to 24, where it varies between 7.3 and 12.3 percent. But the critical thing is that the most common cause of death in young people between the ages of 18 and 25 is motor vehicle accidents. The most common cause of deaths in this country in males under 40 and women under 30 is motor vehicle accidents. I appreciate that other factors are involved. It may be inexperience, poor judgment, and alcohol. But I have to say that in those cases, if those people were buckled up and if they buckled up because of habit or because they felt they might be fined, the number of lives we would salvage would be greatest in this particular group of people.

Mr. Speaker, I'd like to bring the point home that approximately three weeks ago in the southern part of this province a young couple, a husband and wife in their late teens with a young child, age one, complied with the legislation that this province brought in the previous year. Mom and dad were both killed; the baby survived. I really have to ask whether if we had legislation at this time, that couple would be with us today and able to take on the responsibility of looking after their orphaned child.

Some five weeks ago a neighbour's friend, who talked to me in the backyard when I was home, said: "You know, I'm glad you're doing something about this. My friends coming back from British Columbia crossed the border and the 12-year-old said, 'Isn't it great to be back to Alberta and get rid of this damned old seat belt?'" At Canmore the family car was in an accident. The 12-year-old was thrown from the car and two weeks later is still in the intensive care unit at the Foothills hospital.

There is a myth out there that people will be saved when thrown from their cars. The chance of being killed when being ejected or thrown from a car is 25 times higher than if you stay within the protective framework of that car. I'd also note that the majority of accidents occur within 40 kilometres of one's home and at speeds of less than 70 kilometres an hour. Of the serious accidents, 85 percent involve drivers with good records. Human error is at fault in 90 percent of these accidents, and you may not necessarily be the cause of the accident.

Mr. Speaker, five days from now we will be celebrating the last long weekend of our summer. We will have Albertans returning home from their cottages or from the lake, towing their boats or their trailers; a car full of clothing and tired, irritable parents and children. There will be accidents unfortunately.

I'd like to think that if any message should go forth from this Assembly today, the message should be that this province once and for all is going to take a responsible and reasonable position and bring in mandatory legislation to this province. Let's take a note and let's buckle up. If we save just one life five days from now, this afternoon and this exercise will be all worth while.

I thank you.

MR. ALGER: Mr. Speaker, buckle up indeed. Don't be caught dead sitting on your seat belts. Survivors wear seat belts.

Mr. Speaker, I too rise to address this subject of concern to many Albertans, the question of mandatory seat belt legislation. Like others I get upset every time government interferes in the rights of individuals, and being a free enterpriser I am against most legislation that interferes with these rights. Most members have been inundated with phone

calls and letters from those against the wearing of seat belts. But I was elected to serve the interests of the majority of the citizens of Highwood, and I'll give you my written guarantee that I've had far more calls indicating they are in favour of seat belt legislation than against it. Therefore, I speak for it.

In my opinion, the government should take the initiative to enact seat belt legislation, legislation that would not only benefit citizens through significant cost savings but potentially save most of their lives. A Transport Canada survey shows that up to 69 percent of Albertans favour seat belt legislation. Accident investigators believe that approximately a third of Albertans killed in traffic accidents each year would've survived had they been wearing their seat belts. The savings from hospital costs alone run into millions of dollars. When you connect the savings with hospitals as well as lawyer costs and rehabilitative costs, it gets into the hundreds of millions of dollars for Albertans every year, Mr. Speaker.

I suggest before this body of hon. members that this legislation should not be enacted by a free vote. The government of Alberta should take the bull by the horns and adopt the private member's Bill of Calgary North West M.L.A. Dr. Stan Cassin. Since a number of members favour the Bill, it could conceivably be passed quickly and could be saving the lives of Albertans this year. It grieves me that such lifesaving legislation is coming too late for many Albertans. Please don't make it too late for any more. When polio was killing people years ago, no one thought their rights were being infringed on when a cure was found and they were asked to take the vaccine. But when it has been proven that seat belts save lives, they get upset about their rights.

Mr. Speaker, we were elected to look after the well-being of the citizens of Alberta. No reasonable person would argue that seat belts do not save lives. John Stuart Mill once wrote: human beings owe to each other help to distinguish the better from the worse and encouragement to choose the former and avoid the latter. I can only hope that the wisdom of the Legislature will prevail and this Bill will be passed quickly.

MR. PIQUETTE: Mr. Speaker, I rise to speak on behalf of seat belt legislation, Bill 211. Since I have been named transportation critic for the Official Opposition, I have studied for many long hours reviewing both sides of the argument. Statistics in all parts of the world, not just here in Canada, point to the single conclusion: the right to choose not to use occupant restraint systems has too high a price. However, Albertans continue to ignore lifesaving, injury-preventing benefits of seat belts. Only 13.5 percent of people involved in collisions in 1984 were buckled up. This is particularly disturbing in light of the strong evidence to show that seat belts triple a person's chance of survival in a collision. A person is also one and a half times less likely to be injured when wearing a seat belt. When we put all this information together, we have only one choice.

Some argue that an educational campaign to convince occupants of a vehicle to buckle up is as effective as legislation and that is the way to go. However, educational programs have been carried out in a number of provinces including Alberta and in Great Britain, the United States, and European countries prior to their introduction of seat belt legislation. These have cost many millions of dollars, yet studies indicate that this has had little or no measurable effect on seat belt use levels in those countries. Only seat belt legislation has proven successful in dramatically chang-

ing people's attitudes. These have all been pointed out in statistics indicated by Dr. Cassin.

Others argue that seat belt legislation infringes on individual rights. That argument could be used to contradict enactment of any legislation that we have in the province of Alberta. Today we have laws that protect individuals from excessive speed. Are we going to strike down speed limits in towns, cities, school zones, and highways because these laws that protect the individual as well as the public infringe on the individual's right to press as far down on the accelerator as he wants to? That argument is completely illogical. Vehicles are dangerous instruments in the hands of people, and failure to wear a seat belt directly endangers their lives as well as others.

A person's failure to wear a belt endangers others in two ways. There have been cases where an evasive manoeuvre or a minor collision occurred and the driver was thrown out from behind the wheel. The vehicle then continued without driver and was subsequently involved in a serious secondary collision. Seat belts may well have prevented the second, more severe accident.

A study of 1,355 injury accident cases indicated that 28 percent of the drivers in the sample who were wearing seat belts were involved in multiple-impact accidents, whereas 36 percent of the drivers in the sample who were not wearing seat belts were involved in multiple-impact accidents; that is, for all drivers wearing seat belts, 8 percent of the injury collisions would not have resulted in multiple impact, and in the overall picture secondary collisions would have dropped by 22 percent.

Passengers without safety belts, even in relatively slow-speed collisions, 15 miles an hour, become uncontrolled projectiles in the car interior. Drivers and frontseat passengers are especially prone to serious and often fatal neck, spine, and internal crushing injuries caused by being struck by a flying rearseat passenger. In side collisions or rollovers unbelted riders not only injure themselves by impacting the vehicle interior but cause serious and often fatal injuries to their fellow passengers by striking them or crushing them against the sides, floor, roof, seat, and dash assemblies of the vehicle. Therefore, to say that seat belt legislation only infringes on individual rights is incorrect. Not wearing belts directly endangers the lives of people who are in other vehicles and in the same vehicle as the driver.

Mr. Speaker, the question of seat belt legislation has been before the people of this province and before their government for years. All conceivable arguments have been advanced and readvanced. I was checking *Hansards*, for example, for the other debates that have taken place here in the Alberta Legislature. I guess I could spend half an hour throwing out my own group of statistics, but they have all been said before. Every possible angle of the issue has been explored in depth.

The time has come for a decision by this Legislative Assembly. I do not believe there is a single member in this Assembly whose position on this matter is not well formulated today. I believe it would be little less than criminal if the motion for second reading of this Bill were talked out and the Bill did not come to a vote today. It's time for a vote. All members of our caucus are in favour of seat belt legislation. How about you?

Therefore, Mr. Speaker, I move that the question be put now.

MR. SPEAKER: Hon. members, there is no discussion with regard to a motion to put the question. All those in favour of putting the question at this moment, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion is defeated.

MR. STEVENS: Mr. Speaker, I'm very pleased to be able to support Bill 211, proposed by my colleague for Calgary North West, calling for legislation for seat belt use in our province. I supported a similar motion, a private member's Bill brought to us by the former Member for Stony Plain.

Such legislation is long overdue in our province. We are now out of step with nine other provinces. Even Prince Edward Island has legislation; it has simply not yet been proclaimed. Our child restraint legislation, which requires children to be restrained in appropriate car seats or belts, applies only to children born after December 31, 1984, and only until they're five years of age or 40 pounds. It is not only discriminatory; it does not, as the Member for Calgary North West stated, go far enough. What a poor example we have set for other children. We have simply said, "Do as I say and not as I do."

What a tragic waste we have for young people. If one reads the Community and Occupational Health minister's statistics of deaths in this province from various causes — male, female, all of the age groups — and when one calculates the wasted lives and the number of years, there is no greater waste than the loss in motor vehicle accidents for young Albertans in numbers of years times numbers of deaths. It exceeds every other kind of death.

I spoke in this Assembly on April 21, 1983, and I won't repeat those remarks except to say that I support the principle that laws must be enacted where the public good is greater than any individual hardship imposed by those laws. Government has a responsibility to intervene where an individual's actions interfere or harm others or the rest of society. Members, I agree with the Member for Athabasca-Lac La Biche, and I am glad that he has given his views today, too, and the Member for Highwood. The failure to wear a seat belt does and can and will cause not only direct physical but financial and emotional harm to others — not only to himself or herself but to others. How long can Albertans afford this needless, meaningless waste in terms of lives lost, serious injuries, crippling and disabling injuries, lost income, lost productivity, and so on?

What are the kinds of odds? You know, members of this Assembly sometimes talk about odds. What are the odds that we face in Alberta? If you don't wear a seat belt, your odds are 3 to 1 that you'll be killed if you're in an accident. Or they're 2 to 1 that you'll be seriously injured in a collision, again if you don't wear a seat belt.

I said recently, Mr. Speaker, that I thought we should consider positive life-styles with respect to health care premiums. Another aspect of this whole debate may very well be our insurance premiums and our motor vehicle premiums, and we should consider and find some way to encourage people if we fail to take this important act today.

In our lifetimes each of us in this room, each of us in the galleries, everyone in this province, has a 50 percent chance of being in a serious car accident. In Canada one out of every 10 people faces an accident in an automobile in the next 10 years. It is estimated that the cost in terms of dollars alone, and that shouldn't be the basis for our argument, in 1983 in Alberta — not just for medical costs

but for legal costs, police costs, enforcement, social costs, rehabilitation costs, all of those costs — amounted to three-quarters of a billion dollars. Seat belts can reduce a one-half million dollar death loss or a one-third million dollar tragic, seriously crippling accident — just one — to a \$4,000 moderate injury cost and a \$1,500 property damage loss.

Fortunately, Mr. Speaker and friends, the members of the public of Alberta are ahead of our legislators — not enough perhaps, but it's growing. The list of organizations and individuals grows daily and weekly throughout our province. All want to see this government enact mandatory seat belt legislation. As the Member for Calgary North West said, while the rate of our usage has doubled in five years from a dismal 12 percent to this incredible 24 percent, where there is mandatory legislation in Canada, it's three times that rate, because we are law-abiding citizens in the main. We respect the law, and mandatory legislation such as Bill 211, with its exceptions and its exemptions — it's been very well thought out by the member — would triple the rate of seat belt usage in Alberta, reduce the needless death toll and the seriousness of injuries, and bring Albertans into the mainstream of public safety legislation.

I'd like to remind members of one statistic; it's a very grim statistic, one we should not be proud of. As we leave this Assembly this long weekend and drive to our constituencies, one out of every 20 vehicles you encounter this Friday or Saturday night will be driven by a drunk, an impaired driver. One out of every 20 vehicles that you pass or that pass you on our highways on a Friday or Saturday evening, 5 percent of those vehicles, will have drunks at the wheel. Well, they've had too many belts; they've broken the law. We've got lots of laws, and our laws won't stop them. But the right kind of belt, a mandatory seat belt law, will encourage every person on the road to wear a belt and give us a chance for survival.

Mr. Speaker, a Red Deer citizen wrote to me and said:

To say Albertans have the right to decide whether to wear their seat belts or not, is like saying they have the right to go around accidentally shooting each other.

Mr. Speaker, representation. Each of us has that responsibility. Representation is not lying about in fields waiting for the sheep to decide where they are going and then racing ahead of the flock. It requires courage, it requires commitment, it sometimes requires standing alone and taking a position based on evidence, based on research that not all citizens have access to. It means saying "Come on" and not "Go on."

And so I say to my team and to all in this Assembly: come on team, let us take this step and show that we are indeed concerned. This private member's Bill deserves to be a government Bill and endorsed by all members of this Assembly.

MR. CHUMIR: Mr. Speaker, to date I've been the only man in the regiment out of step in the Liberal caucus. The view I have expressed publicly is that of indecision. I have now reached the decision to support the Bill and seat belt legislation, as do all members of the Liberal caucus, I am authorized to say.

My problem has never been one with respect to the merits and value of seat belts. I'm convinced that they save lives and reduce injuries. I have worn a seat belt without deviation for many, many years, and no one sits in my vehicle without wearing one. I understand that sometimes it's suggested that wearing seat belts may in fact cause harm: however, I'm convinced that these situations are

remote and that the odds are overwhelmingly in favour of greater safety if they're worn.

The problems I've had to date then are ones of principle. Unfortunately, time doesn't allow a very thorough analysis of the important principles involved in this issue, and while I propose to raise and discuss them briefly, I don't consider the discussion to be definitive but rather to be merely a guide. The concern I have is to see that as a community, when we analyze these issues, we avoid accepting philosophical principles which justify unlimited invasions of individual freedom and autonomy by the state. As was noted by an earlier speaker, the classic statement on the role of the state by John Stuart Mill in his book *On Liberty* was that the only justification for the state to limit individual freedom was to prevent harm to others and that the justification of the safety or good of the individual himself was not sufficient.

I've heard several speakers refer to the fact that there is a danger of hurtling bodies in a vehicle harming others and thereby attempting to use the harm rationale as a basis for supporting this legislation. I can't accept that, unfortunately, because I don't believe it's at the heart of the issue. That is very, very remote, and if we're going to find that as the basis in this instance, then we'll find virtually no situation with any kind of conduct in which we can't stretch the situation to justify that form of interference.

