

## Legislative Assembly of Alberta

Title: **Monday, September 13, 1993**

1:30 p.m.

Date: 93/09/13

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

At the beginning of this week we ask You, Father, to renew and strengthen in us the awareness of our duty and privilege as members of this Legislature.

We ask You also in Your divine providence to bless and protect the Assembly and the province we are elected to serve.

Amen.

head: **Notices of Motions**

MR. DOERKSEN: Mr. Speaker, under Standing Order 40 I wish to introduce a motion

to congratulate the bid committee from Red Deer – Gary Seher, Gordon Hamill, Roger Otteson, and Howard Wurbin – that was instrumental in winning the bid to host the 1995 world junior hockey cup championship.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I rise under Standing Order 40 to give oral notice that after question period I will rise to seek unanimous consent of the Assembly to deal with the following motion:

Be it resolved that the Legislative Assembly recognize the achievement of today's Middle East peace accord between the Israeli government and the Palestine Liberation Organization by requesting that the Canadian ambassador to the United Nations send the organizations signing the accord a letter of congratulations on the Legislative Assembly's behalf.

head: **Tabling Returns and Reports**

MRS. McCLELLAN: Mr. Speaker, I'm pleased to file with the Legislative Assembly four copies of Our Bill of Health, a summary of the health roundtable held in Red Deer on August 26 and 27, 1993.

MR. SPEAKER: The hon. minister of advanced education.

MR. ADY: Thank you, Mr. Speaker. I'd like to table three copies of annual reports for six postsecondary education institutions, those being the Alberta College of Art, Grant MacEwan Community College, Mount Royal College, Fairview College, Lakeland College, and the Northern Alberta Institute of Technology and the NAIT Foundation.

head: **Introduction of Guests**

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

DR. L. TAYLOR: Thank you, Mr. Speaker. I'd like to introduce to you and through you my Cypress-Medicine Hat constituency assistant, Sherry Dyck, and her husband. She's accompanied by my legislative assistant, Brenda Harris. It happens to be Brenda's birthday today. So if they would all rise and receive the warm welcome of the Legislative Assembly, please.

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

MR. MITCHELL: Thank you, Mr. Speaker. I rise to introduce to you and through you to Members of the Legislative Assembly Howard Forsyth from Cardston, where he is a well-known academic and activist. I would ask that he rise in the gallery and receive the welcome of the Legislative Assembly.

MR. KIRKLAND: Mr. Speaker, I'm pleased to introduce to you and through you to the Assembly Peter and Patricia Reimer, who are visiting us from Salmon Arm this day. Mr. Reimer has been a mentor of mine for some 25 years, and I ask the Assembly to give a warm welcome to him.

MR. SPEAKER: The hon. Opposition House Leader.

MR. MITCHELL: Thank you. I rise again to introduce to you and through you to Members of the Legislative Assembly Mr. John McInnis, who was formerly a member of this Legislature for the constituency of Edmonton-Jasper Place and formerly a distinguished environment critic for his party, the New Democrats. I would ask that he rise in the gallery and receive our welcome.

head: **Oral Question Period**

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

### Provincial Fiscal Policies

MR. DECORE: Thank you, Mr. Speaker. A report done by a federal economist said that as at November 1992 Alberta's spending and Alberta's debt was completely out of control. Quite incredibly the present Treasurer of our province says that he and his cabinet colleagues weren't given all the facts under the Getty regime. My question to the Treasurer is this: now that you are the Treasurer, sir, could you tell Albertans exactly what information you get now that Mr. Getty denied you and your colleagues before?

MR. DINNING: Mr. Speaker, what the hon. member is asking is: what information is available today? Quite clearly when Premier Klein became the Premier in mid-December 1992, one of the first things he did was to instruct that a commission be created. A commission called the Financial Review Commission was created in early January under the leadership of Marshall Williams, formerly the chairman of TransAlta Utilities. Mr. George Cornish, a well-respected civil servant in the city of Calgary, served as executive director. The Alberta Financial Review Commission did a top-to-bottom review of the province's finances and presented to the government a Report to Albertans on April 5. Some 31 days later this government presented a four-year plan that puts in place a plan to eliminate the deficit and make sure that we have a balanced budget by 1996-97.

Mr. Speaker, Albertans were told the facts through the Alberta Financial Review Commission, through a number of other budget happenings, as someone referred to in the media the other day, some eight in number since December 15. Albertans are up to date. They are informed about our finances. They are very aware of this government's four-year plan to eliminate the deficit. In fact, they are so aware of it that they adopted, they gave us the stamp of approval for that plan on June 15, when the Progressive Conservatives were re-elected to government.

MR. DECORE: Mr. Speaker, the hon. Treasurer indicated that he and his other colleagues weren't given all the facts. Now, Mr. Treasurer, were you sitting there like bumpkins not knowing what to ask and not knowing what to probe and not knowing what to

find out? Your role in terms of accountability, your role in terms of ministerial responsibility was to look after the taxpayers of Alberta. Why weren't you doing it?

MR. DINNING: Mr. Speaker, the hon. member, as he is wont to do, is once again looking in the past, wringing his hands, and pointing fingers. What this government is doing is looking to the future, and as the Premier said, given a choice between the past and the future, Albertans will choose the future every single time. What they have done is read our four-year plan, read the commitment by this government to eliminate the deficit by 1996-97, and they have adopted and endorsed that plan. This government is looking to the future and is spelling out that future, and Albertans have endorsed it.

1:40

MR. DECORE: Mr. Speaker, the role of a minister of the Crown is to protect the taxpayers of Alberta. Your admission to the people of Alberta, Mr. Treasurer, is that you were not doing that duty. I'll go to the Premier. Mr. Premier, you were in that cabinet, you and the Deputy Premier and five other ministers. Were you not asking questions? Were you not probing? Did you not see that there was a fiscal mess? Why didn't you do something when that was ongoing?

MR. KLEIN: Well, Mr. Speaker, we did do something, and the Alberta people saw that we were doing something, and they made it known on June 15.

#### Speaker's Ruling Oral Question Period Rules

MR. SPEAKER: Now that that first question is over, under the new rules the Chair would respectfully remind hon. members that on the supplementals there should not be a preamble.

MR. DECORE: Mr. Speaker, there was no preamble there.

#### Provincial Fiscal Policies

(continued)

MR. DECORE: Mr. Speaker, the debt for every Albertan as of last week went from \$2,100 to \$4,600. That was part of the cover-up that the Conservative Party was perpetrating on Albertans. Our debt is now approaching \$30 billion. Salomon Brothers, a well-known and well-respected international finance house, has done a report as of August of this year. This is after they've had the ability to look at the Premier's so-called budget plan, and they say in their report that the "fiscal performance" of the province "has been disappointing." On a scale of one to 10 Salomon Brothers rates us a four. Even Saskatchewan and Newfoundland are rated better, because they believe those plans and not the Premier's plan. Mr. Premier, if your plan is so great, explain to Albertans why Salomon Brothers ranks Alberta as one of the most likely provinces in Canada to experience a credit reduction.

MR. KLEIN: Well, that is one of a number of agencies. I would cite Standard and Poor's, out of New York, and Moody's, who have sustained our credit rating. I would refer to a number of financial institutions who have said that we are on the right track.

Mr. Speaker, the one thing that we have in this province that not too many other provinces have is a plan; we have a plan to get spending under control. You know, if I adopted the Liberal mentality, which is very, very . . .

MR. MITCHELL: You had it. [interjections]

MR. KLEIN: No, no. I had it at one time because I thought that they were reasonable, but it's so close now to the socialist NDPs. Right? If I had that philosophy, if this government put in the tax regimes that they have in British Columbia, Saskatchewan, and Ontario, I'm sure that we would not only be able to balance the budget tomorrow, we would probably have a surplus on the backs of the people.

MR. DECORE: Mr. Speaker, given that Standard and Poor's and Moody's and Salomon Brothers all say that the only saving grace, the only positive factor for Alberta is its manoeuvrability in the tax area, assure Albertans, Mr. Premier, because your plan is a flop, that there will be no tax increases this year, next year, the year after, or the year after that.

MR. KLEIN: Mr. Speaker, I would like to assure Albertans that I'm going to be alive then. I mean, nothing is carved in stone, but, yes, the plan of this government is not to adopt the Liberal platform of increasing taxes and introducing new taxes like Dr. Percy wants to do with a sales tax.

MR. DECORE: Mr. Speaker, the only way that Albertans can conclude that last statement, the only way, is that tax increases are coming. Mr. Premier, you assured Albertans that there would be no tax increases. Again I ask you the question. Confirm to Albertans: no tax increases this year, next year, the year after, or the year after that.

MR. KLEIN: Mr. Speaker, the hon. member has read the plan. The plan doesn't call for any tax increases or the introduction of new taxes, a sales tax. I can understand where they're coming from. The Liberals have always been looking for the quick fix, the simple way, the way that doesn't involve any imagination, any brains. The easiest way to do it would be to raise taxes and to introduce a new tax, a sales tax. It doesn't involve any brains. That's why it appeals to the opposition.

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

DR. PERCY: Thank you, Mr. Speaker. A point of order.

MR. SPEAKER: Your point of order is registered. That'll be dealt with after question period.

DR. PERCY: Thank you, Mr. Speaker.

#### Provincial Debt

DR. PERCY: This government talks about setting a new course in dealing with our fiscal crisis. The Treasurer talks about giving Albertans the straight goods on our fiscal position. The rhetoric's there, but there's no follow-through. In the past seven years we've seen Alberta's debt ceiling increase seven times. My question is to the Provincial Treasurer. Can the Provincial Treasurer explain to Albertans why he has chosen not to inform Albertans that he is increasing the debt ceiling from \$17.5 billion to \$20 billion, the eighth increase in eight years?

MR. DINNING: Mr. Speaker, the hon. member knows full well that when I stood in this Legislature on the day after the budget came down, the amendment to the Financial Administration Act was very clear. I spoke of raising our debt limit by some 2 and

a half billion dollars. It is perfectly in keeping with what has been spelled out in this government's four-year plan, where we've made it perfectly clear that this year's deficit would require an increase in the debt limit, and that's why we have spelled it out in black and white. There is nothing hidden, and any suggestion of the hon. member to the contrary is a fertilization of the truth.

DR. PERCY: Mr. Speaker, my supplemental to the Provincial Treasurer. Certainly there are no press releases out there. Eight years, eight deficits, eight new debt ceilings. How can you claim to be on a new fiscal course in this province?

MR. DINNING: Well, Mr. Speaker, the hon. member has given a wonderful opening, but I don't think he'll let me go through all 35 minutes of the Budget Address that I had the opportunity to present to the hon. members the other day. Clearly, if the hon. member had read that document, if he had seen the document, he'd have seen that we have spelled out very clearly our commitment to eliminate the deficit by 1996-97. It's in the Deficit Elimination Act, which only after making funny suggestions from the other side of the House, did the leader of the Liberal Party stand up and actually finally grudgingly agree to. So it is on the record. This government is committed to eliminating the deficit by 1996-97, and fortunately we have the support of the Liberal Party in accomplishing that objective.

MR. SPEAKER: Final supplemental.

DR. PERCY: Thank you, Mr. Speaker. Mr. Treasurer, can you tell Albertans how much of this increase in the debt ceiling is a direct consequence of not addressing the unfunded pension liability issue when it was flagged by the Liberal caucus in 1989?

MR. DINNING: Well, Mr. Speaker, clearly, I refer the hon. Leader of the Opposition and his finance sidekick to page 56 of the 1993 May budget, where it was made clear what our deficit and debt would be, and again I would refer them to page 53 of this current document. Not only did Albertans know before the election what our deficit was going to be; we made it clear to them what our deficit and debt would be both before and after the election. All the cards are on the table. Albertans know the facts, and having known the facts, they then recognized that we had a plan, a realistic and achievable plan, for balancing the budget by 1996-97. It's on paper. Albertans understand it. They've accepted it. We are on track to accomplish just that objective.

MR. SPEAKER: The hon. Member for Calgary-Fish Creek.

1:50

### Wild Horses

MRS. FORSYTH: Yes, thank you, Mr. Speaker. My question is to the minister of the environment. One of the concerns in my constituency is the wild horses. I'm encouraged to hear that you are considering legislation to protect the wild horses of Sundre. Could you please elaborate?

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

MR. EVANS: Thanks very much, Mr. Speaker. Indeed the issue of wild horses in the Sundre area and elsewhere in the province has gained a pretty substantial amount of press over the last five or six months. The concern basically at this point is inhumane treatment of these wild horses. Back in April I brought forward to our standing policy committee on natural resources and

sustainable development a proposal to deal with the issue with some type of regulation, recognizing that basically we have horses that have been left out in the wild by outfitters and guides, by aboriginals. This is the history of the wild horses issue. Our colleagues were very clear in saying that before we make a statement on this, before we take a position, we should consult with the aboriginals and with outfitters and guides in the province and others. We've tried to do that through an informal process during the summer, and I am going to be bringing forward again to the standing policy committee at the earliest possible opportunity a proposal and a plan to deal with this issue focusing on humane treatment for these animals.

MR. SPEAKER: Supplemental question.

MRS. FORSYTH: Yes, thank you, Mr. Speaker. I'd like to ask the minister of the environment then: how quickly are you going to address this issue, and can you bring this Bill forward faster?

Thank you.

MR. EVANS: Well, certainly it's a very good question. I would like to move this forward as quickly as humanly possible. We have a process which is a very open process initiated by our Premier to deal with policy matters and to involve members of caucus, members of cabinet, members of the general public. I know that even a few members of the Liberal opposition have been attending some of these meetings. So this is the way that we try to develop consensus on issues of importance such as this. We certainly expect that we will be going before that policy committee by the first part of the month of October. I'd actually tried to do it in September, but the timing just did not work. We're going to move forward to a decision and then a process through this House as quickly as possible.

MR. SPEAKER: Final supplemental.

MRS. FORSYTH: I pass. Thank you.

MR. SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

### Liquor Store Buildings

MRS. ABDURAHMAN: Thank you, Mr. Speaker. No astute businessman would ever conduct a sale in the manner that this government is doing with the Alberta Liquor Control Board stores. It's ironic that on Monday, August 30, 1993, in Fairview, with great fanfare, a new liquor control store was opened. I could share many examples with you. It's also my understanding that the breaking of the lease in Fort Saskatchewan could cost the taxpayers as much as \$2 million. My question to the Minister of Municipal Affairs is: why the indecent haste?

DR. WEST: Mr. Speaker, the question is based on the timing of what we're doing. We're moving from a policy that previously had all the distribution network operated by the provincial government. We are now moving to one that is operated by the private sector.

MR. SPEAKER: Supplemental question.

MRS. ABDURAHMAN: Yes. My question to you, Mr. Minister is: can you tell us how many long-term leases are in place, and

how much money it's going to cost the taxpayers of Alberta to break those leases?

DR. WEST: Mr. Speaker, there are 138 properties directly owned by the ALCB. There are 58 leases varying in terms, some that are coming to an end immediately to some that have long terms to them. There are also 16 operational liquor stores in provincial buildings which will be put up to tender for leasing. The prices of those leases will be driven by the marketplace. They will be offered out to tender for those pieces of property that we have leases on at the present time, albeit they may be some other business or they may be a liquor store, whatever happens in that tendering process. The prices of those will be driven by the marketplace, as it's always done, and I look forward to seeing what type of return we do get on those.

MR. SPEAKER: Final supplementary.

MRS. ABDURAHMAN: Yes, Mr. Speaker. To the minister: are you going to table in this House a business budget plan on the privatization of the Alberta Liquor Control Board stores?

DR. WEST: Mr. Speaker, each year we file an annual audited report that goes through the Auditor General's department, and as we go forward in the future, that will be on record.

MR. SPEAKER: The hon. Member for Taber-Warner.

#### **Barley Marketing**

MR. HIERATH: Thank you, Mr. Speaker. In June of this year the federal government announced that beginning August 1 farmers and their agents would be free to market barley into the United States outside of the Canadian Wheat Board. The marketing arrangement has been termed the continental barley market. The three prairie pools appealed this decision, and last Friday, September 10, a federal court judge ruled that the federal government could not through order in council partially deregulate the marketing of barley. My question is to the minister of agriculture and rural development. Does he know what the status is of the continental barley market now?

MR. SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Speaker, and certainly a very valid question, because this decision has moved back and forth. It was originally heard in provincial court. The provincial court ruled one way. It was appealed. The appeal has ruled another way. As of 9 o'clock this morning the federal government has asked for a stay of the ruling, and this stay would allow those who've made commitments to market their product into the United States to allow them to continue as per the schedule that they had developed.

MR. SPEAKER: Supplemental question.

MR. HIERATH: Thank you, Mr. Speaker. While I understand that the continental barley market has only been operative for six weeks, could the minister of agriculture provide some insight into what impacts the marketing arrangement has had on farmers and others in the industry?

MR. PASZKOWSKI: Originally there was a study done back in April of this past year by Colin Carter, a world renowned agricultural economist. At that time, he indicated that the market potential into the United States was huge and massive and that we indeed were underutilizing the opportunity that existed. Since that time, it is my understanding that all of last year we marketed 200,000 bushels into the United States. It is my understanding from discussions with the trade that well over half a million bushels have been traded within the first six weeks that this opportunity came forward. More interesting than that is the opportunities that have come about in that the Wheat Board has established their price at \$1.10 a bushel with the ultimate feeling that it'll probably be about \$1.50 when the final payments are made. The interesting development here is that this barley is now marketing for around \$1.80 a bushel into the United States. So it simply proves what Dr. Carter's report had indicated would happen.

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

#### **Health Care System**

MR. MITCHELL: Thank you, Mr. Speaker. The Minister of Health in her frenzy to implement arbitrary across-the-board cuts to health care is missing obvious ways to cut costs which might actually enhance at the same time the quality of health care services. For example, intravenous therapy is paid for patients who remain in hospitals but isn't paid for patients who could otherwise be discharged and receive that therapy in the home. To the Minister of Health: why does the minister allow this inconsistency to continue when savings could be achieved by encouraging intravenous therapy in the home rather than leaving it exclusively in acute care hospital facilities?

MRS. McCLELLAN: Well, first of all, I am not encouraging intravenous therapy to only occur in hospitals. I think the point the hon. member is making is on the funding, because if you receive intravenous therapy in a hospital, the costs are covered; if you receive it at home, the client pays.

I guess this brings up the question of the whole area of restructuring health and what we're talking about. We have been going through extensive discussion on this for those very reasons. Technologies are changing at a very rapid rate. The way we deliver procedures is becoming deinstitutionalized. I remind the hon. member of the very valuable process that occurred in Red Deer on the 26th and 27th, where we got a lot of good advice and recommendations on how we should restructure.

The first regional roundtable was held in Grande Prairie on the weekend, a very successful roundtable, a high degree of interest, large numbers out to tell us those very things: what are the ways we can restructure? Technology is changing, and the fact is that we do not have to institutionalize all services anymore.

I look forward to the conclusion of those and the committees' reports and the long-term restructuring plan that will be put forward.

**2:00**

MR. MITCHELL: This one just doesn't seem to be all that complicated, Mr. Speaker.

Could the minister please tell us whether she has any idea at all about how much extra money could be saved if she encouraged earlier discharge from hospitals generally by adequately funding home care support in this province?

MRS. McCLELLAN: Well, we have been increasing our funding to home care in this province significantly over the last five years. In fact, I would say over 100 percent. The hon. member would certainly notice in looking at our budget again for this year that there are more dollars available for community services. We have had extensive work done between public health, between our institutions, and the high degree of co-operation, Mr. Speaker, that is occurring between the institutional side and the public health and community health side is really working well. We are discharging people earlier, and that is enabled through home care.