So while Mr. Mill's principle is a laudable basis for maximizing human freedom, in practice it raises some serious difficulties of application. I would just like to raise, for example, by way of conundrum the issue of heroin. Do we make it unlawful to use heroin? On one level this is a matter which concerns the individual only, in theory. On another level, however, the effects of widespread heroin use affect the whole community negatively, and this is an argument which is used to justify intervention of the state to prohibit its use. So it's a matter of difficulty and dispute in order to determine the degree and kind of effects upon the community which should justify restraints upon individual freedom.

My concern is that there can clearly be a significant danger to personal freedoms if we expand the realm of the state too broadly and on an unprincipled basis. So a point that I would like to urge most strongly upon this House and upon those members of the public who analyze the issue is that the commonly heard justification that the state has a sufficient interest in requiring seat belt use because we pay the medical costs through medicare — my suggestion is that is inadequate in itself as a justification and should not be used. If this were to be sufficient justification without more, we could very easily find ourselves banning or interfering with any activity which involves harm to one's health or danger of accident; for example, smoking, drinking, mountain climbing, hang gliding, rugby — heaven forbid — and many other activities, all on the basis of medical cost borne in the community.

So I find it very difficult to accept that the community should have any greater interest in the seat belt issue merely because we have a medicare scheme than if we were in the premedicare era in which each person generally looked after his or her own health care. If this were justification, we would thereby justify limiting individual freedoms merely because we had enacted a compulsory medicare system about which each individual had no choice.

So I prefer, without setting any broad rules in the limited time available here, to support seat belt legislation on a

much narrower basis, part of which may be a more global community concern for the effects on the community of highway carnage, but the heart of which should be the nature of the individual's interest in driving. Accordingly, I find the basis of my support for seat belt legislation to be by categorizing it as a narrow realm of law which regulates highway safety and driving; in a sense, as was suggested by the introducer of this Bill, driving is a privilege and not a right. It involves the use of technology which permits high speeds and commensurately great danger to all of those who are not only in the path but also in the vehicles. Such drivers require licensing, and I consider it to be permissible and reasonable for a community to impose conditions upon which its citizens can use such technology in order to ensure the greatest degree of safety.

However, I would like to urge all members to consider carefully the philosophical basis upon which they support legislative initiatives limiting personal freedom. We have noted earlier, and I'm supportive of Mr. Mill's principle, that harm to others is a clear justification, and this, for example, can be used in attempts to restrict smoking in public places. But when harm to others is not directly an issue, then we should carefully consider both the nature of the freedom being restricted, in this instance a privilege, and the nature of the community interest in its restriction. So I'm satisfied that the constraint on the freedom at issue in seat belt legislation here is a negligible one and that the public interest is significant.

In closing, I would note that I have never had any difficulty with and for a long time have been a supporter of seat belt legislation for minors, those who are under the age of 18 years. It is beyond me why anybody would not enact such legislation, because there is absolutely no philosophical basis for not doing so. Mr. Mill clearly notes the exception in all instances. In the case of those who are not at the age of majority, the state does many things for them. I must state that the only reason I can find for not taking that progressive measure, which would be an educational force not only for the children and the parents, is what I detect as a very regrettable philosophical reluctance on the part of the government to tackle social issues. I hope they will change.

I see time is passing. In closing on this matter, I would like to urge other members to keep their comments brief so this matter may come to a vote before 5:30. If the matter does come to a vote and is passed, as I suspect, after they vote on second reading, I would urge the government to adopt the Bill as its own in order that the matter can proceed as law before the end of this sitting.

MR. R. SPEAKER: Mr. Speaker, I appreciate the opportunity of making a few short remarks with regard to Bill 211. I would like to say that I agree with the mover from Calgary North West in terms of his presentation. Well done. It certainly presents the case very well and in a very thorough way. As well, I appreciate the remarks from the Member for Banff-Cochrane. I think that lays the situation before us. On that basis, without going through those arguments, I can support Bill 211.

Over the years I have noted the following position in this House, and it's one that we must deal with. Personally, I would say a majority of the Members of the Legislative Assembly support the concept of mandatory seat belts. But in terms of constituency support, when you assess what their attitude is, over the last number of years that attitude has lain somewhere in the vicinity of less than 50 percent.

My own constituents have moved from a position 10 years ago when 12 percent supported mandatory seat belts. In my last survey of attitudes a year and a half ago, approximately 42 percent of my constituents supported it. At this time, I would think that has again risen closer to the 50 percent mark. The difficulty that faces us as MLAs, when we support the concept and believe it's right because of the reasons stated in this Legislature, is that we must be representative of those constituents. That is very necessary.

Two incidents have occurred in my constituency in the last six weeks that I think are evidence enough for mandatory seat belts. The hon. minister of transportation's own deputy minister is the uncle of the first victim. Six weeks ago a young, responsible fellow who would have been entering NAIT next week was helping a farmer irrigate his fields, was driving home, overturned on the highway at night in the gravel and rolled in the gravel. We don't know the cause of it or anything. A very fine young, responsible man was thrown out the window, the car rolled over him, and he consequently lost his life. A seat belt would have saved his life.

I've been away from the Legislature for two Tuesdays attending the respective funerals. Last Tuesday I attended the funeral of a young 16-year-old lady. Driving home, three miles from my home, the truck caught the shoulder of the road, swerved, skidded across the road, and on the first turn she was flipped through the window. The truck rolled over her. The truck continued into the field. The young man who was driving the truck happened to hang on to the steering wheel and wasn't thrown out. She was killed. We attended the funeral.

Two incidents, and there are many, many more just like that. Seat belts would have saved both of those lives, because the vehicles were not devastated, wrecked, or crunched — maybe a little dented. The persons could have lived within the vehicles. So I support it on that basis.

I believe we have two approaches at this point in time. Certainly the Premier, as leader of the government, will have to make this decision at this point in time. As members of the Legislature I believe we're prepared to work and fight to support this kind of legislation, but we have to bring our people with us in that support. That's part of the process. Today we can move ahead with second reading, approve it, put the Bill into committee, and allow it to sit there on the Order Paper, with an understanding from government that we will have time to go back and present information and discuss it with our constituents.

I know I personally haven't had a good debate with my constituents relative to the matter. I'd like to go to each one of these communities, make presentations, and talk to them about it. I'm sure that my percentage could rise very quickly after a good conversation and presentation. I'm sure other members are that way too. I understand that from earlier comments from the minister of transportation, who would have to lead this legislation and bring it through the Legislature. He must be convinced that his constituents are behind him, that he as the minister of transportation is behind it, and that he personally is committed to following through. That's one of the options we have before us right at the moment.

The second option is the free vote option I've talked about and we've talked about in this Legislature. If at this point in time the government could give all of us in this House notice for a free vote resolution in the spring of 1987 — it's unfortunate we may have to delay this until the spring of 1987 — followed by legislation, followed by

a commitment of the government to enact that resolution and legislation, it could be announced at this point in time to the people of Alberta so that we have a process in place by which we can bring the legislation to fruition. Those are a couple of options that I offer to the government.

We must be serious about this issue at this point in time. In earlier Legislatures when we discussed the matter, we knew that the vast majority of Albertans were not quite ready to accept mandatory seat belt legislation. I think we have to work with the people and bring them to that point, and we can do that. But if the government isn't prepared to accept it at this point in time and feels there needs to be more time, then a process should be put in place so that the people and we as legislators know what track we should take with regard to this matter.

Mr. Speaker, with those few remarks, I certainly hope we can come to grips with this issue and deal with it in a responsible way.

MR. BRASSARD: Mr. Speaker, just a little over four years ago my wife Sheila and I were returning from Edmonton on a very busy holiday weekend. The traffic was extremely heavy, and no one expected the half-ton truck that came flying across the highway from a side road. We never even had an opportunity to apply the brakes or disengage the cruise control, and we drove directly into the side of the truck and totally demolished both vehicles. We were both completely black and blue from the waist to the shoulders from being thrown against the restraint of our shoulder and lap belts. If we hadn't put them on, we would have been thrown through the windshield, if not impaled on the steering wheel. There is no question in our minds that the seat and shoulder belts saved our lives.

I have been involved in the automobile business for almost 30 years, and I have attended more vehicle accidents than the average person. I have seen many people who had their seat belts on walk away from the most serious accidents, and I've seen a great many who weren't wearing their seat belts who didn't walk away or walk anywhere else for that matter. Yes, I have seen people injured by wearing their belts. But believe me, Mr. Speaker, I do not need to be sold on the benefits of wearing a restraint system. They work.

I also applaud the legislation passed in 1984 requiring all children to the age of five years old to be restrained while travelling. I strongly support the extension of that age limit to a more realistic 16 years old, which is closer to an age more fully comprehending the dangers involved in accompanying a one-ton projectile down a highway at speeds of up to 70 miles an hour. I don't know if there is anyone in this Chamber who can truly appreciate the force of impact in suddenly stopping such a vehicle at highway speeds or even at city-regulated speeds for that matter.

Having said all that, Mr. Speaker, I cannot support this motion before us. I cannot support a motion that removes the responsibility of applying a safety device that has proven to be so beneficial to me personally as to defy all common sense not to wear it and places that responsibility in the hands of our government. I would be simply admitting once again that it isn't right or wrong unless my government says so and that I don't have to do it unless I am told that I must.

I was told a story of a situation of a mother and three children travelling into our province. When they crossed the border, one of the children asked if they could remove

the seat belts. They were told that they were now in Alberta and they no longer had to wear them. Approximately 20 minutes later the woman lost control of the car and she and two of the children were killed. To place the blame for the deaths on the government for not having a law enforcing common sense on the driver is an outright abdication of responsibility. I cannot verify this story, Mr. Speaker, and I recount it only because it so clearly illustrates my point.

What if something does go wrong? What if the worst scenario develops and I am injured by wearing my seat belt, by the very device that I was forced to wear by law? Do I have recourse with my government? Can I sue them for forcing me to wear a shoulder belt against my will and then becoming injured by doing so? Does that responsibility also accompany this motion?

And having accomplished this seat belt legislation, would I then turn my governmental powers to controlling other areas of personal safety? How about a law against smoking? We could certainly be doing a great service to mankind if we were to put that one through. Think of the savings in dollars and cents to our medical plans if we reduced lung cancer by reducing smoking. We could then turn our attention to our problem drinkers and then to our social drinkers to prevent them from becoming problem drinkers. We could continue on this quest of legislating people's lives for their own good.

There is a fundamental distinction, Mr. Speaker, between mandatory seat belt legislation and legislation against impaired driving, speeding, et cetera, because the impaired driver or speedster is a serious danger to others. By not wearing your seat belt, you are a danger to yourself, and I feel that to be a decision that you alone must take responsibility for and not abdicate to your government.

I am currently conducting a survey of my constituency on this question, and as of this date 61 percent are against mandatory seat belts. Mr. Speaker, although I totally support and strongly recommend the use of lap and shoulder belts, I cannot support this motion for legislated application of common sense.

Mr. Speaker, having said that and recognizing the hour, I ask that we adjourn this debate.

MR. SPEAKER: Having heard the motion by the hon. Member for Olds-Didsbury, would those in favour please say aye?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion carries.

At this stage the Chair wishes to apologize to the Assembly for an action earlier in the day with respect to the motion for the previous question. The Chair interpreted that the motion was not debatable, and the Chair was in error according to Standing Order 18(1)(c).

MR. HORSMAN: Mr. Speaker, this evening it is proposed to deal in second reading with government Bills on the Order Paper: Bills 30, 17, 16, and 7, should we be able to proceed through those particular items. I might advise the Assembly that tomorrow morning it is proposed that the Committee of Supply continue with discussion of the

Capital Fund estimates, which were before the Assembly yesterday, and then with Government Bills and Orders on the Order Paper.

[The House recessed at 5:28 p.m. and resumed at 8 p.m.]

MR. SPEAKER: Before we hear from the Provincial Treasurer, might we revert to the introduction of guests?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF SPECIAL GUESTS**  
(*reversion*)

MR. KOWALSKI: Thank you very much, Mr. Speaker. Tonight in the members' gallery is the mayor of the town of Swan Hills, Mayor Joe Molho. I ask him to rise and receive the warm welcome of the Assembly.

head: **GOVERNMENT BILLS AND ORDERS**  
(**Second Reading**)

**Bill 30**  
**Financial Administration**  
**Amendment Act, 1986**

MR. JOHNSTON: Mr. Speaker, I rise today to give a few words of support to Bill 30, the Financial Administration Amendment Act, 1986. I know all members will be pleased to hear I will not be speaking very long this evening, but there are some very salient points that I would like to relate to the Assembly, even if I do it in an unusually calm and quiet manner.

First, to deal with the essence of the legislation. As all members well know, Mr. Speaker, this is the fundamental piece of legislation of this province which deals with the control of the finances of the government. It sets out the way in which the government operates, provides the authority for the government to operate on the financial side, and is essentially a very fundamental piece of legislation important to this Assembly, certainly to the Treasury Department and to all departments because it touches on them and provides direction as to how they should provide for, account for, and control the assets under their administration.

Therefore, Mr. Speaker, the amendments to this legislation that I am proposing today deal with at least three key areas, two being the introduction of two capital funds and, I suppose, the most contentious area being that of the changes in the debt limits under which the province can incur additional debt or additional borrowing to support a variety of purposes for the operations of this government.

First of all, let me deal with the two fund elements. Hon. members have had under consideration for the past few days appropriations for the Capital Fund to allow the government to spend money through a fund mechanism for universities and hospitals. That fund, of course, is now well understood by all hon. members. As a matter of fact, I think tomorrow the House leader will call the last of the discussion in Committee of Supply on those estimates. We've had an opportunity to see how that fund will operate, to

examine and consider the purposes for which we are requesting the money. I think there is to some extent an understanding that this is a unique way in which we can fund the capital additions to the infrastructure of this province for universities, hospitals, and colleges, and perhaps there may even be another one or two items we could put in there.

Nonetheless, the Capital Fund is an important change in the Financial Administration Act. It provides the government an opportunity to set in place a fund which does not end because of an appropriation or because of a fiscal time, and from which we can borrow money to support the very worthy causes of universities and hospitals in particular. To support that fund there will be an appropriation from the two departments at least, hospitals and Advanced Education, and that appropriation will pay for the principal or the retirement of the debt of the borrowing, which supports the capital projects themselves. As I have said before, the interest portion of the fund will come from the Treasury Department, because that's simply the way in which we have accounted for it historically.

Mr. Speaker, I think the establishment of this fund is an important change in the way in which we're dealing with the appropriations for the new capital projects. I think we've had an opportunity to fully examine those possibilities and the way in which that's going to operate. In any event, the amendment does in fact provide for the Capital Fund for our universities and hospitals, provides the authority for us to establish those two, and as all members know, we're now proceeding through the Assembly to debate both the estimates and eventually an appropriation Bill which will support the requirements for that money.