I think a lot more work has to be done on the whole issue of community services, and again that is a subject of discussion at the roundtables. I have every faith in that procedure working. Again I say that I look forward to the recommendations where we lay out a long-term plan for change. Home care is significant in Alberta, and the institutions are working with the community to ensure that more people can deliver services to people and enable them to go home much sooner.

MR. MITCHELL: I wonder whether the minister could please explain why her government canceled Ms Betkowski's regionalization program prior to the last election, hardly a coincidence, Mr. Speaker, when clearly savings and service improvements could already have been achieved by now had we had much more efficient overall governance of health care programs in this province.

MRS. McCLELLAN: Well, first of all, the member's statement is not correct. This minister did not cancel a regionalization plan prior to, during, or after. What we did do is write to all of the health boards in this province early this year. I asked them to give us some input back into that process. I asked them who they had included in their planning networks. I asked them what the next procedure should be.

This government has made a commitment to consultation with the communities. I do not believe that this Minister of Health is the person that should tell every community how to deliver health. I believe in the planning process, and I would like to tell the hon. member that there are a number of planning areas in this province that are working very well.

Also, he would have heard while he was at the Red Deer roundtables that the discussion of regional delivery of services is very important to people but in the context of planning first, and that is the area that we're going to continue. I am not going to pre-empt or in any way destroy the integrity of the consultation process by moving forward until the end of that process, which will not be too distant in the future.

MR. SPEAKER: The hon. Member for Bow Valley.

#### **Lakeside Packers Ltd.**

DR. OBERG: Thank you, Mr. Speaker. My question is for the minister of agriculture. Lakeside Packers in Brooks announced today that it would be increasing its weekly kill by 1,000 head to fill the void left by Gainers. Thirty new jobs would be created. To the minister: will there be any assistance to northern Alberta feedlot operators to aid in increased transportation expenses incurred in shipping cattle to Brooks?

MR. SPEAKER: The hon. minister of agriculture.

MR. PASZKOWSKI: Thank you, Mr. Speaker. The opportunities of course that have been established through the process that

Gainers had made a decision – it's unfortunate, to start with, that we have 124 people that will be either unemployed or have to be reallocated. That's always something that's unfortunate. On the other hand, there are other opportunities that are created. We've already had interest shown from other small packing plants, from other small abattoirs who are interested in taking up the shortfall that will be created. Indeed in the past the majority of northern cattle have been transported to the southern part of the province, but this time the feeling is that there will not likely be any assistance for additional transportation costs.

MR. SPEAKER: Supplemental question.

DR. OBERG: Thank you, Mr. Speaker. My supplemental is to the minister of social services. What are you going to do to ensure that the employable people on social assistance in Brooks will be employed in these jobs that have just been created?

MR. CARDINAL: Mr. Speaker, I'd like to advise the member that our caseload in Brooks right now is over 438. Out of that, I notice that at least 312 of the individuals are employable. I'd be very glad to help the member make sure the processes are in place to deal with those people that are interested in these job opportunities.

MR. SPEAKER: Final supplemental.

DR. OBERG: Thank you, Mr. Speaker. My second supplemental is to the minister of social services as well. Is there a plan in place to move urban, employable people on social assistance to rural areas where seasonal and other jobs are often located?

MR. CARDINAL: Mr. Speaker, of course the three-year welfare strategy is designed to specifically target and assist the employables and trainables of our province. We do have assistance in place to make sure that that transition takes place from being on social assistance to full employment or training. Yes, the assistance is available.

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

#### **MLA Pensions**

MR. CHADI: Thank you, Mr. Speaker. The government has finally responded to the recommendations of the Auditor General, the Alberta Financial Review Commission, and the Canadian Institute of Chartered Accountants to record pension obligations as a liability on the province's financial statements. My question is to the Premier. Can the Premier explain why Albertans are being forced to pay off \$37 million in lifetime pension obligations, which he is personally giving as a gift to 28 retiring Conservative MLAs?

MR. KLEIN: Well, I'll leave the details of that question to the Provincial Treasurer, but I can tell you that this government eliminated pensions, much to the chagrin of the Liberal opposition. I find it very, very strange, Mr. Speaker, that this party, these people over there would be talking about pensions and the elimination of pensions when this is the very same party that wants a pension plan, that wants to reintroduce a pension plan.

MR. SPEAKER: Supplemental.

MR. CHADI: Thank you, Mr. Speaker. The Premier talks about his new management team and, you know, that was then and this is now. In this case, why has the Premier decided to reward 28 Conservative MLAs who presided over the fiscal deterioration of this province; for example, seven consecutive budget deficits and the creation of a \$25 billion debt? Is this their reward for performance beyond the call of duty?

MR. KLEIN: Well, again, I'm in total wonderment, amazement that they would be talking about pensions when as a matter of fact I understand a few of those caucus members over there are receiving pensions as I speak. [interjections] Government pensions; right. These are the people who talk about double-dipping and all those rude and nasty things.

MR. CHADI: Mr. Speaker, it's obvious that the Premier has not heard my question.

Given the Premier's commitment to fiscal responsibility, why doesn't the Premier take the \$37 million out of his pocket instead of pickpocketing Albertans?

MR. KLEIN: Well, Mr. Speaker, unlike some of the fat cats over there, I don't have \$37 million. Thank you.

MR. SPEAKER: The hon. Member for Lethbridge West.

## 2:10 Elevator Inspections

MR. DUNFORD: Thank you, Mr. Speaker. My question is to the Minister of Labour. The housing authorities and other agencies managing buildings with elevators in Alberta have contracts with private companies to inspect and maintain their elevators on a monthly basis. Why is the government through regulation forcing these authorities to pay additional fees to duplicate the same inspection with other elevator companies?

MR. DAY: Mr. Speaker, there's now a nationally accepted safety code on elevator inspections. For the province to actually be able to provide the inspectors and the resources to inspect every single elevator in this province, we'd probably need an increase in resources of something like 300 percent. So obviously the way around that is to have the private sector, who already have people out there who are experts, be able to do not just the maintenance but also the safety inspections. So in meeting with organizations like the building owners management association, representatives from the cities of Calgary and Edmonton, we've put in place a one-year process of having the inspections done by the private sector and also having the ongoing maintenance contracts done, and that's to evaluate how the system works. That's the reason for it. That cycle is coming to an end, and at that point in time, sometime in November, we want to evaluate it based on concerns raised, for instance, by the Member for Lethbridge-West on how that process works and if it can be improved or not.

MR. SPEAKER: Supplemental question.

MR. DUNFORD: Yes. I'd like the minister to assure me and the rest of the House that recent expenditures, then, that have been considered by many of these authorities to be outside of their budget - will this process end, or will this be part of the regulatory review that we can anticipate?

MR. DAY: At the request of the member we'd be happy to make sure that that's part of the evaluation process. We don't want to

see housing authorities saddled with extra costs that may be beyond budget restrictions they're under. So we'll definitely take that under advisement.

## Barley Marketing

(continued)

DR. NICOL: Mr. Speaker, we've heard already today of the confusion that's been caused in the agricultural industry by the reversal of the federal cabinet's action to create a continental barley market. I would like to place a question to the minister of agriculture. Before further action is taken on this at the federal level, is the provincial government prepared to proceed with a plebiscite of agricultural producers in order to get their opinion before further action?

MR. PASZKOWSKI: Just to clarify: is it a plebiscite on barley that you're referring to?

Obviously this is an interesting situation in that Alberta produces well over 50 percent of the barley that's produced in Canada, and I think this is an important issue. The question is: who should participate in the plebiscite? Should it be all of western Canada, which is the jurisdiction of the Canadian Wheat Board, or should it be Alberta alone? The Canadian Wheat Board has jurisdiction over the whole of western Canada as far as marketing of products is concerned. So therefore we allow those who don't produce barley to participate in the plebiscite. Alberta produces the vast majority of the barley, yet if there is a plebiscite, everyone should be allowed to participate.

DR. NICOL: To the minister, please. In terms of your input to the negotiations with the Canadian government, though, are you prepared to solicit input from Alberta producers in the form of a plebiscite?

MR. PASZKOWSKI: This issue has been discussed at some length with Alberta producers. As a matter of fact, it's as a result of the input of the Alberta producers that this whole action has been instigated and initiated. It's the wishes of the barley growers' commission. It's the wishes of the various grower groups, the producer groups who've instigated this action. They're the ones that have asked for this to happen. In fact there are nine organizations that have phoned this morning and asked for the Alberta government to intervene to see that this action is deferred, that this action is stayed. Indeed, we are in support of the federal government on this action.

DR. NICOL: Mr. Speaker, you've indicated that you've had input from many of the producer organizations. What about the average producers, the producers who get involved in other issues related to the barley market? Will their opinions not be solicited?

MR. PASZKOWSKI: Obviously every producer's opinion is important to us. Through the various consultative processes we have consulted with the various producer groups, and the general feeling has been very, very strong in support of the continental barley market. Obviously the study that Dr. Carter brought forward indicated that there are better financial returns by doing it as a continental barley market. The very fact that the price of barley is trading at \$1.80 a bushel rather than the \$1.10 that the Wheat Board is providing to the producer is a pretty strong indication of the opportunities that exist out there. Those are the opportunities that we as a government have to avail ourselves of. We have committed to the producer that we will do everything in

our power to enhance the price of their product. Now, \$1.80 is better than \$1.10.

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

### Grants to Businesses

MR. RENNER: Thank you, Mr. Speaker. Last week I asked the Provincial Treasurer about attacking the deficit through massive cuts in capital spending. He did a very thorough explanation of that. There is another area out there that some have used as a way of cutting the deficit. In our public accounts there's something identified as grants to business. In 1991-92, for example, schedule 2.15 says that there were roughly \$132 million in grants to business. I was wondering if the Provincial Treasurer has done an analysis on what the effect of cutting these grants would be.