At the same time, Mr. Speaker, there is an amendment in the legislation to provide for the Risk Management Fund. That Risk Management Fund is also to consolidate and provide more effective management over the government's wide-risk policies which are now dispersed throughout a variety of departments, to some extent co-ordinated within Treasury. But this will provide for a more formal accounting mechanism allowing for an appropriation through various departments that are participating in the fund and having the fund consolidated in this so-called Risk Management Fund. This will improve the government's co-ordination and management insurance, and of course the flow into the fund would be from appropriations from the various departments approximately equal to the cost of premiums. The flow out of the fund would be for dollars advanced to cover some risks or to some extent to return to the General Revenue Fund any surpluses which may remain in that fund. So the Risk Management Fund would be a separate and unique entity, and that also is established under the amendments to this legislation.

There are some additional amendments to the legislation. Mr. Speaker, which are in effect nominal changes. I would focus on one only, and that is the provision of interest rate currency exchange agreements to allow us to enter into so-called swap or hedge arrangements so that we can protect against currency changes should it be necessary for us to borrow in offshore markets such as Japan, the United States, or even the European market. That was not previously provided for, so included in the so-called housekeeping changes is this interest rate currency exchange rate change.

As well, Mr. Speaker, there are some other changes which in a nominal way simply change words, from "borrowing" to the "raising" of money. My colleague the Attorney General suggested through his legal staff that we

have to make some of these changes with respect to the words, and we will in fact do that to come in line with what is now considered to be current jargon or vernacular necessary to allow us to borrow money.

Finally, Mr. Speaker, let me talk about the debt limits. The legislation provides for the increase in the potential borrowing of the province to \$5.5 billion from the present level of \$2.2 billion. As I have said, we will be borrowing money from a variety of sources under this limit. Currently the province has a nominal amount of debt outstanding, and we have to make some assumptions about when this House will be able to deal with amendments to the debt limit sections and what requirements are needed between then and when I could get another amendment through if it were necessary to change that debt limit. Accordingly, one approximation is to suggest that this \$5.5 billion limit, which is included in this amendment, is one approach to setting a limit on what amounts of money the province may borrow for at least two purposes. Those purposes would be, number one, the requirements of money for the deficit, which we brought before the Assembly in the estimates of June 16 and the financial plan put forward then, and as well to cover the costs of the Capital Fund, which is also part of the long-term borrowing of the province and which would also be covered by this estimate.

At the same time, Mr. Speaker, we must make provision for the worst case scenario, which we do not expect, and the worst time scenario, which we hope we will not have to face. Under that provision we would have to provide for that amount of money to cover the borrowing costs of the province.

I know there are going to be some concerns raised that this is an open-ended spending program and that the province has no right to ask this of the Assembly, that in fact this provides for fiscal flexibility, to say the least, and I'm sure my colleagues across the way will argue that this will lead the way to fiscal abuse. I don't want to put words in their mouths, but I know those are some of the thoughts they may have at this point.

Let's just think for a second about the parliamentary process, Mr. Speaker. We cannot spend money in this government unless we have a budget. I know that my colleagues across the way will be standing and indicating to us that we're going to abuse the parliamentary system, but of course nothing could be further from the truth in this case. The parliamentary process provides that the estimates must be tabled in the Assembly. All members will have ample opportunity to discuss and debate the size of these estimates, and of course we can't spend that money unless we have the approval of this Assembly. So these past few months we've gone through a process whereby we have debated and defended the position taken by the government to substantiate the requirements of the estimates.

While there have been some suggestions about new directions and new ways in which we can spend that money, very few of the opposition in fact said that the deficit was too high. So I can only conclude that somewhere along the line, assuming there's not some substantial increase in the size of the cash flow to the province as the result of increases in oil revenues beyond those that we predicted in the budget, I have to find \$2 billion to operate the government over the next 12-month period. At the same time, I have to find additional dollars to finance the Capital Fund to allow us to expand universities and colleges — a worthy objective with which we all concur and one in which this province has been outstanding in terms of building the infrastructure of this province.

At the same time, Mr. Speaker, we may well have to go into the first quarter of 1987 before we can come back with another estimate or another budget. As is the normal process, we would have to bring in an interim supply Bill at some point to allow us to have the wherewithal to spend some number of dollars to carry us through the first few months until the formal estimates for the '87-88 year are put in place.

Mr. Speaker, the point is that the parliamentary process clearly spells out that it is the estimate process, the budget process, that allows the government to spend money. It is not the changes in the various sections of the Financial Administration Act that provide the wherewithal for the government to spend money — or the authority, for that matter. In fact, that takes place in a much different form, the form that I've mentioned already. So for some hon. members to get up in a few minutes, as I'm sure they will, to argue that we're abusing and short-circuiting the system is in fact the most fallacious argument I will ever hear. I don't want to put words in my poor colleagues' mouths. They may not know what "fallacious" is, but I can find that for them. In any event, I know that's going to come.

You know what, Mr. Speaker? Even though the hon. Leader of the Opposition has such great respect for this House, he had to call a press conference today to simply talk about the way he is going to handle this Bill. It wasn't enough for him to speak to the Assembly, and it wasn't enough for him to bring his message here; he had to bring the message to our colleagues in the media. I don't know, but it seems to me that if there were some really serious debate taking place, it would only be the honourable thing to bring that debate here first.

Mr. Speaker, I know that my colleagues have a great respect for this Assembly. They understand the parliamentary system better than most, and they would never abuse the Assembly in the way the hon. Leader of the Opposition is doing. [interjections] Mr. Speaker, it's a dark day when this happens in Alberta, when in fact his speech to the media is more important than his speech to our colleagues in this Assembly. Let he who says he has a great respect for this Assembly stand up and say that they do not speak here first. That's a shameful statement.

MR. MARTIN: We don't want you to lose your voice, Dick.

MR. JOHNSTON: I only wish my voice were stronger.

Let me go on to say, Mr. Speaker, that it is this misunderstanding of the parliamentary process which concerns me. It certainly does. The amendment to this section of the Financial Administration Act does nothing to change the way in which this government operates. The people of Alberta are well aware of the responsible position. They know full well that this province has been debt free since 1971. They know full well the management record of this province and this government, and they know full well that the future of this province is secure in our hands.

To suggest, Mr. Speaker, as the hon. Member for Edmonton Norwood did outside of the House, that there is a change in the accountability by the amendments we're proposing is the most spurious of arguments I have seen in some time. We are not doing anything that will reduce the reporting. We are not changing the accountability. We are not abridging the parliamentary process. We are bringing forward legitimate requests to change the limits of borrowing, in the context of our understanding of what might develop

over the next two-year period on a short-term basis, a very appropriate response that we must take as government. I know they don't know what it's like to be in government, to make the tough decisions and to speak to the people of Alberta. It is often a time that the people of Alberta should be told the truth. My hon. colleagues across the way do not want to face that responsibility.

Mr. Speaker, it's good to see just how little the Member for Edmonton Norwood knows about the financial administration of this province. How shameful it is that he wants to mislead this Assembly, and how difficult it is for us to grasp the importance of this amendment. I simply wanted to have that on the record before we get misled and carried away by some of the odious, misleading arguments which my colleague is going to make.

Knowing that you're getting a little edgy, Mr. Speaker, and realizing that my voice is about to give out, I will simply encourage all members to listen to this fallacious set of arguments which will come across the way and recognize it fully for what it is, but call upon all members who have a concern for the future of this province to vote in favour of this legislation.

MR. MARTIN: Mr. Speaker, I certainly appreciate the Treasurer offering to have me stand up in the Legislature, and I certainly look forward to it. I can tell now by the grin on his face that it was hard for him to get himself lathered up to make that speech. I certainly hope his voice is in better form tomorrow; I've heard him in better form.

Let me first of all talk about the four key elements. We have no problems with most of the elements, but it will not surprise the Treasurer if I want to concentrate on raising the provincial debt limits from \$2.2 billion to \$5.5 billion. Mr. Speaker, the Treasurer tried to tell us that this is just a normal way to do business: there are no problems in jolly old Alberta; we just want to raise it up a little bit. I think he used the term "worst case scenario," and a new one that I heard tonight is "worst time scenario."

Mr. Speaker, the Treasurer said in the House last Wednesday and today that the tabling of Bill 30 will provide us with an opportunity to discuss the future borrowing requirements of the province of Alberta, and we think it's important that we discuss that here tonight. It seems to us — and we've said this before — that the government should come clean and actually tell us what the real situation is in dealing with revenues versus expenditures in Alberta today. I want to enlarge on that, if I may, because amending of the borrowing limit is now said to be necessary to ensure the government has the authority to borrow sufficient funds to cover expenditures should — that lovely term — the worst case scenario develop in revenue receipts.

Mr. Speaker, this is after the government still refuses to release figures explaining what they feel this worst case scenario would be and with the Treasurer stating as late as last week that revenue estimates for nonrenewable resources were calculated again at one-third lower than in previous years. Let's take them at their word about this. If you figure out that it will only be one-third lower, this would translate into an average cost per barrel of oil in Canadian dollars to be approximately \$24. I would remind you that we are a far cry away from that, and we are nearing the sixth month of our fiscal year. I suggest those figures do not make any sense, and one of the reasons we're considering this borrowing and amending this Act is that their figures are wrong. Unless the price of oil starts to skyrocket in

the next six months, their figures are wrong. That's why we have this borrowing right now.

Mr. Speaker, I could ask the government a number of questions in dealing with the principle. Will this government, in light of such a severe increase in borrowing limits, now table the resource revenue estimates in this House? If we had something to go by, maybe we could believe the Treasurer when he tells us about his rosy picture in terms of the revenues and expenditures. Would he also table the receipts? Does the minister still believe that nonrenewable resource revenue will be two-thirds of what it was last year? I can't see how it is possible. Will the government tell the House what their definition of the worst case scenario is? Many experts say that the worst case price scenario would be in the \$5 to \$8 a barrel range. Is that what the government is talking about? Does the government agree with this definition, or are they using other figures?

Mr. Speaker, it would make sense if the government, in asking for another \$3.5 billion limit, would give us this type of information in this Legislature so that we could make up our own minds about it. Surely that's what they should be prepared to do when they're asking for this type of power. It appears that our concerns about the government underestimating the deficit and overestimating the revenues have become reality. Between the first budget in April, before they went into the election, and the final one in June, the deficit increased by \$423 million, with a revenue decrease of \$202 million. Yet the government still based their revenue predictions on two-thirds of what resource revenues were in 1985-86. I guess it was politically expedient to do it at that time.

Mr. Speaker, to run such a severe deficit as to come here to this Legislature to pass legislation that would allow for \$5.5 billion borrowing is dangerous. I use the term "dangerous." I could understand it if there were some economic plan and they were coming to us and saying: "If in the short run we were to spend this money, we will get through an economic recovery. Through diversification and other means, repayment will be possible in the future." The only economic plan I've seen while sitting in this Legislature is sort of hope and pray that the sheik will pull us out of the soup again. That's the only economic plan they have. That frightens me, because if those oil prices don't come back and they have that limit to borrow up to \$5.5 billion, there's nothing to say they won't be back with a majority to have a \$10 billion or \$15 billion limit in the future. This is a \$3.5 billion increase we're talking about.

Mr. Speaker, I always enjoy the Treasurer's debate and answers in the House. I have to say to the Treasurer that he is one of the most articulate people in the government. That's probably why he's the Treasurer. He also has a way of taking the most indefensible position and doing not a bad job in trying to make it defensible. The point we would make is that — those rose-coloured glasses, and I know I'll use it again, hon. member — the figures just don't add up. A \$5.5 billion debt — I don't want to misquote him, but as I understand it, a couple of weeks ago, talking about a manageable deficit, the Treasurer said: We don't like deficits at all; we don't know where it becomes manageable. With this borrowing limit, my question is: is \$5.5 billion manageable to the Treasurer, if we have to do that? Because that is the worst case scenario. The Treasurer is shaking his head; he says that it is. That's \$23,000 per capita, and I suggest that that isn't manageable, that is much too high.

Mr. Speaker, the government's ability to borrow should also be discussed here. In Treasury estimates. I believe on August 8, the Treasurer said:

I think we can secure the money because our triple A ... rating is probably among the best in Canada. ... I think we'll be able to enter the [money] market ... with the very best rates and with a fairly easy access to the market itself.

That scares me right away, adding another \$3 billion to what we can borrow. During question period last Wednesday the Treasurer stated in regard to borrowing and our triple A rating that "we are very popular [aren't we, though?] we have no debt and ... the world understands that." That's certainly going to be in the past tense after this, Mr. Speaker.

I wonder how long it will take the world to understand that we are preparing for a debt that will be one-half of our expenditures, that with world oil prices the way they are — as I said, we're almost like a banana republic, an undiversified economy — and with future forecasts rather negative, in a very, very short period of time Alberta could have a mammoth debt. What will our rating be then? How is this Bill going to affect our position on the money market? Has the Treasurer thought about that? All of a sudden, we're increasing. That's going to make them a little nervous, I would think. Why does the government feel the need to borrow from the heritage trust fund rather than on the money markets? Could it be, Mr. Speaker, that they're experiencing some difficulty already in getting the rate of interest that they expected?

I could go on, Mr. Speaker, but the point I want to make is that if we follow what the Treasurer has been saying to us in the Legislature about why we need this type of money, the limits up to \$5.5 billion, it doesn't make sense. At all times the Legislature must be wary of the borrowing authority granted to the Crown in the form of the government. At all times we must be concerned about it. I think the Treasurer would agree with this. In addition to the ability to deny supply votes, the granting of that authority is the second way in which the Legislature maintains a check on the otherwise arbitrary fiscal powers of the Crown. It's a second way to do it besides the way the Treasurer was talking about. That's why it's important that we have this debate here in the Legislature.

Mr. Speaker, let us for argument's sake tonight take the Treasurer, with his optimistic forecast of revenues and deficits, at his word. It seems to me it is irresponsible of the Legislature to grant a borrowing authority far out of proportion to the demonstrated need, going by what the Treasurer says. But that seems to be precisely what is happening in Alberta in 1986, and the Provincial Treasurer has himself stated on numerous occasions that a borrowing authority of up to \$5.5 billion is really not needed at this time. He has said that the more than doubling of the current limit is basically a convenience that will allow the government, if necessary under the worst case scenario and — what was the other title he used today? — the worst time scenario to meet future borrowing needs without having to come back to the Legislature.

Mr. Speaker, I want to say through you to the Treasurer that we really do appreciate his kindness in not burdening us with all these figures and having to worry about borrowing through the Legislature. It's a very kind Treasurer that does that, but we would say that his kindness is certainly misdirected. The degree to which the province incurs debt is one of the most important concerns over which the Legislature, if it is to do its job properly, must keep vigilant watch. The government promises, in section 19 of Bill 30, to remove the ability of the Legislature to keep careful

control over provincial debt, monitoring it closely, and approving incremental increases only as demonstrably required. In other words, the provincial government proposes to slip away from yet another important area in which it would otherwise be held closely accountable in the Legislature. We think this is a very, very serious matter. If there is a need to increase this borrowing limit, let the Treasurer table it here in the House and decide if we need to increase that borrowing limit to \$5.5 billion. If there is a need, we as responsible people in this Legislature will grant that. But to say, I may need it for convenience under the worst case scenario, is not good enough when we're increasing the provincial debt limit by \$3.5 billion.

Mr. Speaker, being the helpful soul that I always am in this Legislature, I want to again try to help out the government, and specifically my friend the Treasurer. I want to take the Treasurer right at his word. He said recently that we're only going to have a \$2.5 billion deficit and that we're only going to lose one-third of our revenues. So we'll take him at his word. I want to basically help the Treasurer out by bringing in an amendment, if I may. I would be glad to hand it to the page to get it around to members.

AN HON. MEMBER: To reduce his salary to \$1?

MR. MARTIN: We thought about that one, but I like him too much.

AN HON. MEMBER: No thanks required.

MR. MARTIN: You can thank me after, hon. Treasurer.

I would like to move that the motion for second reading of Bill 30, Financial Administration Amendment Act, 1986, on today's Order Paper be amended as follows:

by deleting all the words after the word "that" and substituting the following:

"this Assembly declines now to give a second reading to Bill 30, Financial Administration Amendment Act, 1986, because the borrowing ceiling should not be raised to \$5.5 billion from \$2.2 billion unless some imminent need for the increase is shown."

Mr. Speaker, I think that makes eminent good sense at this time.

MR. SPEAKER: Speaking to the amendment.

MR. HAWKESWORTH: Mr. Speaker, I would like to address the amendment this evening. It's my pleasure to be able to support this well-thought-out and responsible amendment. I would like to draw the attention of the members of the Assembly to the words "unless some imminent need for the increase is shown." As far as I'm concerned, that is a key portion of this particular amendment. We're putting forward the request and feel it important that such a need be demonstrated in this Legislature for three essential reasons: first of all, the principle of ministerial accountability; secondly, because there has been an inadequate review of provincial revenues; and thirdly, the public has a right to know.

In terms of ministerial accountability, we need to know and this Assembly has a right to request the Provincial Treasurer to demonstrate that a \$5.5 billion deficit is supportable by the finances of this province and that he has documented for the benefit of members of the Assembly a demonstratable need for that kind of ceiling to be provided

in this particular piece of legislation. The Provincial Treasurer has said: "We need this particular ceiling to be raised. Don't necessarily expect me to tell you why we need it. Actually, we don't really need it now. Maybe we will need it, but we hope not. Just in case we need it, we're here asking for it."

Mr. Speaker, when this particular Bill was introduced for first reading, the Treasurer said that the tabling of Bill 30 would provide us with another opportunity to discuss the future borrowing requirements of the province of Alberta. That's fair enough. But where is the information on which we can discuss the future borrowing requirements of the province of Alberta? It's simply not enough to bring in a piece of legislation and expect us to simply take the word of the minister that that's enough to provide the kind of ceiling being requested. We have asked continually in the last several months for revenue projections to be tabled in this House for the perusal of members of the Assembly. That has not been provided. Again, the Provincial Treasurer has said: accept our word, accept our projections that that is adequate and sufficient. Quite frankly, that's not sufficient.

Tonight the Provincial Treasurer explained that this deficit was partly an operating deficit and was partly to fund the Capital Fund. Mr. Speaker, the operating deficit of the province of Alberta includes capital spending which was approved in the estimates of the various departments over the last 25 days in which we reviewed those estimates. Quite frankly, that kind of explanation of what this deficit entails is simply not adequate. I would suggest that in preparing the budget for the coming year the Provincial Treasurer should very seriously look at establishing a separate capital budget in each and every department that comes forward to this Legislative Assembly so that when we deal with the estimates in each and every department, we deal with the operating estimates of that department and also with the capital budget expenditures in that particular department. At the end of all that review we would then know the total capital requirements of the province as well as the total operating requirements of the province. We can then see whether the kind of deficit requested in this legislation is adequate for that kind of expenditure.

Mr. Speaker, in terms of the revenues, for 25 days this Legislature reviewed the expenditure side of the provincial budget, but nothing of an equivalent manner, no equivalent length of time or intensity has been spent talking about the revenue side that's going to pay for those expenditures. In terms of the options available to this government, the whole issues of taxation, the sales of services including the contributions from Crown corporations, the returns on profits from those corporations, the federal government transfer payments and, finally, the borrowing capability of the provincial government to pay for those expenditures: none of those has seriously been addressed in any way by the budget review we have engaged in in the last several weeks.

For example, in question period we have tried to raise the matter of the reduction in transfer payments from what was projected to what is now anticipated under a change in the formula from the federal government. We've asked the Provincial Treasurer in this Legislature: is the federal government shifting its deficit onto the backs of provincial governments all across Canada? In view of the fact that we've not really had an opportunity to look very carefully at that kind of shift, I would submit tonight that that is exactly what's happening and that that is the reason this government and this Provincial Treasurer have asked for an increase in the borrowing ceiling under the Financial

Administration Act. That is an important issue, but we've not had any opportunity to discuss it in any meaningful way.

As well, Mr. Speaker, I'm concerned in general terms about the lack of legislative and administrative control over government revenues. This has been reflected in the latest report from the Auditor General. He says:

In most cases, the legislative and administrative control exercised over government revenues is considerably less rigorous. Revenues, and the tax expenditures deducted from them, do not receive the in-depth budgetary review and debate that other expenditures receive. In addition, most tax expenditures are disbursed without direct government pre-approval because they are usually deducted by the recipients of the benefits, from revenues paid to the government under self-assessment systems.

Mr. Speaker, I repeat that we have not had an adequate review of the way revenues are dealt with by this provincial government. Without having had that opportunity, there is no demonstrated need by the Provincial Treasurer or by the provincial government that this kind of increase in the ceiling required for the deficit is in any way defensible, nor has the need been demonstrated. The Provincial Treasurer has simply said, let's borrow, without the adequate consideration of those other options. Is there a financial plan for this province? If there is, now is the time to present it. Where is it? Why is it not tabled along with this request for raising borrowing limits? Can we afford these limits? If so, show it to us. Can we manage this kind of debt? If so, how? I seriously question the motivation of bringing in this kind of request for raising the borrowing ceilings without being able to show us why it's needed or how it's going to be financed.

Thirdly, Mr. Speaker — and the Provincial Treasurer mentioned it in his opening comments. He said that we were going to refer to the parliamentary process. Darn right we're going to refer to the parliamentary process. The amendment clearly indicates that we're talking about a parliamentary process wherein information is provided not only to the members of this Assembly but also to fulfill the public's right to know how their tax money is being used and what kind of commitments are being made on their behalf by the government in this Assembly.

In a complex and increasingly remote bureaucratic government does the public have any part to play anymore? If they don't, that strikes at the heart of any democratic society. For the public to have any meaningful part to play, they have the right and the need to be informed. Mr. Speaker, more and more voters understand less and less what is going on in government. The less they understand, the less involvement they have. The less involvement they have, the less they feel a part of government and the less they feel a part of the parliamentary democratic process. We cannot expect the public to play an active role in each and every decision that's taken in this Assembly. We've been elected to act in their place. But the informed electorate is still necessary for the proper functioning ...

MR. HERON: A point of order. Mr. Speaker, we seek your guidance in referring to Standing Order 74 and looking at *Beauchesne* section 436(1) and (2).

MR. SPEAKER: Perhaps the member would be good enough to repeat the citations, please.

MR. HERON: Standing Order 74 and *Beauchesne* section 436(1) and 436(2).

An amendment which would produce the same result as if the original motion were simply negated is out of order.

MS BARRETT: Mr. Speaker, on the point of order. If the member would care to look further in *Beauchesne*, he will find under Reasoned Amendments, which are appropriate at second reading, citation 744, that this is in order.

MR. HAWKESWORTH: Mr. Speaker, have you made a ruling on the point of order?

MR. SPEAKER: The Chair has not responded. Please be seated. If amendments are going to be dropped on the Chair, the House will have to wait a few moments. I'm sorry.

The provisions of Standing Order 74 — it has been read the second time. There's a slight difference there in terms of the word "read," but what has been proposed is under the heading of a reasoned amendment and does indeed refer back to *Beauchesne* 744. Part of the difficulty being experienced is with regard to the last eight or 10 words in the amendment, because then it starts to introduce a different kind of aspect to the whole decision-making process. But the reference is indeed with respect to Reasoned Amendments under 744 in *Beauchesne*. Under that first section it may say that

(1) It must be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

- (a) It may not propose an alternative scheme.
- (b) It may not approve the principle of a bill and at the same time enunciate a declaration of policy.
- (c) It may oppose the principle rather than the subject-matter.

(2) It may express opinions as to any circumstances connected with the introduction or prosecution of the bill, or otherwise opposed to its progress.

The difficulty then gets further complicated by going to *Erskine May*, pages 530 and 531, where one is referenced to reasoned amendments. There is a very interesting line there, that it is the practice of Westminster that if it's a reasoned amendment, it's "placed on the paper." I don't see this as having occurred on the paper, but it seems to be practice developing in this House, which is a bit difficult.

A reasoned amendment is placed on the paper in the form of a motion and may fall into one of several categories.

And subsection (1), found on page 531, reads:

It may be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

(2) It may express opinions as to any circumstances connected with the introduction or prosecution of the bill, or otherwise opposed to its progress.

There is great difficulty with respect to the amendment. The Chair proposes that the amendment be further debated but that the debate be confined to the amendment, with respect to the figures as mentioned in the amendment proposed by the Member for Edmonton Norwood.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I had hoped that I had enunciated the fact that as far as I was concerned, my support of this particular amendment dealt with the fact that an imminent need for the increase ought

to be shown in order to receive the endorsement from the Assembly for the request which the Provincial Treasurer was making. However, because that imminent need has not yet been demonstrated, we felt that this amendment needed to be approved.

Mr. Speaker, an informed electorate is necessary for the proper functioning of the parliamentary system. This important policy shift by government without laying out the information necessary to support the request being made — it's hardly fallacious for us to say that it's simply fundamental for the public's right to know, in a democratic society, why government is requiring the support of the Assembly for such an important policy shift by that government. I'm sorry if this is a day that that the principle that the public has a right to know is considered fallacious. If that day has arrived in Alberta, we're not only in deep financial trouble, we're in deep political trouble as well.

I would urge all members to support the amendment.

MR. TAYLOR: In speaking to the amendment, Mr. Speaker, I think it's succinct and very much to the point. As the hon. member from Calgary said, the whole essence of a democracy is being able to control the spending of the government, to be able to get the explanation from the government as to why they are asking for more money. One of the things that bothers me — and I know how the Provincial Treasurer will answer it. He will say that it's not really an increase in the deficit, it's an increase in the amount of our borrowing ceiling. That is a little bit of what you would call in the accounting business flimflammy, if you indeed increase the ceiling to be borrowed to. It is probably for a good reason. I know he would argue that no, my deficit is not going to be that big, that in effect we're going to be borrowing something from the heritage trust fund, which is our own money anyhow, and that the real deficit is going to be much less.

However, the point is that when you deplete or take from our heritage trust fund resource, by either liquidating some of the assets it has or borrowing from it, you create a loan against it. You are, in effect, going in the hole. It's hard to tell anybody that if they had some cash or shares that they cashed in, they are not going in the hole. They may well argue, and I know the Treasurer will try to argue that he's not going in the hole. But to give an idea of the range of what the Treasurer is asking for when he talks about an increase, borrowing to \$5.5 billion — in other words, apparently a deficit of \$5.5 million coming up — multiply the population of Alberta by 10 and come up with the Canadian average. That means a \$55 billion deficit. A \$55 billion deficit for Canada would be enough to turn out nearly anyone who was thinking of investing in Canada. We complain when we've got a \$35 billion deficit, as people well know, so a \$55 billion deficit in spending this year is a horrendous one. It's far out of line when even the national government is concerned.

Secondly, if I may speak to the amendment, there's one other point that concerns me here, as a person who has borrowed with public companies for some years. That is that when you in effect come back to your shareholders and ask them to allow you to raise the ceiling of their borrowing — in this case, you're asking the shareholders of Alberta — from \$2.2 billion to \$5.5 billion, quite often it isn't because you suddenly decided you might want to have it; quite often it's because your banker has told you that unless you get approval from your shareholders to expand the amount of money you can go into the hole,

you will not be able to balance your budget. This is one of the things that's bothered me.

Is there some hidden agenda from the Treasurer? Is there something he is not telling us about when he says he wants the right to increase to \$5.5 billion? Is it possible that some of that international marketplace that he loves to brag about beating a path to his door day after day said, "Unless you raise it, we will have to either alter your credit rating or we will not be able to go through with the loans you're talking about, because we don't see where you'll be able to generate the money in the short term to pay the debts that you say you're going to be incurring." I'd like to ask the Treasurer to explain if indeed the requirement to have the borrowing limit raised to \$5.5 billion is nothing more than our creditors telling us: "We want to see that you have the liquidity. We want to see that you have the permission of the shareholders of Alberta to go out and get that money if you need it."

MR. WRIGHT: With the greatest respect, Mr. Speaker, it does seem to me — I have to admit, of course, that I'm a tyro in parliamentary practice and the like — that the idea of in effect a blank cheque for \$2 billion is quite contrary to the scheme of the Financial Administration Act, even as amended, and to ordinary parliamentary practice. Section 29 of the Financial Administration Act says:

Estimates shall contain

(a) the proposed supply votes that are to be voted on by the Legislative Assembly ...

It's actually set out on the right hand page of the Bill as being what is amended by the proposed amendment, which adds another category. But the scheme remains intact; namely, that the estimates have to contain the proposed supply votes.

We have been given estimates that contain a sum that adds up in such a way that the deficit is estimated on the basis of those sums to be \$2.5 billion. We're asked to give in effect a blank cheque to the government for a further \$2 billion. Mr. Speaker, it seems to my hon. friends and I that that is not the way that either the Financial Administration Act is supposed to work or parliamentary practice requires in the interests of ordinary control of spending of the Legislature and is a further example of the low regard that this government holds this Assembly in.