MR. DINNING: Mr. Speaker, an excellent question by my colleague from Medicine Hat, really, because I am concerned that Albertans might be led to believe that you can willy-nilly make cuts to government programs without considering the consequences. This government has not and will not engage in that shortsighted approach. I have heard the suggestion that we simply cut out, quote, grants to businesses, but I would ask the hon. member, as I would ask the Liberal opposition, who have suggested that we cut out some \$132 million in grants to businesses, what impact that would have on the health grants, on the operation of health care facilities to the tune of \$95 million, or on the transportation department when they spend some \$20 million in providing services or on the Department of Advanced Education and Career Development when they spend some \$8.6 million. It's that kind of quick-fix, nonthinking kind of approach that the Liberals are so familiar with that this government will not engage in, because it would be unfair to Albertans.

MR. SPEAKER: Supplemental question.

MR. RENNER: Thank you, Mr. Speaker. It would seem to me that we have some confusion in terminology here. On first glance, grants to business would appear to be just that, when in fact as the Treasurer has just pointed out, these are more fee for service that are paid to business. I wonder why they are not identified as such.

MR. DINNING: Well, Mr. Speaker, I would wonder the same thing except that it's very clear in our public accounts what payments would go to the likes of the Beverly nursing home of some \$4.17 million in 1991-92, to the Bow-Crest nursing home. The Liberals said that they would not make those payments to those nursing home operators. They'd put them out of business. That's exactly what the Leader of the Official Opposition has said. Thousands of senior Albertans are living in nursing homes. He would cut spending and eliminate funding of those facilities. [interjections] The same thing as what he said in providing funding, nearly \$10 million in grants, to rural gas distribution systems. He'd cut off those people. He'd cut off their gas, and he wouldn't allow them to fuel and heat their farms and their operations. [interjections] I look in career development and employment, and the hon. members across the way would shut down training programs for Albertans looking for work. That's not an approach that this government will take, but it's an approach that the Liberal opposition has said very loud and clear. They will shut down those businesses, and they will shut down those hospitals.

MR. SPEAKER: Final supplemental.

MR. RENNER: Thank you, Mr. Speaker. Actually I had so much trouble hearing the answer to the last question that I think I'll refrain from asking another one.

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

2:20

### Senior Citizens Programs

MR. YANKOWSKY: Thank you, Mr. Speaker. The government's credibility with Alberta seniors was again called into question during the recent election, when Alberta Liberals released a leaked copy of the full report titled Looking to the Future from last year's consultation process. This report is a far more extensive document, containing 164 pages, than the sanitized and edited *Reader's Digest* version containing only 36 pages, which the government released to the public last spring. To the hon. Minister of Community Development: why were there two versions made of this important report, one for internal government bureaucrats and the censored version for the public? Why?

MR. SPEAKER: The hon. Minister of Community Development.

MR. MAR: Thank you, Mr. Speaker. As you're aware, issues respecting seniors are of great importance to this government, hence the reason for the roundtable on seniors' issues to be held in Red Deer this weekend, September 18 and 19. The recommendations that were set out in the report that was referred to by the hon. member are important recommendations, and they're recommendations that have been brought forward for consideration before the seniors advisory council and to my attention.

I do not have the answer for why there are two reports that have a greater number of recommendations and a shorter number of recommendations. I would be pleased to undertake to look into that and respond to the member.

MR. YANKOWSKY: Would the minister please explain why, among other things, his government did not especially want Albertans to see the recommendations contained in this report?

MR. MAR: Mr. Speaker, I believe that the question has been asked and answered. I don't know what the answer is.

MR. YANKOWSKY: Will the minister please tell this House why the government is spending money on another roundtable when the recommendations arising from their last request for public input have not yet been released, let alone implemented?

MR. MAR: Clearly, Mr. Speaker, it is important to have up-to-date information in light of fiscal realities that face us today. We must have updated information. The consultation process does not end with a single report. It does not end with a single roundtable. It is a continuing process that our government is undertaking to continue with, both at this roundtable and in future discussions with seniors.

MR. SPEAKER: The hon. Member for Three Hills-Airdrie.

### Health Care System

(continued)

MS HALEY: Yes, Mr. Speaker. My question is to the Minister of Health. Most of us heard over the weekend the strong warning

regarding the dangers of a two-tiered health care system. I would like to ask the minister and this government what we are doing about the rise of private clinics and the threat they pose to equal access.

MRS. McCLELLAN: Well, Mr. Speaker, first of all, please be assured that this government is very committed to ensuring reasonable access to medically required services for all Albertans, regardless of their income or where they reside. The issue of private clinics is one that has been raised a number of times. It's been raised on the issue of MRI clinics, which are diagnostic clinics which I should say are not approved or funded by Alberta Health. Certainly that service is operated for us through an institutionalized setting.

Because of the concern we have on the very issue that the member raised, the incidence arising of private clinics, I struck a committee a few weeks ago of Alberta Health and the Alberta Medical Association. I have asked that committee to review these issues in light of the new diagnostic procedures, in view of the fact that we no longer require an institutionalized setting for many procedures. I have asked that committee to report, to do a review of this and bring some recommendations back to us to ensure that we do continue to provide reasonable access, and I look forward to the findings of that committee.

MR. SPEAKER: Supplemental question.

MS HALEY: Yes, Mr. Speaker. While the minister awaits her report, we are seeing dozens of examples of private clinics offering faster service to those who can afford it. What are you going to do about this inequity in access?

MRS. McCLELLAN: Well, again, Mr. Speaker, I have to say that there are different types of clinics, and of course MRI clinics, dentists' offices, things like that, fit in one category. We do have some private clinics in this province, such as for cataract treatment, therapeutic abortion clinics, where Alberta Health does pay the physician fees in those clinics, and that is to ensure access to our citizens.

Again, I look forward to the findings of the committee and their report to us on the whole issue of private clinics.

MR. SPEAKER: The time for question period has expired. The hon. Member for Red Deer-South has given notice of a motion under Standing Order 40.

DR. PERCY: There was a point of order.

MR. SPEAKER: Sorry. The Chair is incorrect. Points of order to be dealt with first.

The hon. Member for Edmonton-Whitemud.

**Point of Order  
Factual Accuracy**

DR. PERCY: Thank you, Mr. Speaker. I am rising on a point of order pursuant to Standing Order 22, specifically Standing Order 23(h) and (i). I am referring to statements made by the hon. Premier in which he stated that I have advocated a sales tax, and I would like him to retract that statement.

MR. KLEIN: Mr. Speaker, if the hon. member has changed his mind, then I apologize.

MR. SPEAKER: The Chair finds that there is a disagreement between two members as to the meaning of words. I think it has to stay at that, except for this matter: I believe the Chair heard the hon. Premier refer to the hon. Member for Edmonton-Whitemud by name. [interjection] Well, the Chair may be incorrect on that.

The hon. the Premier.

MR. KLEIN: Mr. Speaker, I refer to a *Calgary Herald* article of July 26, 1992:

... a speech at the spring Liberal convention in Edmonton, when economist and Liberal aspirant Michael Percy began talking about the possible need for a sales tax to deal with the province's grim financial situation.

Decore then said the party would consider such a move.

MR. SPEAKER: The Chair doesn't want to encourage a debate about who said what when, but I think that just clearly demonstrates that there's a disagreement by hon. members as to facts and what has happened in the past, and we'll have to let it go at that.

head: **Motions under Standing Order 40**

MR. SPEAKER: The hon. Member for Red Deer-South.

**1995 World Junior Hockey Championship**

MR. DOERKSEN: Thank you, Mr. Speaker. The awarding of the 1995 World Junior Hockey Championship to Red Deer is a great honour. Red Deer is an ideal place to hold this event, with its ongoing commitment to minor hockey, with the support of the communities around it, and with the superb facility known as the Centrium, which incidentally was constructed with the significant help of lottery funding. This event will showcase Red Deer, and it will bring economic activity, short-term economic benefit to the central Alberta region, as well as its two suburbs, Edmonton and Calgary.

However, the most significant aspect of the award of this bid is the effort of the volunteers who dedicate their time, their money, and their efforts to present a bid with an uncertain return. So today on behalf of myself and the hon. Minister of Labour, from Red Deer-North, and hopefully with the unanimous consent of this Assembly, we wish to recognize a few of these people who have volunteered their time - Gary Seher, Gordon Hamill, Roger Otteson, and Howard Wurbin - on a job well done.

**2:30**

MR. SPEAKER: Order please. Is there unanimous consent of the Assembly to allow the hon. Member for Red Deer-South to move the motion he has referred to?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

Hon. Member for Red Deer-South, now you must move the motion.

Moved by Mr. Doerksen:

Be it resolved that the Assembly urge the government to congratulate the bid committee from Red Deer - Gary Seher, Gordon Hamill, Roger Otteson, and Howard Wurbin - that was instrumental in winning the bid to host the 1995 world junior hockey cup championship.

MR. SPEAKER: All those in favour of that motion, please say aye.



HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Let the record show that it's carried unanimously.

#### **Middle East Peace Accord**

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

MS LEIBOVICI: Thank you, Mr. Speaker. Today an historic peace agreement was signed between the Palestine Liberation Organization and Israel. I think all of the Members of the Legislative Assembly realize the significance of this event: the first tentative step towards peace in an area that's always seen bloodshed. I am therefore asking the Assembly today to send our congratulations to the participants for reaching this historic settlement. I believe it is important for us as legislators and as Albertans to recognize this achievement of peace.

I recognize that under Standing Order 40 the issue must be urgent. Given that the accord was signed this morning, this is the first opportunity we have to send our congratulations. I therefore ask for unanimous consent under Standing Order 40.

MR. SPEAKER: Does the Assembly agree to the presentation of this motion?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

The hon. Member for Edmonton-Meadowlark.

Moved by Ms Leibovici:

Be it resolved that the Legislative Assembly recognize the achievement of today's Middle East peace accord between the Israeli government and the Palestine Liberation Organization by requesting that the Canadian ambassador to the United Nations send the organizations signing the accord a letter of congratulations on the Legislative Assembly's behalf.