MR. McEACHERN: Mr. Speaker, I rise to support the amendment. Bill 30 has a very basic flaw. The government is asking us for \$3 billion more than they need by their own estimates, yet the Treasurer, although he would not even give us numbers to support their estimate of a \$2.5 billion deficit, has yet again refused to give us numbers as to why he needs an extra \$3 billion. My question to the Treasurer is: is he so unsure of his estimates at this stage that he really thinks he needs a margin of safety of \$3 billion, given that he's only anticipating a \$2.5 billion deficit? I submit that's an incredibly large number.

Nearly half of the year is gone; five of the 12 months of the year are gone. Surely his accountants could do a little homework and find out whether or not — maybe they have; maybe that's the problem. Maybe they've done a little homework and discovered that we are five months into this fiscal year and that in fact they do know now by the numbers they have — although they're certainly not willing to share with this Assembly or the people of Alberta — that we are in fact in real trouble. We said right from the start that the deficit was more likely to be \$3 billion or \$3.5 billion by the government's vague sort of estimates

and plans for what they thought the revenues might be. Obviously, those have gone astray and we're now looking at a much bigger deficit or I can't see why the minister would be asking for what amounts to, in effect, a blank cheque. The extra \$3 billion is so much more money than they need — I hope anyway — that it's really saying this government can do anything it likes over the next several months, and sometime next year might get around to asking us if it was okay. Why can't they put it into this budget now? Why can't they tell us what they project as revenues, why they project it as revenues, and why they need \$5.5 billion, if they need that much? Mr. Speaker, that's an irresponsible request on the part of this government.

The democratic process demands that the Legislative Assembly of Alberta be the one to approve all expenditures of revenue in this province, yet this government doesn't want to give us the tools with which to do that in a responsible way. It is the right of the government to make the proposals, but it's the right of this Assembly to approve them, and they don't give us the necessary information to do that in an informed manner. This government seems to be drifting more and more to rule by cabinet; I've seen it happen over about the last 15 years. If they take away the power of the purse from this Assembly, then to sit here and debate the proposals that we've debated is pretty much a waste of time unless they will give us the tools to do the job and explain to us why they need \$3 billion.

Mr. Speaker, that is why I'm in favour of this motion to amend the motion.

MR. GIBEAULT: Mr. Speaker, I rise as well in support of this amendment. The amendment is saying simply that we should not raise this limit from \$2.2 billion to \$5.5 billion unless there can be a need that is clearly shown to this Assembly. If we were to go into a bank as a business operator and say: "Please give me an extra X thousand or million dollars. I don't have any plan for it; I don't have any budget for it. But just in case I need some petty cash on hand, please give me this extra money," we would be shown the door. If people in my constituency went to the Social Services office and said: "I need some extra money for something. I won't tell you what I'm going to spend it on; I have no idea what it might be for. But just in case something happens, please give me some extra money," they won't be given the time of day. If somebody wants some money from the Students Finance Board to pursue their studies and just says, "Please give me X thousand dollars; I won't tell you what I'm going to spend it on," they would get no time of day. This is exactly what this government is asking us for. They're saying: "Just give us an extra \$3.3 billion. We don't know what we're going to use it for."

But I had some interest in the Treasurer. He mentioned that he had some respect for this Assembly. Mr. Speaker, the record of this government of spending by special warrant without consideration of this Assembly is the most disgraceful there has ever been in this province.

AN HON. MEMBER: Arrogant.

MR. SPEAKER: Perhaps the hon. member could come back to the matter of the amendment and other comments that might relate to the Bill.

MR. GIBEAULT: Certainly, Mr. Speaker. The amendment says that we must have "some imminent need" shown for

this increase before we will approve it. That's all we're asking. The members opposite may be willing to abdicate their responsibility for the fiscal integrity of this province, but we on this side are not.

MR. SPEAKER: Is there a call for the question?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the amendment, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Barrett	Laing	Piquette
Chumir	Martin	Roberts
Fox	McEachern	Sigurdson
Gibeault	Mitchell	Strong
Hawkesworth	Mjolsness	Taylor
Hewes	Pashak	Wright

Against the motion:

Adair	Heron	Oldring
Ady	Hyland	Payne
Brassard	Johnston	Pengelly
Cassin	Jonson	Reid
Clegg	Koper	Rostad
Cripps	Kowalski	Shaben
Day	Kroeger	Shrake
Downey	McCoy	Stevens
Drobot	Mirosh	Stewart
Elliott	Moore, R.	Webber
Fischer	Musgreave	West
Fjordbotten	Nelson	Zarusky
Gogo		

Totals	Ayes – 18	Noes – 37
--------	-----------	-----------

[Motion on amendment lost]

MR. PASHAK: Mr. Speaker, before addressing my remarks to the Bill proper, I'd like to react to some of the comments made by the Provincial Treasurer in his opening remarks. He took the Leader of the Opposition to task for announcing some concerns and reservations he had about Bill 30 in advance of his presentation in the Legislature. Given the conduct of this government, I think that's the ultimate hypocrisy. Since the beginning of this year the government has introduced measures that provided some \$500 million worth of grants and incentives to the oil industry without permitting any debate whatsoever in this Legislature.

With respect to the Bill itself, Mr. Speaker, I think this Bill would not have been necessary if the government had managed its nonrenewable resource revenue in a more responsible way. To begin with, it was absolute irresponsibility to enter into the Western Accord. This agreement

was based on the faulty belief that deregulation and reliance on some mythical entity called the free market system would provide greater opportunity for Albertans than would have been the case under existing intergovernmental relationships with respect to the energy question. I think both assumptions that underlie the Western Accord are extremely faulty.

With respect to deregulation you cannot require or compel or force nonsignatories to comply with either the spirit or the intent of an agreement. As with the compressor fuel tax in Manitoba, the sales tax in Quebec, and the extra tariffs charged by pipeline companies over and above actual transportation costs, we have seen that in the monopoly positions these companies enjoy, this is tantamount to giving these companies a licence to print money. It's all at the expense of Albertans.

The second assumption underlying the Western Accord, that a free market exists, defies all economic logic. There is no such thing in existence at the moment. Competition reduces all firms in an economic field to two or three huge giants, at which point these companies enter into oligopolistic relationships. They control markets.

MR. SPEAKER: Order please, hon. member. Is there some confusion in my mind or your mind as to which Bill is being debated? I don't believe we're dealing with an energy matter. Bill 30, the Financial Administration Amendment Act: perhaps you could narrow the focus a bit, please?

MR. PASHAK: If I may, Mr. Speaker, this Act provides for an increase in the borrowing powers of the government up to \$5 billion. I'm arguing that if they'd managed the current resources of the government in any kind of reasonable or responsible way, there would be no such need for this Bill.

MR. STEVENS: Mr. Speaker, a point of order. I'd like to raise the question of the parliamentary use of the word "irresponsible." It is referred to in *Beauchesne*. It is one thing for the member to suggest other positions, but as you have correctly pointed out, I am concerned about the debate on energy. I'd like to respond but I can't. He has used the word irresponsible, and clearly that is unparliamentary.

MR. SPEAKER: The term "irresponsible" becomes unparliamentary when directed at a particular member, and as the Chair has been hearing the comments, they're to the broader brush stroke with respect to a government decision or policy, which is a fine-line difference.

MR. PASHAK: I'm going to try to get back to reasons we're running a deficit and why I think the government's policies have led to that deficit.

I think the reason for this Bill before us has to do with the fact that we entered into the Western Accord and that the Western Accord has essentially been a failure for us. If we hadn't entered into it, we might have had other remedies that would have protected the economy of this province and Bill 30 wouldn't have been necessary. What happened with the Western Accord is that the governments of Alberta, Saskatchewan, British Columbia, and Canada gave control of the oil industry back to a handful of essentially internationally owned, giant, monopolistic oil companies. As we've seen over the past few months, these companies have remained buoyant while smaller Canadian companies have suffered; indeed many have gone bankrupt.

We've also witnessed the shrinking of Alberta's non-renewable resource revenues; hence the need for this Bill. Look at the consequences of the current energy policies of the government. We forgave royalties to small companies, but they still went bankrupt. We handed out hundreds of millions from our Treasury in a futile attempt to initiate action in the oil patch. By all accounts these programs were a failure. Much of the original \$300 million that went into the exploratory drilling program resulted at best in activity for the sake of activity, and at worst only some 14 percent of the rigs that are currently available in this province are working. Even Conservatives would understand that this is bad economics. Only success should be rewarded. Of the more recent \$200 million in grants that was made available, as I understand it, to date only some \$74 million has been taken up. Even here it's not the small oil companies that have benefitted; it's the big companies. The small companies just don't have the cash flow to participate.

At this point we have a bankrupt Canadian oil industry, large multinationals — and by the way, they're repatriating enormous profits, and what are they doing? In spite of the fact that there are sizable profits going out of this country, they're clamouring, begging, and taking out expensive ads in the newspapers to try to force the government to lower royalty rates even further. I've heard other members in this Assembly on the opposition side, not in our party, argue that perhaps that's the direction we should go. But these resources belong to the people of the province of Alberta; they're the ones who should collect the economic rent. If we were collecting a fair economic rent from these resources, we wouldn't need Bill 30.

In our view there's only one real solution to the problem of the Canadian energy industry, and that is to put an end to the Western Accord and enter into a price stabilization program. A price for oil should be established that would keep our heavy oil projects on stream, that would keep Canadian companies in business ...

MR. SPEAKER: Hon. member, please. The Assembly has now listened to five minutes' worth of the energy matter. Could the Chair request for the second time that the member broaden the scope of comments with respect to this particular Bill. Please let us not discuss other Bills which are already on the Order Paper at various stages.

MR. PASHAK: I was just about to conclude my remarks in any event.

I would like to conclude, Mr. Speaker, by making the point that if we move in the direction I've been advocating, not only would the rest of the country benefit, but Albertans would regain their rightful share of the rent for their nonrenewable resources. In doing so, a Bill such as Bill 30 would no longer be necessary.

MR. MITCHELL: Mr. Speaker, I rise to speak against the government's Bill 30. Before I commence debate, I would like to extend my wishes that the Treasurer get well soon, although it was a nice respite to hear a weaker voice from him.

It's interesting to note that despite the fact that his voice has gone, his righteous indignation has not, and I think that righteous indignation is entirely misplaced at this time in this House in debate of this budget. This government is making an extremely important request of this Legislature, a request for an unprecedented amount of borrowing power. They are applying to this Legislature for the authorization

to do that, and rather than applying in a contrite and humble manner, they've done that in a self-righteous, arrogant manner that I think belies the facts that underline this application.

To begin with, there are serious departures in this government from acceptable standards of fiscal responsibility. We have an unprecedented deficit this year in this government's estimates, a deficit of \$2.5 billion by the government's own estimation. That is premised upon faulty revenue expectations. Oil revenues have dropped not one-third, as the government is suggesting, but 60 percent, and that will likely result in \$1 billion less revenue. That deficit will not be \$2.5 billion but instead will be \$3.5 billion. That is an unprecedented deficit for this province, for any province in this country; in fact, it's an unprecedented deficit when compared to the national level. Take \$3.5 billion, multiply it by 10 because we are 10 percent of this country's population, and you get a deficit of \$35 billion. That is as large as any federal government deficit, all those federal government deficits that worried each and every one of us so greatly. Here tonight, without any kind of humility, we are asking for debt authorization to cover that kind of deficit.

On the other hand, there is no commitment to cost restraint in this government. I asked the Premier sometime ago if there was one person with the lead responsibility for cutting costs. There is not one person. Everybody is responsible; nobody is responsible. We know that. There is no effort to do a Nielsen-style task force, despite the fact that that was an innovative idea from a party that is of the same political stripe as the party in power, an excellent idea that would seek out creative cost-cutting measures in this government. There is no effort to undertake to do that. There's no creative attrition program like those now being undertaken in the private sector, where people can go because they want to go; they're given money to do that under certain circumstances. They're given the freedom to leave and, in some cases, to come back. The opportunity exists to create job-sharing programs, which are assets in the areas of women's issues or of helping people who would like to be able to work less and share a job with somebody else. There is no incentive program in the civil service to encourage civil servants to cut costs. There is, in short, nothing creative about this government's efforts to cut costs despite the fact that they have unprecedented spending levels that are completely and utterly inconsistent with their ability to raise money and with their revenue generation.

Let me elaborate on that point for a minute. If we have a \$3.5 billion deficit, and we very likely will, we will fund that with debt. That's what we're here for tonight. We will also have that deficit after we have taken \$1.5 billion from the Heritage Savings Trust Fund. That's \$5 billion of extraordinary revenue; 50 percent of the total expenditures of this government this year will be funded by extraordinary revenues. That is a sobering thought, Mr. Speaker. It's particularly sobering in light of the fact that there has been no demonstrated effort to do something about restraint, to do something about hard-nosed management, to make some decisions and set some priorities. Instead, we're spending money as though it were 1976. It's not 1976; it's 1986. Something has to be done about that.

We have a government that I believe is out of control, a government that is locked into patterns of the 1970s, that cannot break out of those patterns to confront the contingencies of the 1980s. This very government, without remorse, is asking this House to authorize an unprecedented level of

debt. It's not only that we will have \$5.5 billion of debt, which is bad enough in itself; they're admitting that. Let's analyze the nature of that debt. First of all, it's very likely not going to be \$5.5 billion; it's probably going to be \$6.5 billion. Their estimate of \$5.5 billion is based on a \$2.5 billion deficit. We've already analyzed that that won't be \$2.5 billion; it will be \$3.5 billion.

It's also true that this debt has tremendous implications for the Heritage Savings Trust Fund. Let's think about it. The Member for Westlock-Sturgeon recently raised the question in the House with the Treasurer: did this not have some implication for our bond rating? The Treasurer said, "Of course not; we have people lining up to give us their money." If that's the case, why has there been such a dramatic reversal from the government's original plan to borrow on the open market? It may well be that there's plenty of money on that open market, but I submit that that money has become much more expensive due to a recent visit to this Treasury by international bond raters, who undoubtedly have concerns about this government's ability to accept debt because there is such a revenue imbalance, such an expenditure imbalance, and no clear-cut demonstration on the part of this government to redress that imbalance. I think the reversal in this government's stated policy to go to the market to get the low rates because of this government's tremendous credit rating — we've heard it so often — has to be reassessed and redressed. It says something very powerful about the financial strength of this government and this government's ability to manage this province. The market is beginning to say something about that.

This Bill represents a tremendous affront to the liquidity of the Heritage Savings Trust Fund. The Treasurer has said that he will likely borrow the \$2 billion for the agriculture loan stabilization program from the Heritage Savings Trust Fund. He has admitted that that fund has about \$1.7 billion or \$1.8 billion to \$2 billion worth of liquidity. That says to me that the last \$1.8 billion or \$2 billion worth of liquidity has just been scooped away to be put into that farm stabilization program. That's the liquidity we've been hearing so much about, the liquidity about rainy days, about creating jobs tomorrow. That \$1.8 billion or \$2 billion is going to create and sustain some jobs in the farm industry, and that's great. But that's it. Let's not mislead ourselves. That's exactly what is being contemplated in Bill 30.

What is the plan for this Heritage Savings Trust Fund when a government can, in a seemingly capricious reversal of a stated policy to borrow on the open market, all of a sudden turn around and begin to borrow the last vestiges of liquidity from this Heritage Savings Trust Fund? It says that this government does not have a clear commitment to whatever objectives it stated for this fund, and it says it very, very clearly. There have been three stated objectives. How many times have we heard "diversification"? Time and time again. A clear analysis of the Heritage Savings Trust Fund says that it was never designed to diversify, because only 5 to 10 percent of it has been put into real diversification; no commitment on the part of this government to that particular objective. But it's a nice self-serving argument when you need it, and it's been used time and time again and has misled Albertans.

[Mr. Gogo in the Chair]

Rainy day liquidity: \$8 billion worth of that fund is invested in Crown corporations. It's gone. It was spent

yesterday. It created jobs yesterday, and the tremendous, unprecedented unemployment rate in this province is after those jobs have been created by that fund, by that \$8 billion. Of that fund \$2.5 billion is in deemed assets. Think about it. That's money that's gone; it shouldn't even be counted in the Heritage Savings Trust Fund. It's completely gone; \$10.5 billion dollars of that fund is gone. There may be \$4 billion left; \$1.8 billion to \$2 billion is going to the farm loan stabilization program. About \$1.9 billion may or may not be liquid; it probably isn't because it's in eastern Canadian provinces. So we haven't met that objective either. Rainy days: forget it, it's not there.

Income: that's a nice objective. One of the reasons for this fund was apparently to replace income we're getting from depleting nonrenewable resources. But all sorts of that money, \$8 billion, is in Crown corporations. Crown corporations pay \$1 billion to the Heritage Savings Trust Fund; they lose \$350 million a year. That seriously undermines the quality of the Heritage Savings Trust Fund's earnings. It's being supplemented, subsidized by general revenue. Again, it's smoke and mirrors. It is an objective that has not been properly achieved by this government. Now a desperate government in a desperate move is going in to get the last bit of it. It has thrown caution to the wind, thrown any kind of lip service to objectives out the window. We don't have a plan for the Heritage Savings Trust Fund. At exactly the time, 10 years, when a review would be in order, there's no suggestion to have a review ...

MR. MUSGREAVE: A point of order.

MR. DEPUTY SPEAKER: Order please. Member for Calgary McKnight, your point of order?

MR. MUSGREAVE: I did not think we were debating the Heritage Savings Trust Fund. [interjections]

MR. DEPUTY SPEAKER: Order please. In observing Bill 30, the Financial Administration Amendment Act, the Chair sees three distinct mentions of the Alberta Heritage Savings Trust Fund on page 1 alone, so the Chair has some difficulty with the point of order.

MR. MITCHELL: Thank you, Mr. Speaker.

It's time to review the Heritage Savings Trust Fund. This Bill is an affront to that fund. It's an affront to every single objective that has ever been put forth by this government in defence of that fund and in defence of its management of that fund. It's time we did something about that. We cannot in all conscience authorize Bill 30 until that fund has been properly reviewed and we know what we're doing with it and it isn't a mechanism for a desperate government pursuing all the easy money until all that easy money is gone, and then it will have to face reality. I want this government, and the people of Alberta want this government, to face that reality right now, before the problem gets worse, to come to grips with the facts, to begin to manage on the basis of those facts and not on the basis of some reality that seems to be construed by a Treasurer in his misplaced righteous indignation.

I talked about an application based on poor fiscal responsibility. I want to go back to that point, because it's an important point: financial controls. At a time when we need to control the finances of this government more than ever before, this government is becoming more and more secretive, is withdrawing into itself and submitting itself to

less and less accountability. That has serious consequences for the future of this province. Estimates: 25 days. We did one department for one hour. We did \$800 million in special warrants for one hour. We did the Department of the Environment for one-half hour in reality, once we got past the football fields analogy of water in Alberta. [some applause] I couldn't resist that.

As if that isn't enough, as if that isn't an affront to the democratic process, we have the public accounts. It became apparent yesterday in Public Accounts that we may have one or two more meetings of that committee. So far the committee has reviewed two of 30 departments. Two more meetings will mean that we'll review two more of 30 departments; 26 departments will be unreviewed for 1984-85.

AN HON. MEMBER: What's that got to do with the Bill?

MR. MITCHELL: You're asking for \$5.5 billion of debt, and you don't have any financial controls. That's what it's got to do with it, and it's not funny. It's not funny anymore, and you've got to stop laughing about it. It's time we came to grips with this. It's not a joke; it's not righteous indignation. It's a hard, cold fact: \$5.5 billion of debt. It's got to stop.

DR. WEST: A point of order, Mr. Speaker. Could the hon. member address the Chair instead of directing his comments directly to the floor? [interjections]

MR. DEPUTY SPEAKER: Order please. That appears to be a complaint. But while the Chair is up, the Chair is having a little bit of difficulty differentiating between the member's comments relative to Motion 6 on the Order Paper, the *Standing Orders* of the House, and the estimates of the House, which have been passed. So the Chair respectfully asks the Member for Edmonton Meadowlark to perhaps address the substance of his comments to Bill 30.

MR. MITCHELL: Thank you, Mr. Speaker. I believe financial controls are an important basis for us to make this decision on. I respect your decision and your fairness, and I won't proceed with that any longer.

I will go back to the nature of the debt, however. I mentioned that the debt affronts the Heritage Savings Trust Fund. I mentioned that the debt won't be \$5.5 billion; it will very likely be \$6.5 billion. It's also not the entire debt. Let's talk about some of the hidden features of this debt. A \$300 million debenture has gone to credit unions clearly to bolster assets that aren't there. In a very real sense, that can be debt. That adds to this \$5.5 billion. There is more money in other financial institutions, which we need not go into, that could be at risk; we know that. There's also a \$5.25 billion unfunded pension liability in this province. That is debt, and that has been swept under the carpet in these discussions. Let's consider the real debt. It's not just \$5.5 billion; it's all of those things, and it will be \$6.5 billion in addition to that.

I'd like to conclude. We cannot support this Bill for borrowing at unprecedented levels, because it is based upon less than demonstrated competency by this government to manage. This government has squandered a lot of this province's future to get us from a point where we had so much promise in this province to a point where we're borrowing at unprecedented levels. We cannot support this Bill, because there is no clear indication of any remorse,

of any ability or willingness to change, of any commitment to say: "We've made some mistakes, but — you know what? — we're going to change. We're going to be more restrained, we're going to manage harder, we're going to set tough priorities, and we're going to have a plan for the future." There's none of that demonstrated in this application.

Our colleagues in the New Democratic Party raised a proper amendment that said we shouldn't support this, but they did it for a reason that isn't entirely correct. They said that there has to be "some imminent need" demonstrated for this increase. Do you know what? There is an imminent need, and that is exactly the issue. There's an imminent need because this government has mismanaged us into a position where we have to raise \$5.5 billion in debt. That issue has not been redressed by any demonstrated action on the part of this government. Until it is, we cannot in all conscience, in any conscience support this Bill, and we will not support this Bill until we see a demonstrated commitment to altering the management patterns this government indulges itself in, Mr. Speaker.

MS BARRETT: Mr. Speaker, I too would like to make some comments with respect to Bill 30. I'd like to address my initial comments to comments that were offered by the Treasurer himself tonight when he was introducing and supporting his motion for second reading of his Bill. He noted that the Official Opposition had indeed had a news conference today to talk about it. However, I would like to point out that the opposition members have raised this matter in question period and in consideration of other debates.

The important point is this. While one Provincial Treasurer may ham it up, there are 16 New Democrats — and from the comments tonight from the Liberal opposition just to the right of us, I can see that it's not simply a matter of political affiliation which determines the recognition of the need for responsibility with respect to Bill 30. I would also remind the hon. Provincial Treasurer, who I hope can hear me wherever he is, that just a few weeks ago, when being questioned day after day about policies with respect to agriculture, the Agriculture minister invited all members to wait until he had his press conference.

Mr. Speaker, it seems to me that the Provincial Treasurer has taken a leaf from about a decade ago. The reason I say that is that in supporting Bill 30, it's pretty clear that the Provincial Treasurer — and perhaps this is true of all government members — doesn't really understand the difference between millions and billions of dollars or doesn't have a real appreciation of the volume of money we're talking about and the responsibility that goes with it; questions like: where are we going to get it from to repay it? I would like to advise the members of the Assembly that I think I have found the quote from which the Provincial Treasurer has extrapolated to a bizarre extreme, in my opinion. It is recorded in *Hansard* of March 10, 1976, when the man who is now Premier was the Energy minister. An item with respect to a certain Syncrude project was under discussion. In responding to questions in Oral Question Period on that day, the Energy minister, now the Premier of Alberta, said, "What's a million?" He not only said "What's a million?" — as if we all carry around a million bucks in our pocket — he said, "But, in any event, it's still on the target ... give or take a million here or there." That's the kind of flippant attitude that is so indicative of the intrinsic disrespect this government appears to have for the taxpayers' dollars.

We're talking about getting ourselves into a level of debt that the government says we don't really have to be talking about because, after all, we really only have a \$2.5 billion deficit. Mr. Speaker, if we really only have a \$2.5 billion deficit, why is the hon. Provincial Treasurer asking for \$5.5 billion for up to two years? He himself admitted tonight that we have to have a legislative session. We have to pass estimates every year. We're under those laws; we have to do that. So what's he getting ready for? Either we've got a \$2.5 billion debt, in which case this Bill doesn't make any sense, or in fact we're facing a much bigger debt, in which case maybe the Provincial Treasurer ought to fess up and tell us what the real figures are going to be.

Mr. Speaker, the other point that's really important with respect to this Bill is that it indicates that maybe we really are not going to have more than one legislative session per year. It's something the government controls. Mind you, with the figures I see present tonight, maybe if we had a vote right now, the opposition would win. [interjections] I interpret those interjections as a dare.

MR. TAYLOR: Just watch Pembina, fellows.

MS BARRETT: We plan to put a Dent in that caucus, I can tell you.

Mr. Speaker, what's the hidden agenda here? Why is the Provincial Treasurer talking about this need for a two-year period? I believe I can quote verbatim from his comments tonight, because I can write fast even though he can speak a lot faster. He said that we were doing this in anticipation — I believe it's something like that — of "what might happen over the next two years" and then fixed it by saying "on a short-term basis." Of course, there wouldn't be any mismanagement implicit in that statement.

Why are we asking the Legislature to approve something that has a life span of two years when we know we get to meet again at least by the time another 11 months expires — in fact, nine months — because we have to. The rules say we do. So what's really going on here? I'll tell you what I think is going on. I think this is a real contingency plan for a whole bunch of special warrants to take place between the time this session concludes and the one in the next fiscal year starts. That's what I think is going on, and if I'm wrong, I challenge the Provincial Treasurer to give his commitment that I'm wrong. I know he won't do it, because he's already avoided doing it under many similar circumstances.

Mr. Speaker, I hope you will appreciate the relevance of this. In 1982 we had a general provincial election in which, in my view, way too many Tories were returned to the House. During that campaign everything was said to be coming up rosy. For about a year before that campaign started all kinds of things were coming up rosy, we had light at the end of the tunnel, and we were turning the corner: all that kind of stuff. Those were enunciations from various luminaries from the government side at that time. I recall what happened afterwards. The Provincial Treasurer at that time said: "We're going to face big debts if we don't get things under control, and you know what that means, people. In order to prevent those big debts from mounting, we're going to have to increase your personal income taxes and health care premiums, and we're going to have to cutback on social services." And guess what? All those things happened, and a whole bunch of other cutbacks took place. [some applause] I note that the hon.

Member for Red Deer South happily applauds that sad series of events.

SOME HON. MEMBERS: Shame.

MS BARRETT: I note that on other occasions other government members have applauded when we have referred to those previous tax increases, health care cost increases and premium increases, those previous cutbacks. I wonder if the members are going to sit here a year from now and explain to Albertans with the same sense of arrogance and smugness why they're going to have to face personal income tax increases all over again, why the social safety net is going to be ripped to shreds, why this government and this economy are plummeting because the velocity of the circulation of money is diminished because the government itself is consuming more and more, like an endless vacuum cleaner, to feed the servicing charges of this \$5.5 billion debt, which of course the government says we're probably not going to have. Therefore I say: why do we need the Bill, Mr. Speaker? I vote against second reading.

MR. STEVENS: Mr. Speaker, I would like to have risen earlier, but I wanted to hear that incredible performance. It really does deserve the envelope, Mr. Speaker.

I want to comment on the remarks of the Member for Edmonton Meadowlark. He said during the debate on Bill 30 that there is no one in charge, and he's said that before. He glibly ignores the management strategies and the fact that we have a very, very carefully thought-out plan. Last year that plan resulted in the work of hundreds and thousands of individuals, not just one person. From the Premier, the Treasurer, the finance plan, our priorities committee, the cabinet, the deputy ministers, all ministers, all managers, and all the public service led to a tremendous surplus in this government's plan. Each of them brought to this government something that they were rewarded with in terms of increments or merit pay or performance pay.

AN HON. MEMBER: Is that why they're on strike?

MR. STEVENS: It's sad that some members of the Alberta Liquor Control Board are on strike. I don't think that's the subject of tonight's debate, Mr. Speaker. I would certainly like to enter into a debate on that issue.

The member also said that there were no early retirement plans, and he glibly ignores — he has an interesting way of presenting himself in the Assembly. Be careful, Opposition Leader — Member for Edmonton Norwood — and leader of the Liberal Party, because he's going one way or the other; we can see that as he presents himself But he never has any facts. He said, no early retirement plans. Early retirement plans have in fact been followed out in a number of corporations, notably Alberta Government Telephones. In fact, two early retirement plans were developed over a period of time in the public service as a whole.

This government believes its first responsibility to provide service to the people of Alberta includes protecting as best we can with our budget the employment of our employees. In the last three or four years we have in fact done nearly a 10 percent position abolishment process, and it has affected about 85 individuals. Those positions were identified where work could be done elsewhere; those positions were eliminated in this government. What he's really saying is that he'd like to see others retire. From a private-sector viewpoint that may very well be satisfactory, but from the government

viewpoint and with the very expensive public service pension plans, it's a very difficult and costly thing he wants us to consider. It may very well be that the government should consider a retirement plan for public service employees, but there will be a very heavy cost to that.