MS LEIBOVICI: Thank you, Mr. Speaker. Today we witnessed a milestone occurring in the relationship between Israel and the Palestine Liberation Organization. The bitterness of this relationship has had repercussions not only in the Mideast but also across the world. I personally have seen this devastation created by the wars between Israel and her neighbours. As legislators and Albertans who enjoy a life without threat of war, it is crucial that we provide support, wherever and whatever we can, to these peace efforts.

The motion asks that the Canadian ambassador to the United Nations send the message on our behalf to avoid any diplomatic concerns. There may be those who do not agree with this peace initiative; however, our objective must be to recognize the importance of the promotion of peace. Everyone will be a beneficiary of this historic peace agreement, and I urge unanimous support of this motion.

Thank you.

MR. KLEIN: Mr. Speaker, the hon. Member for Edmonton-Meadowlark is to be commended for bringing forward this motion. It indeed is a memorable day and hopefully a day that will be remembered for all time as a day of peace in the world, because night after night on television we have seen the strife and the horrors of the wars that have taken place.

You know, Mr. Speaker, I think there has been a notion for some time that peace was in the making. I can recall back when I was the mayor of Calgary and I had the opportunity to rename a road leading to the Jewish community centre in Calgary. I renamed that road Jerusalem Way. I thought that I was doing it as a favour to the Jewish community. Then the Muslim community came to me and said, "You know, Jerusalem is a two-part city." At that particular time, for the first time in my memory, Arabic people were invited to the Jewish synagogue to participate in that very significant naming of a road. I guess that road has traveled some distance. We see today the resolve to bring peace to this world.

Again, Mr. Speaker, I want to commend the hon. member for bringing forward this very significant motion. Believe me, sir, all of us will communicate to the government of Canada and to governments of this world our wholehearted support for this initiative.

Thank you.

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

MR. CHADI: Thank you, Mr. Speaker. I, too, would like to speak to this motion. This is clearly an historic occasion that is now before the whole world. This conflict has been going on for some 40 years, and thousands and thousands of people have lost their lives. When people lose their lives, usually families want to avenge lives, and the story goes on, and war continues. When we see efforts made by two parties like this, it can only serve as an object of peace throughout the whole world. I mean, people in conflicts throughout the whole world can only see that peace is achievable, and perhaps this will serve as an example for the rest of the world. I urge this Assembly to give its unanimous consent in requesting that the Canadian ambassador to the United Nations send the signatories to the accord our congratulations.

Thank you, Mr. Speaker.

MRS. ABDURAHMAN: Mr. Speaker, it's with pride that I stand at this time to support this motion as a new Canadian, an Albertan, and acknowledging my husband's background. In looking for a homeland, we found one in Alberta. I think it's only appropriate that I stand here and support this initiative. Peace is a long time in coming, and whatever we can do as Albertans and as Canadians to ensure world peace, we should be fully supportive of it. I thank my colleague for bringing forward this motion.

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

MR. AMERY: Thank you very much, Mr. Speaker. I'd like to thank the hon. Premier for his kind remarks and the recognition of Jerusalem as the city of all religions. I'd like again to thank the hon. Member for Edmonton-Meadowlark for bringing up the motion.

Indeed, Mr. Speaker, today is a historical day to witness this historical event, and it is indeed a step in the right direction. It has been almost 50 years of strife, terror, and destruction in that region; it's time to work for a lasting peace. We sincerely hope that this is the beginning of the process that will assure the region of a lasting peace. We congratulate leaders of both parties for their courage and efforts to bring about this agreement. We sincerely wish that the people of that region will embrace the peace efforts and ensure their success.

Thanks.

2:40

MR. SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion moved by the hon. Member for Edmonton-Meadowlark, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no. Let the record show that the motion carries unanimously.

head: **Royal Assent**

MR. KOWALSKI: Mr. Speaker, His Honour the Honourable the Lieutenant Governor will now attend upon the Assembly.

[The Premier and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

[The Sergeant-at-Arms knocked on the main doors of the Chamber three times. The Associate Sergeant-at-Arms opened the door, and the Sergeant-at-Arms entered]

SERGEANT-AT-ARMS: All rise, please. Mr. Speaker, His Honour the Lieutenant Governor awaits.

MR. SPEAKER: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

[Mr. Speaker left the Chair]

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, Gordon Towers, and the Premier entered the Chamber. His Honour took his place upon the throne]

HIS HONOUR: Please be seated.

MR. SPEAKER: May it please Your Honour, the Legislative Assembly has, at its present sittings, passed certain Bills to which, and in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

CLERK: Your Honour, the following are the titles of the Bills to which your Honour's assent is prayed.

| No. | Title   |
|-----|---|
| 2   | Appropriation (Interim Supply) Act, 1993  |
| 3   | Appropriation (Alberta Capital Fund) Interim Supply Act, 1993   |
| 4   | Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1993 |

[The Lieutenant Governor indicated his assent]

CLERK: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to these Bills.

SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and the Premier left the Chamber]

[Mr. Speaker took his place in the Chair, and the Mace was uncovered]

MR. SPEAKER: Please be seated.

head: **Orders of the Day**

2:50

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: Hon. members, if we could come to order. Before we begin, for the benefit of those in the gallery this is Committee of Supply. Committee structure is much more relaxed and, as you can readily see, much less formal than the Assembly. People may remove their jackets and may even indeed sit elsewhere, and there is a general tolerance for visiting back and forth if they are doing so in low tones. They may also bring in juice and coffee. It is quite different. People may speak more than once and that kind of thing. Anyway, more informal.

head: **Main Estimates 1993-94**

**Economic Development and Tourism**

MR. CHAIRMAN: I'd ask the hon. Minister of Economic Development and Tourism if he has any comments that he would like to make with regard to his estimates.

MR. KOWALSKI: Well, thank you very much, Mr. Chairman. I am just really, really pleased to be here today on this opening day of review of the estimates. Under the rules the Assembly will spend up to 25 days dealing with the estimates of the government. I'd refer all members to the 1993-94 Government Estimates book, particularly pages 65 through to 85 with respect to the estimates of the Department of Economic Development and Tourism.

Mr. Chairman, all members will recall that some time ago, in the fall of 1992, in essence a reorganization took place in the government of the province of Alberta when Premier Klein basically reduced the number of departments from 27 to some 17. A considerable amalgamation took place at that time in terms of bringing in a variety of entities and turning them into a department called Economic Development and Tourism. As we go through the review of these estimates this afternoon, hopefully we'll have an opportunity in response to questions that would be forthcoming from hon. members of the House and deal with some of these changes that occurred since that time.

I might point out that my interest in this area goes really right back to 1979 when, even before I was an elected person in the province of Alberta, I was asked by the then Deputy Premier to work on the development and the creation of a department called economic development. We did so in the fall of 1978 and through the early part of 1979 when I was serving as the deputy minister in another department in this government. The then Deputy Premier did become the first minister of economic development, my predecessor from Barrhead, the hon. Dr. Hugh Horner. In essence I was going with him into that department, but alas he decided to forsake government and politics in the province of Alberta, and he went forth. I went forth to Barrhead and ventured out into the environs to seek an elected position and left the lofty position and all the altruistic rewards and returns that were

provided to a senior deputy minister in the province of Alberta to become an MLA at the great sum of \$12,000 a year in 1979. It was an exciting proposal, an exciting way to go. We've waited now some 14 years to become the Minister of Economic Development and Tourism, so I'm really quite delighted.

In terms of the portfolios I've had the privilege of dealing with in recent years, this may be smaller in terms of total budget than some of the other ones. If you are taking a look, Mr. Chairman, on page 65 we're talking \$140,145,000 in terms of estimates with respect to this consortium, this new department, and within it some \$77,759,000 for the Department of Economic Development and Tourism.

You've got some \$13,912,000 which are associated with the Western Economic Partnerships Agreements. Of course, seven agreements were signed across government, and they represent the budget for six agreements, three of which are administered by Economic Development and Tourism – the communications technology, business community development, and tourism marketing ones – and we have other budgets in other areas.

Some \$17.5 million is located in these particular estimates for allocation to the Alberta Opportunity Company. There is a board of directors. Mr. Jack Donald is the chairman. They report through to the minister and in fact deal with parameters in dealing with loans to the business community in the province of Alberta.

Mr. Chairman, one of the things that I'll want to point out this afternoon time and time again is the liberties and the licence that certain people take with respect to loans that might be allocated through an organization like Alberta Opportunity Company and immediately others then quickly refer to them as, in fact, grants, which they are not.

Mr. Chairman, included in this budget – and it has followed with me – is the responsibility for Lotteries and Financial Assistance to Major Exhibitions and Fairs. In fact, there's a \$3.170 million item in there. The Alberta Gaming Control area – not the Alberta Gaming Commission but the Gaming Control division, which is the enforcement area – has followed with me in terms of my administrative responsibilities and an allocation amount there of \$3,175,000 as well.

All in all, this budget is a decrease of the estimates by almost \$10 million from the 1992-93 estimates. There's a variety of manners in which these efficiencies have been arrived at. Mr. Chairman, as we go through, in terms of questions and answers we'll have an opportunity to in fact deal with that.

Philosophically where this department sits: the philosophical positions have been elocuted, outlined, elucidated in not only the budget speech but the throne speech in terms of what the position is and where we want to go in terms of economic development in the province of Alberta. All members will recall as well that in the early spring of 1993 the document *Seizing Opportunity* was outlined and was sent forth to the people of Alberta and talked about, in essence, nine areas, steps that we want to take in terms of providing an opportunity for the private sector to become further enhanced in this province and in fact to go forward. Mr. Chairman, those nine points are clearly outlined in that document. It would be redundant to bring it here again to deal with it, but I just want to make a few brief comments with respect to a number of areas other than the philosophic ones.