He said earlier, Mr. Speaker, that there was no job sharing in this government. This government led in terms of job sharing, casual, part-time, seasonal, flexible work hours, compressed work week: in providing a number of opportunities for employees to provide their services. This government is very proud of the work it has done to ensure that the people of Alberta continue to receive the best services.

What we heard tonight, Mr. Speaker, including the Academy Award performance, was spend more and borrow less, more civil service. I heard: cash in the fund; let's spend the fund now, expand our programs, reduce the premiums, and lower taxes. Thank goodness we have this process of planning, of presenting a budget, and involving all of the public service of Alberta and not just one — whoever that one would be. Everyone in the public service is committed to a more efficient and capable service. I'm very pleased with that progress.

We have heard: let's use the Heritage Savings Trust Fund; let's see it be gone. Thank goodness 17 percent of our revenues come from the return on our Heritage Savings Trust Fund, the envy of every other government in North America.

Mr. Speaker, I'm pleased to support Bill 30 and our Treasurer, as we in Alberta all work together. Government with farmers, and they're hurting. Government with small business. Government with the oil patch; it's not an easy time for our oil patch or energy industry. Government with tourism and tourist operators. Government with youth; our youth employment programs are the envy of Canada. Government with seniors, our incredible programs for senior citizens.

I'm very pleased to have been part of the Public Accounts Committee for seven years and to have seen the work of the Auditor General and his comments about this government's fiscal planning.

We have an unenviable problem in this country, a very difficult problem. We all recognize that in this House, and we're working together toward solutions. Having had the opportunity recently to travel with others to Toronto to represent this Legislature at the Commonwealth Parliamentary Association, I was taken with the comments that I and others received from MPPs, MNAs, and MLAs from across this country. They all envy us our problems in Alberta and our ability to tackle them.

I support Bill 30, Mr. Speaker.

MR. McEACHERN: Mr. Speaker, I rise to vote against Bill 30, the Financial Administration Amendment Act, 1986. I'd like to say that the Treasurer not only didn't show any humility, he actually showed arrogance when in fact he should have come in with reasons and facts to explain why we need the extra \$3 billion. I guess he did what he did on the assumption that the best defence is a good offence. He does a pretty good job of that sort of thing, but what I would like to know is: where are the facts to back up the need?

We knew from the budget and earlier government predictions of revenues that we would have at least \$2.5 billion deficit. Those of us on this side of the House said that it might be as much as \$3.5 billion. The government has

confirmed that it may be even more than that by asking for \$5.5 billion. Even so, they are asking for more than they can logically explain that they need. The Treasurer himself has said that they don't need that much. Why on earth would he think in terms of needing it for two years? If this government doesn't call the Legislature next year and pass a budget before the end of the next fiscal year, I'd like to know what is the matter with them. They didn't do it this year, and we had to put up with passing \$800 million in government warrants that had been spent last year. It took us nearly five months of this fiscal year to pass this year's budget. There will be no excuse for doing the same thing next year. So we don't need to worry about next year. We can do that next spring like we should, in February and March before the fiscal year runs out, like any government that respects the democratic process and the rights of the people of this province and this Assembly.

Mr. Speaker, the important thing that this Bill is an affront to is the right of this Assembly to control the purse strings. I know that in the kind of system we have, the cabinet has the right to propose, but we have the right to agree or disagree. We need the information and we need things laid out here so we can see why we need what the government says we need. We have not had that. This government wants to give itself a \$3 billion blank cheque for the cabinet to do what they like with over several months, maybe over a year or two years, so the Treasurer tells us. If their estimates were that far out, if they were that unsure of what they thought was going to happen when they brought in their budget just a few short months ago, if they can't tell with half the year gone, then they can bring us back in November. But this particular Bill should not ask for more than \$2.5 billion, because that's what they said they needed. They do not show us any evidence that they need any more, so I cannot understand why they're asking for \$5.5 billion.

I want to follow the theme about the power of the purse strings and the right of this Assembly to agree or disagree with the expenditures proposed by this government. Any move to limit that power or take inordinate power to the cabinet must be vigorously opposed. Mr. Speaker, I've watched this government over a number of years, and it's fallen more and more into the trap of corporate-style management, where the cabinet runs everything and railroads it through the Assembly with hardly any opposition. The opposition has been small through the years — small but mighty, I might add — and they tried very hard. Now there are 16 of us here, plus another six on our right, and the government is not going to get away with that kind of easy railroading of this Assembly.

As I said, I've watched the government take more and more power into the cabinet, at times working to make the opposition's job of trying to be effective more and more difficult. I'll cite some examples. I think of some of the restrictive rules on the time for debating the budget, for example. I think of spending more and more money by government warrant so that we're really left in the position of having to agree to something that's already spent, which is a little silly and a little late. They've become more and more secretive; they won't tell us how or why they're projecting what they are. They refuse to release information requested, and I have a couple of simple examples: the details of the analysis of their revenues, as was mentioned earlier, and questions for a return that I asked in this House asking for the cost of various credits and rebates, et cetera, which are surely important parts of the information we need if we're to properly do our job in this House.

[Mr. Speaker in the Chair]

Mr. Speaker, this government started out many years ago with some principles laid out by their then leader. One of those was the accountability of the government to the Legislature and to the people of this province. I've seen them rise to a point where the cabinet does as it wishes. This Bill sort of institutionalizes that and takes the power of the purse away from this Assembly. If you think that's a new thing, it's not. It's been going on for quite some time, and to illustrate my point I want to look at some of the processes we've gone through this summer.

I'll reiterate. Revenue projections: the lack of information to back up those projections. The budget: we had 25 days to cover 25 departments, but we talked about some of the details of that at the end of the budget, so I won't reiterate that. The estimates, the government warrants: \$800 million in one hour. Some of the other fiscal policies of this government and some of the Bills we've looked at. The farm credit stability program: they didn't even have the courtesy to put in the Bill that there was a \$2 billion plan there; the \$2 billion was never mentioned. All they've done is given a blank cheque to the Treasurer and the cabinet to make it a \$5 billion program if they want. The same with the small business term assistance Act. In the Bill itself which is the only legal thing that can restrain the government and which this government had to pass, there was no mention of the \$750 million that was mentioned in other documents. Most of the details were left out of both those Bills so that the Treasurer could work out in secret with the banks what the terms would be. Maybe we'll find them out later and maybe we won't, depending how hard we can dig and where we can get them. Maybe they'll report back and maybe they won't, and in how much detail is still questionable.

The incentive programs for the energy sector: programs of \$500 million proposed this summer. What Bill did they bring in to cover it? How is this Assembly going to exercise its power of the purse over this government in this regard? They finally brought in Bill 18. But guess what? It doesn't mention the \$500 million in programs. It wants to give the Minister of Energy a blank cheque to do what he likes, to give away all our nonrenewable resource revenues if he wants, right down to zero; again, a blank cheque limited only by the amount of our nonrenewable resource revenues.

Motion 12: a third of a billion dollars to the Agricultural Development Corporation, the Alberta Mortgage and Housing Corporation, and the Alberta Opportunity Company. We had an hour's debate, or maybe it was two hours. No details; nothing to explain why that much money was needed, where it was going, or how it was being handled.

Finally we get Bill 30. Has the government learned nothing from the election that we just went through? There aren't 22 instead of four on this side by accident. It's time the government realized that the people of Alberta want some local democracy. One of the fundamental democratic principles is that this House will decide the fate of money Bills, and we need information to be able to do that. If you as a government withdraw into yourselves and refuse to provide the kind of information that backs up the need for \$5.5 billion, if you continue to give sweeping powers to the cabinet, you're marching in the wrong direction and heading for serious trouble; you're making a fatal mistake.

AN HON. MEMBER: Are you worried about us?

MR. McEACHERN: No. I'll be quite happy to see the end of you when we form the government next time around.

Mr. Speaker, we in the New Democratic Party will fight for the basic democratic principles and rights of the power of the purse for this Assembly even if the backbenchers won't. We need to know the details of why \$5.5 billion is requested or we are not going to approve it.

MR. HAWKESWORTH: Mr. Speaker, I'd like to say first all that I welcomed in particular the comments tonight of the hon. Member for Banff-Cochrane. I might say that I'd like to be able to welcome comments from more government backbenchers tonight. I note with a great deal of interest that other than the hon. member just mentioned and the Provincial Treasurer, no members of the government have spoken to this particular Bill this evening. What they've been able to contribute to the debate tonight is to raise points of order. Other than being able to go on the public record in support of this request, we've not seen that tonight. I wonder why not. Why do they not want to go on the public record? Over the last several weeks some of the members have stood up somewhat defensively to explain how they're not in favour of the projected \$2.5 billion deficit. They said that during the estimates debate. I wonder how much more difficult it would be for them to stand up and say that they're in support of a \$5.5 billion borrowing ceiling. Perhaps they know themselves too well, and they're afraid of what they might say were they to get up to speak in favour of this particular Bill.

Mr. Speaker, on a number of occasions in this House I've taken the opportunity to reflect on some of my experience on Calgary city council. I think something that happened a few years ago is perhaps illustrative of what I see happening with this Bill introduced this evening. The city undertook a financial review by an international financial rating agency. That agency came forward and gave the city of Calgary a double A credit rating. Some people were surprised at the rating the city of Calgary received, in view of that city's large capital spending over the last number of years.

But that agency arrived at that conclusion for a number of reasons. First of all, the operating budget of that municipality has consistently generated a surplus over the years. As well, the city has maintained substantial financial reserves. Thirdly, and maybe most importantly, the city was able to demonstrate that they had a financial plan to contain their debt within commonly accepted guidelines. Fourthly, they were able to demonstrate that they were going to reduce servicing costs as a percentage of the city's operating budget. Please, hon. members, note that they demonstrated an ability to handle their debt and that they were able to demonstrate it on a five-year projected financial basis. There was a realistic financial plan in place. Mr. Speaker, we haven't even had that brought forward this evening. Some hon. members may like to laugh at this particular suggestion, but we have not had even this basic kind of information provided in support of this request for raising the borrowing ceiling for the provincial government.

No doubt this government is considering what this borrowing trend is going to do if it continues not only this coming year but over the next two or three years. Have they done those financial projections? Is that plan in place? What about that financial rating of the provincial government that we've heard being bragged about so often in this Assembly? Is it going to remain a triple A rating if \$2.5 billion deficits are racked up each and every year? If a \$5.5 billion borrowing ceiling is reached within the next

year or so, are we going to maintain that triple A rating? No doubt the government is thinking about that. But are they really worried, and what steps are they taking to keep borrowing within a manageable context? Is it because they're not thinking about it or not worrying about it, that government members are not standing up to speak in defence of this particular change in legislation?

I recognize, Mr. Speaker, that the financial planning for the provincial government can't be entirely compared to the financial problems of one of our province's major urban municipalities, but surely some common parallels can be drawn, and if none other, what this government needs is a financial plan. I ask the Provincial Treasurer: show us that that financial plan is in place. Not only would he alleviate many of the objections raised this evening, but he would also alleviate many of the concerns the public have at this kind of request for a borrowing ceiling.

I'd like to talk about a concern I have that has not been addressed this evening. It's an important concern; that is, who is going to hold that debt? If this government needs to raise the money to meet the expenditures authorized, why would they put that debt into the hands of foreign banks and foreign financial institutions? Why go into the foreign money markets in order to finance that particular debt? Don't foreigners own enough of this country already? At least, Mr. Speaker, if you borrow those funds from Canadians, the payments on that debt go back into the Canadian economy. I would strongly urge, in fact plead with the Provincial Treasurer: do not go into international money markets to raise the funds to finance this debt.

There is also another problem. Yes, you may be able to get it today at a lower interest rate than you might otherwise get by borrowing it on the Canadian market, but that may be a short-term advantage. If the long-term trend of the Canadian dollar is that it continues to decline or does decline in relation to other currencies, there are some hidden and unknown costs in the currency exchange rates with which you will have to pay back that debt over the years to come. Mr. Speaker, for the long-term strength of this country, for this province, if you must borrow money under this particular Act, please at least limit those borrowings to the Canadian money market. I'm trying not to be partisan in that particular request, because it seems to me to be a very important issue.

Another one that's not been talked about yet tonight is this concept of a Risk Management Fund. I know most of the discussion has been around the issue of the borrowing ceiling, the most important and crucial issue within this Bill, but the concept of risk management is being removed from one of the sections and a separate fund is being created. At the present time payments are made available through a revolving fund to acquire insurance and risk management services, but this Bill establishes a separate fund administered by the Treasurer. There's \$25 million earmarked within this particular Bill for that program. Is this a self-insurance fund from the provincial government, and if so, why has the government felt that a separate fund is required in order to deal with insurance?

Is this all part of the trend which municipalities across the province, small businesses, and individuals have had to deal with, the rising costs of liability insurance? Is that what has prompted this particular change in the legislation? If this is the case, would the Provincial Treasurer, at least in some of his comments surrounding this Bill over the next number of readings, address this important issue? Earlier in this session one of the government members brought

forward a very good motion, I thought, requesting provincial assistance to municipalities trying to cope with high liability insurance premiums. If the provincial government is also experiencing that problem, perhaps they also have some appreciation for the needs of the municipalities out there. If this is a purpose of the fund, I think the Provincial Treasurer needs to give much more information to this Assembly than he's provided in his brief comments thus far.

Mr. Speaker, coming back to the crux of the issue, in the absence of a financial plan or financial statement being provided to this Assembly by the Provincial Treasurer, we cannot go along with the requested increase in the borrowing ceiling under Bill 30.

Thank you.

MR. MUSGREAVE: Mr. Speaker, I want to make a few humble remarks. As the former chairman of the finance and budget committee of the city of Calgary, the same as the hon. Member for Calgary Mountain View, I have a little feeling for the frustration you have experienced while you've been up here, because this is an entirely different forum in which you're operating. Under the parliamentary system of government that we enjoy in Canada, the responsibility for the spending of money rests with Executive Council. This is very difficult for a former alderman to learn. You can get up here, debate, speak, and do all sorts of things, but nothing is going to be changed in the budget, because under our parliamentary system, if anything is changed in the budget, the government falls. You're all well aware of that, and I think we on this side of the House are, too.

Having put that in perspective, I would like to point out a few things to the former chairman of the finance and budget committee, now the Member for Calgary Mountain View. First of all, I understand that in the city of Calgary we have the highest paid police department in Canada; we have one of the highest paid bus driving systems in North America. If you still have the same system you had when I was an alderman, you also have the highest paid firemen in Canada. When I was an alderman you had a debt of about \$200 million to \$300 million; now it's \$1 billion-plus.