On the one hand, government wants to get out of the direct business of involvement with small business and the private sector. Mr. Chairman, there is an anomaly though, and there is a paradox. You have an organization like the Alberta Opportunity Company, which is dedicated to in fact enhancing the involvement of the small, private business sector in this province. In fact, it goes out and makes loans to develop the small business community in this

province. Then when the loan is somehow transferred in somebody's mind from a loan to a grant, that is an error and there's something wrong. We had a classic example just a few days ago in the province of Alberta. Beatrice Foods had made application for a guaranteed loan under the Alberta Agricultural Development Corporation. That got translated somehow into a government grant, and such is not the case. I sincerely hope that all men and women in this Assembly, at least those men and women who really do believe in integrity rather than politics for the sake of politics and politics for the sake of confusion, in fact would make sure that the words they use and the nomenclature that they use are ones that become apparent and true.

Mr. Chairman, tourism is big business in the province of Alberta, and it's an exciting part of the mosaic of the province of Alberta. It's part of not only the past; it's part of the present, and it's part of the future. In fact, it's an area we have done very well in in the province of Alberta in the past. We're doing very well this year in terms of attracting tourism. In fact, communities like Calgary, as an example, have seen a 10 percent expansion in their tourism this year. Overall in Alberta it's about 3 percent in the last year or two, whereas there have been declines throughout the whole country of Canada. I want to repeat that. In Alberta we have seen an overall increase in tourism to this province – Calgary in particular, a 10 percent increase over the figures from 1992 – whereas with respect to tourism figures reported, visitors coming to other parts of Canada have actually decreased. This is a very clean area to develop. It's an area that we have to continue. I think it's an area that we are going to see a great deal of talk, development, and work in in the next number of years because we believe it's very important.

3:00

Mr. Chairman, there's absolutely no doubt at all about the fact that Alberta has much to offer. I'm not going to talk about a lot of these things, other than to perhaps use one overplayed word again. Unfortunately, here in the city of Edmonton it seems to have had a negative impact, yet in reality in terms of the province of Alberta it's a very, very positive thing when we start talking about that little old extinct animal called the dinosaur. In fact, when you recognize and see how important it is worldwide in terms of a draw, then it becomes very, very important, and it's truly unfortunate that in Edmonton the general perception seems to be that the dinosaur exposition here in the city was a failure. Quite frankly, there are others of us who would take the view that it was a success and not a failure. I think there are a number of things. Perhaps the administration was not as good as it should have been. Perhaps the involvement of the city and others who were in it were not quite as good. Perhaps the weather had something to do with it, but the fact of the matter is that for Alberta, it is a big tourism draw and it's big business.

We've had some very, very interesting things happen in this regard, and when you consider that Cineplex Odeon accepted an invitation from individuals from this province to have run with the movie *Jurassic Park* a 60-second clip called explore Alberta that's been playing in all of the movie theatres everywhere where there's a movie theatre showing *Jurassic Park*, that is quite an incredible opportunity. If I ever find that individual in this department I'm minister of who was responsible for that, I'm going to make sure that that particular individual gets the biggest sign of appreciation from a minister possible. That's the kind of brain power, innovative thing, Mr. Chairman, that's very important. Here you've got one of the most famous and most powerful producers in the world, Spielberg out of Hollywood, putting a movie called *Jurassic Park* together, and somehow out of Alberta with no cost to us we get to

have a 60-second clip called explore Alberta to play in all of these movie theatres in North America and the world to say explore Alberta. It is an incredible, incredible accomplishment. That comes about by the way of some very, very interesting people, very talented people that are associated with our Department of Economic Development and Tourism.

Mr. Chairman, we're going to continue with the Alberta Tourism Education Council in terms of working with the private sector in this province of Alberta ensuring that the 11,000-plus people who are involved directly in the tourism industry are going to see an enhancement of their skills. Nothing could be worse for tourism in this province than, of course, to see a visitor or, in fact, an Albertan who's moving throughout the province of Alberta go into a restaurant or go into a service station with unclean washrooms and having secondary service. That is just not acceptable. Government can't tell everyone how to act, those who are in the service industry, but we certainly can work with the leaders of the service industry in making sure that in fact there can be an enhancement in that regard.

In 1992 Alberta exported \$17.7 billion in goods and services to over 140 countries of the world. That was an increase of over 10 percent in one year, an increase of 10 percent in the total value of our exports from 1991 through to 1992. All these stories of doom and gloom, of going backwards and everything else – somehow it seems to get lost; good news just seems to go down the backs of certain individuals in this Assembly and somehow is not reported as good news. A 10 percent increase is a powerful number when you consider that the total numbers in 1992 were \$17.7 billion. When you take a \$1.7 billion increase in one fiscal year in terms of exports, that makes a lot of jobs. Forest products increased by 20 percent; machine exports by 35 percent; electrical equipment exports, which are manufacturing exports, by some 14 percent.

We're involved and we're going to continue to be involved and we're going to become even more aggressively involved in terms of dealing with foreign potential, in dealing with export markets. We're going to have people associated with this government, Mr. Chairman. We're going to have people on the payroll of this government. Some of them are going to be direct full-time employees. Some are going to be contract employees who are going to be working with the private sector in the province of Alberta in attempting to access markets for Alberta entrepreneurs throughout the province. Just a few days ago I tabled in this Assembly, I made available to all members of this Assembly a document called the Alberta Global Business Plan 1993-1994: Tourism, Trade and Investment, and Technology and Development. It was pages and pages and pages of trade fair opportunities and enhancement opportunities for the private sector in this province to get out and market their products, and we are going to continue to do that. Lo and behold, if the minister gets criticized because he's hired a certain person to do a certain job, so be it. The job at stake is enhancement job creation for the province of Alberta, enhancement for Alberta businesses in the province of Alberta, and in order to do that, you've got to have talented people. The critics can be critics all they want. This minister doesn't run from criticism – never has, never will – and will make sure that we put in place the best possible environment for the private sector in this province for job enhancement for all of the citizens of this province that we possibly can.

We're involved in business immigration, the business immigration program. In 1992 immigrant entrepreneurs invested nearly \$25 million in this province, created some 600 full-time, some 200 part-time jobs. I will repeat it again: this government welcomes immigrants from around the world. This province was founded by

immigrants in the beginning. It will be expanded in 1993 and 1994 and 1995 and beyond. This government very clearly likes immigration, Mr. Chairman. The critics can be damned who basically say that we should not be reaching out to the world in ensuring that, in fact, people from around the world can come to this province and be bona fide, fully functioning citizens in this province and work on an entrepreneurial basis as well.

Mr. Chairman, we've held many, many missions to various parts of the world in recent years. We have the overview that you've got in the estimates with respect to where it is we've come from, where it is we're going. There are many, many positive examples that can be provided. Many, many documents are published by this particular department that allow individual members to know exactly and specifically what is happening. I'm very, very comfortable about answering any questions that hon. members would have with respect to any of the items that we have in this particular document. I should only point out that we've indicated, as well, that in terms of the lottery fund itself, there are some small portfolio documents that are in here in terms of some basic administration of a couple of areas. The whole package of lottery expenditures will be coming back to this Assembly. We pointed that out. We've said that will come by way of a Bill. The Bill will be introduced shortly, and we can debate the estimates with respect to the lottery fund at that time. Our total commitments in 1993-94 under the lottery fund commitments will total \$142,670,000. That's, in fact, more money than there is in this particular department per se.

I would like to point out as well that I am very, very delighted to have Dr. Lorne Taylor, who is the chairman of the Alberta Research Council and a distinguished member of this Assembly, assisting me with respect to working in the area of the Alberta Research Council. One of the things we want to do is to get, quote, a handle on all of the research components associated with the government of Alberta.

Now, we started this process a number of years ago, Mr. Chairman, in fact, to look at every conceivable form of research that's going on in all of the departments associated with the government of Alberta, with all of the Crown corporations associated with the government of Alberta, and in fact to even see some of the MUSH sector organizations associated that receive funding from the province of Alberta and asked the question: what is the level of research going on? Is there a mechanism that we can get all of these players together and basically asked the question: what should the number one priority of research be? Should it, in fact, continue to be high-profile organizations like the Alberta foundation for medical research funded by the Alberta heritage savings trust fund? Should we continue to spend a million dollars a year in terms of assistance to research in the area of nursing education? Should it be early childhood education and the like? That's a big task.

I don't want to pre-empt any hon. member from asking the question, but if they were to ask me the question when is the government going to get a handle on all of its research, my response to that question would be: well, we're in the process, but I think it's a pretty big job, and I can't guarantee it's going to be done by October 14. I just take that liberty of answering that question now before it can possibly be raised in the House.

As I said before, I'll answer any question there is. That's the style that I have. If I don't have the answer, I'll ascertain the answer and file it for the hon. members. I don't play politics, so if people want to take cheap shots, they do it at their own risk. I love this game, Mr. Chairman.

MR. CHAIRMAN: Thank you, hon. minister. Would you care to introduce your departmental officials?

MR. KOWALSKI: No.

3:10

MR. CHAIRMAN: Okay.  
Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. It's indeed evident that the hon. Deputy Premier and Minister of Economic Development and Tourism likes the game, because he does it so well.

Mr. Chairman, the department estimates this year are significantly altered from last year because of the reorganization that happened in government. I suppose a number of the questions that I have for the hon. minister will probably relate to that reorganization. Nonetheless, I hope that the minister can look at some of those issues and address them, because I think they are significant issues.

The very first question that springs to my mind started right on the very first page, page 65 of the main estimates book. The minister did allude to the fact that the estimate for this year is better than \$9 million lower than the estimate from the previous year. However, when we compare the estimate for last year of \$149.8 million to the \$139 million that was actually expended, that was quite a variation. So my first question to the minister is: how comfortable does the minister feel that the \$140 million figure is in fact accurate? Because the change last year represents a percentage variation of about 7 and a half, 8 percent, which is a significant deviation. I'm really wondering where we're going in the future with that.

Mr. Chairman, the very next page, page 66, talks about full-time equivalent employees. Now, the minister has talked about an amalgamation and a reduction that has occurred. We used to have a department of economic development and trade, a department of technology, research and telecommunications, and a department of tourism. Those three have now been amalgamated. When I look at the full-time equivalent employment listed on page 66 – before we had 693; we now have 640 employees, rounded off. The question I have for the minister is: with an amalgamation of three departments into one, is there not still substantial room for further reductions in there? My belief is that there is still quite a heavy personnel complement to that particular portfolio as it continues.

[Mr. Clegg in the Chair]

When I look at the figures on page 66, Mr. Chairman, the comparable 1992-93 estimates and comparing them to the 1993-94 estimates, there is quite a significant variation from one number to the next. Some go up; some go down. The minister didn't really address that in his opening comments. For example, Departmental Support Services go down \$1.4 million, whereas a couple of lines down we see Financial Assistance to Alberta Opportunity Company going up \$3.4 million. So there are some that go up; some that go down. I'm wondering why that is. In particular, I'm now looking at the next page, 67, the Minister's Office, no net change, but with the reduction from three ministers down to one, I'm wondering why there's not a reduction in the Minister's Office costs. That seems to have occurred very clearly in Deputy Minister's Offices but didn't happen in Minister's Offices, so it doesn't seem particularly contiguous there.

I'm going to skip to line 1.0.5, the Premier's Council on Science and Technology. Mr. Chairman, I think the hon. Deputy Premier, the minister, knows my interest in science and technology, in its promotion in Alberta, and I wonder if the minister could make some comments about some of the goals that have been achieved by that particular council. They have been operational for a

couple of years now. I recall when Premier Getty introduced that as his leadoff Bill a couple of years back. We should be seeing some direct action and activity out of that council, yet it seems that they are still quite quiet in what they have done. I'm wondering if the minister could enlighten the House a little bit about what's happening with that council. Are we getting good value for the \$381,000? Admittedly it's not a huge amount of money, but I think we need to look at where we're going with that. The direction for science and technology in the future, I think, is particularly important to Albertans, because much of our economy, much of our wealth in this province comes out of a particular technology, which of course is the oil and gas technology. I'm wondering where we're going in the future in other areas in that particular regard.

I'd like to turn to program 2 on pages 68 and 69 of the main estimates book that talk about a variety of things. Business and Tourism Development is the general heading. When we look at the element details book, Mr. Chairman, again my question is very similar to the earlier one that I posed. When I look at the element details on page 17, for example, in particular vote 2.3.2, Tourism and Trade Programs, last year's estimate is less than half a million dollars. This year's estimate is almost one and one-half million dollars, a significant increase in expenditures of very nearly a million dollars more in that one line item. When we look at the total subprogram, admittedly the net difference doesn't seem to be very high, but there are some that go up significantly and some that go down significantly. For example, the very next line in fact, to the minister's credit, goes down better than \$2 million. Well, my question to the minister on, I guess, program 2 and the different subvotes we have in there is: some of these seem to go up, and some of them seem to go down. I quite frankly don't understand the rationale, and I wonder if the minister could explain . . . [interjection] A new boss. Okay. Well, that's understandable. Maybe he's got somewhere in his notes a little bit of detail that he could explain that to me, because it seems rather vague.

I want to get on one of my favourite hobbyhorses again, Mr. Chairman: vote 2.3, Tourism, Trade and Investment. We see a figure of \$25 million being allocated to this area, and of course one of them is the agents general and staff in the Alberta offices in London, Tokyo, Hong Kong, New York, and Seoul. Now, my concern here again – we've had the Oldring and Anderson traveling road show go around to investigate some of these offices. The minister didn't make any reference in his opening comments to this particular section. We're allocating \$25 million. That's a fair chunk of money, Mr. Chairman. I want to know: what value are we really getting for those? Can the minister show me that we've got 15 new businesses or 2,500 new jobs or increased trade? I don't see any numbers. I've made reference in this House before to a new project that is being undertaken by the Calgary Economic Development Authority which seeks to get a handle on that. Now, I admit that this is not going to be a perfect science, but one of the things that I'm sure all members of this House heard in the month leading up to the June 15 election was that people want accountability from their politicians. So here's a \$25 million expenditure. When we look at the breakdown in the element details and we look at some of the numbers that are particularly referenced there, there's still no indication of exactly how the money is going to be allocated and what value we're going to get out of it.

Mr. Chairman, when I look at other provinces, between British Columbia, Alberta, Saskatchewan, and Manitoba collectively they have a total of 17 trade offices. Honk Kong and London have offices from the provinces of British Columbia, Alberta, and

Manitoba, yet I didn't hear the minister talking about any amalgamation in those two cities. Has that been considered, to amalgamate our offices in Hong Kong and in London with any of the other aforementioned provinces? What about New York? We have an office there as does Saskatchewan. What about combining with Saskatchewan and saving some money there?

AN HON. MEMBER: With socialists?

MR. BRUSEKER: If we can save money, why not, Mr. Minister?

We have an office in Tokyo as does British Columbia. Again, have we considered amalgamating offices there? Have we considered amalgamating our offices in Alberta with the offices of the federal government? Because the federal government also has a total of 126 trade offices around the world. It seems to me that we could save a lot of money there. The reality, of course, is that the federal government with 126 trade offices and many more individuals is making more of the contacts and probably doing as much of the work, if not more of the work, than in fact our own offices. So I have to question why it is that we are allocating in that one vote, 2.3, Tourism, Trade and Investment, a total of \$25.1 million without any real adequate measure, and I'd like to see an adequate measure applied to that.

Mr. Chairman, also in program 2 we have a line item – and I look back in the element details – of \$412,000 to the Alberta Motion Picture Development Corporation. Now, in the 1993 budget, version one, a.k.a. the May 6 budget, we had a reference to combining the Alberta Motion Picture Development Corporation, the Alberta Agricultural Development Corporation, and the Alberta Opportunity Company. I'm wondering what happened to that proposal, because at one time there was a proposal to combine them. I see a separate listing for the Alberta Motion Picture Development Corporation on page 17 of the element details, and I also see a separate vote, program 6, that still lists money being allocated to the Alberta Opportunity Company. So I'm wondering what happened to that amalgamation and streamlining that should be occurring but doesn't seem to be occurring according to the budget details.

3:20

Mr. Chairman, the foreign offices that we have have been investigated, and I use that term loosely.

#### **Point of Order Clarification**

DR. L. TAYLOR: Excuse me. A point of order. I'd like to ask the hon. gentleman opposite a question.

MR. DEPUTY CHAIRMAN: Hon. member?

MR. BRUSEKER: Sure.

MR. DEPUTY CHAIRMAN: Okay; go ahead.

DR. L. TAYLOR: For some time I've heard you going on about our foreign offices, the fact that we have representatives out there contacting other businesspeople. I don't know if you've been in business or not, but I am a businessman. When I want to do business with other people, I go out and contact them. I go out into the country, contact the people I'm doing cattle business with, and make an effort to be in touch with my customers. I would like to ask you the question: how do you expect us to make contact with people in other parts of the world if we don't have representatives out there doing that business for us?

MR. BRUSEKER: Well, I appreciate the question. The member must have missed what I was saying. There are 126 federal government offices, so why don't we allow our federal government, who has already expended all this money? I can list where they are, if you like, but that probably would get redundant. There are many levels of government, but there's only one taxpayer, Mr. Chairman. The federal government says: we're going to create offices. The provincial government creates offices, and we have our Alberta offices turning around and sending people to Ontario, because they say we can't get business here. Why are we paying for our Alberta offices to promote business elsewhere? We are duplicating services. We're spending \$25 million, and I still haven't heard that we're getting any value for the \$25 million we propose to spend here. Until I see value for money, I will continue to be a critic of these offices.

#### **Debate Continued**

MR. BRUSEKER: When I look at some of the other proposed programs in here, Mr. Chairman, and I look in particular at the tourism and trade programs – and again this goes back to vote 2.3.2 at which I spoke a little earlier: \$490,000 last year's estimate, this year \$1.4 million. I'm wondering if the minister could just highlight a little bit more of the detail of what's happening in that particular area.

I talked earlier about streamlining of services, and the government has talked about amalgamating and downsizing cabinet and so on, yet in the Policy Development section, vote 2.4, there is overall a net reduction from last year's estimate to this year's estimate. But when I look at the Division Management, management costs have quadrupled in that area. Vote 2.4.1 has gone from \$235,000 last year to \$891,000 this year. For streamlining an increasing cost that doesn't seem to make much sense. I wonder if the minister could refer to that in his comments later on, Mr. Chairman.

I'm sure the minister is getting lots of questions here, but one of the points that he did allude to is ATEC, the Alberta Tourism Education Council, which in the tourism industry seems to be very well received. The minister has said that the government is committed to continuing on with it. I wonder if there is a time frame that the minister might be considering to wrap this up, not that I'm advocating wrapping it up, but I notice there is a slight decrease. Is there intention to make this a long-term commitment to tourism education, or is this a short-term development that is being proposed with ATEC?

Mr. Chairman, the department has a variety of WEPAs, Western Economic Partnership Agreements, listed in Program 5 that deal with a variety of things. Again, tourism marketing is listed. One of the questions that sprang to my mind with tourism marketing when I looked at it was: how does that particular program jive with the Team Tourism program that is funded through lotteries? The Team Tourism program again is a marketing program. Here we see another heading that seems to be duplication. I'm wondering if the minister could tell us how these two programs that seem to be separate programs in fact link together. I'd hate to think we were trying to duplicate things or that money wasn't being appropriately spent. In particular, I'm wondering if we've got a whole bureaucracy over here dealing with vote 5.6, Tourism Marketing, and another bureaucracy over here dealing with Team Tourism and they're not talking to one another. So I'm wondering if the minister might address that particular issue, because there's no doubt that marketing is indeed the way to go. Referring back to the Member for Medicine Hat, I do agree that we've got to get out and make those contacts, but I'm not persuaded that our

foreign offices are the way to go. I think we can do it with marketing from right here within the province.