I would like to point out, too, that you have generated a surplus in two ways. One is by raising taxes every year. Also, you seem to conveniently forget the debt reduction program of hundreds of millions of dollars given to you by the province of Alberta. That is conveniently overlooked in your remarks.

AN HON. MEMBER: Good management.

MR. MUSGREAVE: Good management. Right now the city of Calgary is paving roads all over the city, because there is an election coming up in a month or so. Deerfoot Trail, Crowchild Trail — you name it, it's being paved. [interjections]

MR. SPEAKER: Hon. member, the Chair appreciates and has been listening attentively to your solid introduction with respect to the statement with regard to the Bill and looks forward to comments with regard to the Bill.

MR. MUSGREAVE: To deal with the Bill, Mr. Speaker. Since we were here in early June, if you've been watching the price of oil, you'll know it has fluctuated anywhere

from a low of \$10 a barrel to the latest I heard of around the \$16 mark. Now what Solomon in this Assembly could determine what the monthly revenues of this province are going to be if there's that much change in that short period of time? I am glad the hon. member is concerned about our triple A rating. I would suggest to you that if we enjoy a triple A rating, we must have been doing the right thing for a long period of time.

We have that old song and dance of the socialists about not wanting to be involved with foreign money lenders. I can turn that around and say, what you want us to do is borrow money and pay more for it than if we borrowed it from, say, Japan or Germany. And in what way? What are they going to do? Are they going to come over here and dig up our oil and take it away? Are they going to take away our coal? We have control of the resources. I'd suggest to you that that's very irresponsible.

The other thing I'd like to point out is that perhaps the hon. members would enjoy coming back here in December if this Bill is not approved and then approve any additional money if it's needed. Is that what the hon. members are requesting?

MR. PIQUETTE: I just have a few comments in response to the Member for Calgary McKnight, indicating there is no way we can control the whole deficit, because we can't control the revenue we get from oil. Unfortunately, this government chose to lose all control in terms of its oil revenues by abandoning the floor price, or at least not negotiating a floor price in the Western Accord. I believe there would have been no problem when that negotiation was taking place.

MR. DAY: Point of order, Mr. Speaker. I believe I heard the member saying he had some comments to direct to the member. I believe he should be directing comments to the Bill.

MR. PIQUETTE: Okay, I apologize. I should have addressed my comments through the Speaker.

In concluding, I would like to indicate that if our party had had a say in the whole negotiation of the oil and gas industry in the last number of months, the decision by the government to borrow \$5.5 billion would never have taken place. We would have at least protected the jobs in Alberta, and we would not be in dire straits in terms of economics and in terms of projection, because this party would have addressed those issues with very cool logic and good business sense. That party forgot to do this.

MR. STRONG: Mr. Speaker, I rise to speak against Bill 30. [interjections] You can't believe it, but it's true.

Basically, what we're looking at in Bill 30 is the government asking us, the New Democratic Official Opposition and the opposition parties in this Legislature, to approve their willy-nilly spending of \$5.5 billion and not just \$2.2 billion. There's no accountability. Mr. Speaker, I have to ask my wife how much money I've got in my savings account, because I give her all my paycheques. Let me tell you, if I spend any money out of that bank account, I have to justify it. But our government is asking us to justify this; just trust us. I couldn't believe it. I'd like a few bucks more so I could go out and party.

The Member for Banff-Cochrane accused us in the Official Opposition of wanting to spend, spend, spend; create more jobs and spend, spend, spend. I believe the other one was,

expand programs. Let me tell you something. I've never sat in this Legislature and said any of that. But I do believe in cost-effective government. To me, cost-effective government is not coming to this Legislative Assembly and asking, "Please, trust us in the borrowing of \$5.5 billion."

AN HON. MEMBER: Borrow, borrow, borrow.

MR. STRONG: And he didn't even say please.

AN HON. MEMBER: He's not even here.

MR. STRONG: To me, Mr. Speaker, cost-effective government is eliminating things like this: patronage plum jobs for the party faithful. This government speaks of free enterprise. It's coming out both my ears and the top of my head. I can't believe it. I just had a look at the supplementary information to public accounts. It says: the Alberta Chamber of Commerce, \$90,000 grant. I think that's what it said; I can look it up. Is that free enterprise? You know what we've got, Mr. Speaker? We've got free enterprise for those that can afford it, and we peasants can get along as best we can to survive in today's difficult, tough economic times.

Cost-effective government, Mr. Speaker, is not coming here and asking us in the Legislative Assembly to authorize the borrowing of \$5.5 billion. It's cutting down on travel and entertainment expenses for those that have the authority to get it. Cost-effective government is not the willy-nilly building of provincial buildings and hospitals all over the province of Alberta. It's not just the cost of those hospitals and provincial buildings; it's the cost of staffing those hospitals. I find it odd, Mr. Speaker, that this government would come and ask us to authorize \$5.5 billion in borrowing while offering doctors, because they can't get any in those hospitals they built, bonuses of \$100,000. Well, it could have been \$200,000, but what's \$100,000? Cost-effective government, Mr. Speaker, is building airstrips where planes land, not building airstrips where planes don't land.

Mr. Speaker, we speak of worst case scenario, and let me assure you, coming from the construction industry, I know what worst case scenario is. It's 80 percent unemployment in the construction industry and not having to worry about paying taxes, because you don't have a job. You're not making enough money to pay any taxes. Mr. Speaker, if our agricultural, oil and gas prices, those commodities and those economies that we excelled in here in the province of Alberta, stay low for the next three years, worst case scenario could be in 1988, with the government coming back to us and saying, "Well, \$5.5 billion wasn't enough; we need \$6.5 billion this year", and in 1989 coming back and saying, "Gee, we need \$10 billion," again with no justification for what we're doing. Let me assure you that if I operated our business like this, we wouldn't have been in business for in excess of 80 years.

AN HON. MEMBER: You should charge them higher union dues, Bryan.

MR. STRONG: No, we've cut back on expenses. As a matter of fact, we're charging them lower union dues.

Mr. Speaker, more importantly, what is at stake here is who is going to pay. I am afraid it will again be us, the taxpayers. The taxpayer is quite familiar with tax increases in the province of Alberta. We got one here a few years ago. It was 13 percent, but then this government

turned around and said, "Well, we only made \$1.5 billion." Did they give us our 13 percent personal income tax increase back? No, they didn't. [interjection] You're right.

Mr. Speaker, I had the pleasure of going to Government House here, I believe it was in 1984, with the then Minister of Labour and some of the government cronies that were sitting in that building. They announced to us, the building trades, that they had just given \$5.4 billion to the oil industry to create jobs for us. Yet I sit in this Legislature, I guess two and a half years later, and see that they're coming and asking to extend the limits on borrowing to \$5.5 billion. I guess we lost a hundred million in there someplace, but what's a hundred million?

Priorities, Mr. Speaker. I'm always big on priorities. I've always set priorities for myself. I came down and begged government officials to be fair; they didn't want to be fair. I hated begging, so we went out and got rid of one of them and now I'm here. I don't have to beg anymore. I can say it right here. Priorities to me are long-term economic planning, planning for diversification of an economy that I've heard promised here for 15 years, I guess, since I started paying attention because they were taking more taxes away from me. It's getting to the point where it's not only me that can't afford government; poor lowly Albertans can't afford their government anymore. They can't survive. They're lining up at the food banks, because they don't have the money to buy their groceries. But maybe they are smartening up.

Even a carpenter, Mr. Speaker, operates from a blueprint if he's going to build a house. It's a blueprint from start to finish. Yet I've sat in this Legislature for almost three months now — June, July, August; just in excess of three months — and I still haven't seen any economic blueprint for where we're going as a province. I've seen tremendous waste. But again: trust us; we only want the right to borrow \$5.5 billion, and if we borrow it from Japan or Hong Kong or Switzerland, that's okay. I guess maybe some of the Canadians are smartening up. They won't buy government bonds anymore.

We have been asked to support this economic foolishness, this waste of our tax resources, in total without having the right to say: "Hey, what do you want to do with the money?" Nobody's told me. If we're going to give a few more bucks to the Chamber of Commerce here in Alberta, I guess that's okay. We're going to give a few more bucks to the oil industry and beg them to create jobs in the province of Alberta. They haven't done a very good job of it. We have given to the oil industry in the last four years in excess of probably \$8 billion. We could have built half a tar sands plant that would have produced 100,000 barrels of synthetic crude a day and helped ourselves. But we're still waiting for private enterprise to build them.

If you came as a government to this Legislative Assembly and said, "We are going to borrow money to build something, to create something that we as Albertans have a vested interest in," I would be the first to stand and support that argument. But that isn't the case. It's more and more of the bureaucracy. Let me assure you, Mr. Speaker, it isn't us little peasants at the bottom, the little clerk-typists or the filers, that are creating the deficit here in the province of Alberta; it's middle management patronage appointment jobs for those that know somebody, but free enterprise for us at the bottom of the social scale. This government is totally bankrupt of any initiatives, any thought, any long-term economic planning, and now what they are attempting to do is bankrupt the province of Alberta. Shame.

The Member for Banff-Cochrane indicated something, and I never got the total gist of it. He said that there are no early retirement plans. Let me assure him that there are early retirement plans. I was looking in this book, Mr. Speaker. It says "payments under the MLA Pension Act," and it lists early retirement pension plans.

MR. SPEAKER: Hon. member, could we revert to the Bill instead of making like this is Public Accounts, please?

MR. STRONG: Mr. Speaker, I felt I had to respond, because there are some early retirement pension plans.

This government is asking us to authorize the expenditure for increased borrowing from \$2.2 billion to \$5.5 billion when this government will not even provide pensions for its casual employees, who are forced to go out on strike to get what should be a right for every Albertan. How do they justify that? Mr. Speaker, I've been waiting very patiently for the Minister of Labour to introduce the pension legislation that was promised, but I have no doubt he will introduce it shortly.

One other thing that the Member for Banff-Cochrane did bring up in relation to the Bill was working with government. He mentioned many, many different groups or sectors within our economy. The only thing that he did forget was labour. I never heard him mention labour, and that's probably 80 percent of the quotient. But people always forget about labour. We're only the people who built this luxurious Taj Mahal that we get to sit and listen to rhetoric in, who keep the grounds all nice and neat. Even if we were going to borrow \$5.5 billion to pay the gardener, we'd be much better off than giving it away to the oil industry. What surprises me is that they haven't given all of it away to the oil industry as yet. I think that's why they're coming here asking to extend to \$5.5 billion the borrowing limits, so they can give some more money to the oil industry in the hope that they will create some jobs. They haven't done it yet. They won't do it. Start listening to what the Official Opposition is saying, make economic sense, and bring into this House and justify what you are going to borrow money for, because \$2.2 billion is quite sufficient.

Thank you.

MR. FOX: Mr. Speaker, in rising to speak briefly against Bill 30 in its second reading, it's time to add a few rural anecdotes, if you will, to put some perspective on this. I think what we're being asked to do here is give the government carte blanche permission to borrow up to \$5.5 billion if it's necessary for some purposes which are not clear to us and for purposes which, I submit, are not clear to the government asking for the permission to do so. I'm concerned that as an elected member of this Legislature, I'm being asked to do something that to me seems grossly irresponsible. I was sent here by the people of Vegreville to act in a responsible manner, to try not only to propose creative and farsighted solutions to some of the problems we have but also to make sure that the moneys that contribute to the operation of this province are well spent and managed effectively and that the money is dealt with in a way over which we can have some control, that we can account for how money is spent and try to add some reasoned direction to it. This Bill flies in the face of all those things, Mr. Speaker. For that reason I can't support it.

The members opposite continue to brag about this province's triple A credit rating and take credit for it. I have

some real concerns about that, because I think the reason this province had the glory days, the reason we now have a triple A credit rating is because of two things: one, we were fortunate enough to live in a part of Canada that had an abundance of oil and gas, and number two, the Arabs made it valuable. Those are two things over which none of us had any control or influence. For the government to try to be so vain as to take credit for those two things is, I think, foolhardy. It's easy to manage a government when there's unlimited wealth, when the funds are rolling in. The good times are easy, but the true test of a government's mettle and ability is to see how you manage when times are not good, when the revenue side of the ledger is starting to be pinched. How do we cope with these things? As someone once said, it's easy to make a big splash, but it's how well you swim that counts in the end.

In reference to this bragging nature, how the government somehow is responsible for the good times we've experienced, I'm reminded of someone once admonishing me not to pat myself on the back for fear that I'd break my arm. I submit, Mr. Speaker, that's what we have here: a one-armed government limping along and trying to find direction, needing to borrow up to \$5.5 billion for some vague and undefined purpose. A person makes a very serious mistake if they start to confuse luck with skill, and I think that's what we've seen here.

I've heard time and time again when we in the opposition have stood up and tried to question the manner in which money is spent and the things it's spent for: question, question, question. It could be only an hour into the consideration of a billion dollar budget proposal of some department, and question, question, question is all we hear. We've got a responsibility to sit here and do the job that the people of Alberta sent us here to do, and if that takes time, if that causes some personal inconvenience, then so be it. If it's required that the government, due to the worst case scenario, needs to reconvene this Legislature, perhaps even in December, to discuss the need to borrow money for specific purposes, then I say, let's do it. That's my job. I wasn't sent here to have fun and to arrange my schedule to convenience myself. We're sent here to do a job, Mr. Speaker. I submit that we need to start doing it today and vote against Bill 30. I urge all members to give it careful consideration.

MR. SPEAKER: There's a call for the question. May the hon. Provincial Treasurer sum up second reading?

All those in favour of the motion for second reading, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Adair	Fjordbotten	Nelson
Ady	Gogo	Oldring
Brassard	Heron	Pengelly
Cassin	Hyland	Reid
Clegg	Johnston	Shaben
Cripps	Jonson	Shrake
Day	Koper	Stevens
Downey	Kowalski	Stewart
Drobot	Mirosh	West
Elliott	Moore, R.	Zarusky
Fischer	Musgreave	

Against the motion:

Barrett	Laing	Roberts
Chumir	Martin	Sigurdson
Fox	McEachern	Strong
Gibeault	Mitchell	Taylor
Hawkesworth	Mjolsness	Wright
Hewes	Piquette	

Totals	Ayes - 32	Noes - 17
--------	-----------	-----------

[Motion carried; Bill 30 read a second time]

MR. KOWALSKI: Mr. Speaker, perhaps at this time of the evening it would be appropriate to inform all members of the Assembly what the government's agenda will be for tomorrow. Following question period, the Assembly will find itself in Committee of Supply and, should there be time, would then revert to second reading of Bills in this order: Bills 1, 17, 16, 32, 35, and 2.

[At 10:55 p.m., on motion, the House adjourned to Friday at 10 a.m.]