[Mr. Tannas in the Chair]

Mr. Chairman, the small business incubator program is a program that used to be very well supported and very well funded, in fact, by this government. Unfortunately, we see now that that small investment that was made in the past fiscal year of \$15,000 is eliminated altogether this year. I'm sure that the hon. minister knows that many small businesses that start out, particularly a brand-new business that starts out, often have difficulty being successful, and in fact the failure rate is quite high. I know my hon. colleague from Edmonton-Ellerslie is going to want to address that issue as well. The fact of the matter is that businesses that get a little bit of help and a little bit of guidance and a little bit of counseling are often more successful. So my question regarding business incubators is: why was that program cut out? Because I think the success rate has been very high, and in fact, in Calgary there is a new private-sector business incubator program that is trying to get up and get rolling that has had some success and hopefully in the future will have continued success with helping people get rolling and get going.

Mr. Chairman, Commercialization of Advanced Technologies is an interesting area. You know, the record of this particular department with respect to businesses and corporations that have received government funding has been rather dismal in the past. NovAtel, of course, springs to mind. The losses we've incurred there are quite high. Yet we still see vote 3.3, Commercialization of Advanced Technologies, which is listed there with some line items mentioned. I have a particular question. At the very top of page 19 of the element details book there's a figure which I just couldn't rationalize with last year's estimate of \$187 million. I'd like the minister to explain what that expenditure was for last year, a capital investment of a very large chunk of money, in excess of the entire department budget, and it's mentioned in this estimate. I'm wondering if that in any way relates to NovAtel, because it certainly is a very large capital investment. I'm wondering, while I'm on that particular area, if the minister could make some comments about the other two votes under that Commercialization of Advanced Technology, 3.3.6 and .7, that together have an expenditure allocation in excess of \$7 million.

I highlight that because we know that in the past we've seen not only NovAtel but General Systems Research, Myrias Research Corporation, Alberta-Pacific Terminals, which admittedly is not high tech, businesses that have received funding from Economic Development and Tourism. With the proposed expenditure of \$7.3 million that the minister is outlining in this budget, I'm wondering what checks and balances are in place now to ensure we don't have continued losses in the nature of things that we've had in the past, because the minister is asking us to allocate \$7.3 million in advanced materials and Emerging Technologies along with other expenditures proposed. When I look at the long list of corporations that have gone down in the past, some of which have been high tech and some of which are not so high tech, indeed, Mr. Chairman, I'm very concerned about that.

Mr. Chairman, I sense my time is coming rapidly to an end, so I will stop there and look forward to some responses from the hon. minister and allow some of my colleagues to jump in as well.

**3:30**

MR. KOWALSKI: Mr. Chairman, would it be wise to deal with the questions as we go along or to wait? There's quite a lengthy list that the hon. member raised. Do I take it that the hon.

member doesn't like this department? Just listening to him, there wasn't much enthusiasm for any of the good work that is being done in the area of Economic Development and Tourism. The 600 men and women, who I think are pretty competent professionals, I take it the hon. member just thinks should all be dissipated in the wind and we should just amalgamate.

Perhaps we can deal with some of these things in a more generic way than perhaps they deal with it. Throughout the statements that the hon. member made with respect to the small business incubators program, the hon. member said: why are some going up, and why are some going down? Well, I think what's incumbent upon all of us is that we simply can't take a budget and as each year goes on just simply add to it. You have to ask questions. Is the program that we're doing needed today in the time that we're in? Is there a better way of delivering the program? Are there other options for it? If the answer to any of those questions is that there is a better way, our government no longer has to do it. You cancel the program. You move on.

The hon. member answered the question with respect to the small business incubators program. It was at one time a successful program. The hon. member then pointed out that in Calgary the private sector had moved into the area. That's the reason why the government has moved out: because the private sector has moved in. In fact, in even listening to some of the propaganda put out by the Liberal Party earlier this year, when we were involved in a massive inventory or petition or lottery with the people and asked them to submit who they thought were good people to lead in the province of Alberta and they came back on June 15, I heard during all that time frame that quite frankly if the private sector could do it, there was no reason for the public sector to be involved. In fact, at the very same time that the Progressive Conservative Party was moving out of the small business incubators program, the Liberal Party of course was saying that the Liberal Party would provide dollars for the small business incubators program, which was a direct, I thought anyway, contradiction of what one of their fundamental so-called beliefs in private enterprise was all about.

I think the question on 3.3.6 and 3.3.7 was answered again by the hon. member when he said: well, what were the \$187 million? The hon. member in his public musings in fact had discovered the answer. He's pretty swift, Mr. Chairman, in terms of coming up with the answers to most of these things.

Let's go right back to page 4, and let's go right back to the estimates, where we began. In fact, there is a reduction of nearly \$10 million: \$1.3 million of reductions was achieved through department reorganization and downsizing overall within it; some \$5.6 million was achieved by way of reductions in the Western Economic Partnership Agreements; and a further \$3 million in savings was achieved in Business and Tourism Development programs, mainly in the Policy Development and Tourism, Trade and Investment programs. That accounts for the overall global figure of \$10 million. If there is some additional need for clarification of that, I'd be happy to provide it.

We have reduced staff in this department, as correctly pointed out, from 693 to 640, and again that's the result of reorganization and downsizing as a result of the amalgamation. I suppose it is subjective whether or not there should have been more reduction, but in our view that was the level we would go at in terms of taking in all the efficiencies that we really had.

On page 67 the hon. member said: look, if there has been a reduction of several departments, why wasn't your Minister's Office allocation reduced? The member only looked at 1.0.1, and he forgot to look at 1.0.6., because at 1.0.6. on page 67 it shows that Former Ministers' Offices amounted to \$572,411 last year, and this year it shows a blank figure of zero. So in fact it has

been eliminated, hon. member; it no longer exists. It shows complete downsizing with respect to that.

In terms of the Premier's Council on Science and Technology, that is an organization that has a mandate, and it goes through to March 31, 1994. I'll be meeting with the council within a matter of weeks, and we will have a very thorough discussion in terms of what the council would suggest to the government and to myself as the minister in terms of where it would want to go. In some of the discussions we've had with some of the individuals, basically at this point in time – and I'm one who greatly, strongly believes in the need for this sort of thing very, very much. That's why we have, through another budget, allocated dollars through the lotteries fund to Science Alberta, which I think has done a marvelous job in terms of school systems throughout this province of Alberta in the encouragement of young people in the development of science and science ideas. They've done all kinds of traveling exhibitions and shows that have been in schools and libraries throughout the province of Alberta. The private sector's bought into it, as well. I think what we have to do is retain the Premier's Council on Science and Technology. What that Premier's Council on Science and Technology might look like after April 1, 1994, though, is something that we would review in the upcoming weeks and upcoming months. I think it's really important that we do have a think tank that really wants to look at the next millennium and wants to make sure that Alberta's position is very, very competitive to, in essence, go forward with it.

The hon. member raised questions with respect to the items on page 69 and then wanted greater explanation with respect to all of them. I'd be very, very pleased to go through it. It would take a considerable amount of time, Mr. Chairman, so perhaps after I sit down the hon. member might want to come back and just be a little more specific.

I know that the hon. member focused on 2.3, Tourism, Trade and Investment, and somehow had it calculated in his mind that that would cover the five or six offices we have around the world. Well, of course such is not the case by any means at all. We have countless numbers of people here in the city of Edmonton, stationed in the province of Alberta who in fact participate on an international basis with Alberta entrepreneurs. Again I would like to repeat and make all members aware of the Alberta Global Business Plan 1993-94, which lists myriads and myriads and pages and pages of opportunities that there are for Alberta entrepreneurs. It also provides all of the statistics to show where our exports are going and what our objectives are. It shows exactly where Alberta goods and services go and are provided for. In fact, on page 4, Mr. Chairman, it shows the percentage of the total and the amount of dollars in a variety of areas where we do export, and it shows where the growth factors are and the like. That's very important information, hon. member and in fact all hon. members of the House who are interested in this area, because it shows what we are doing in terms of what our private sector is doing worldwide. We need to continue to promote, and this number, \$25 million, does not cover the foreign offices.

I would like to make a few comments with respect to these foreign offices, though, because there seems to be some degree of misunderstanding and some degree of misapprehension with respect to what it is we're doing. Essentially, Alberta has an office in London, England. It's a rather large, significant office. The hon. member suggested: why aren't we doing something with respect to other people in terms of organizing? I want to bring the member up to date and let him know that we are. By December 31, 1993, the current agent general in London will be returning to Alberta. That's the hon. Mary LeMessurier. It's not our intent to fill that position. It's the government's intent to leave that

position dormant, or vacant, for a period of time. At the same time, we're involved in discussions with the federal government, who are closing down Canada House in downtown London. That major facility in Grosvenor Square in downtown London will be removed in terms of Canada House. That's an initiative of the federal government. They are talking to us about in fact renting space from us in our facilities that we have under lease in London. So, hon. member, there may very well be a federal presence, in fact, in the space that the Alberta government has, and we'll be doing it at market value. With the return of Mrs. LeMessurier by December 31 of this year, for the housing accommodation that we have, which is located fairly close to the American embassy in the centre of London, it will be our intent to in fact leave that facility vacant or to sublet it. In fact, that would be the preferred way of dealing with it. So to bring you up to date, hon. member, that's the situation with respect to London.

New York: we're downsizing the amount of square footage that we have in New York. The current individual who is representing the province of Alberta in New York is currently on assignment to the Minister of Energy, helping and assisting her with respect to negotiations that she's undertaking in the next quarter of this year in hopes of penetrating markets in the United States with respect to natural gas and other things. We're reducing the size of the office that we have in New York. That's happening right now.

Tokyo is another office that we have. Our current agent general in Tokyo will be returning to the province of Alberta by October 31, 1993. The gentleman is on contract with the province of Alberta to the end of September of 1994, but as to what the gentleman will be doing for the remaining year of his contract, he'll be working in the province of Alberta, visiting businesses in the province of Alberta, and in fact will be an interface to them here in Alberta, pointing out to them the opportunities that exist in a country like Japan. It will be the opposite to the way we've gone for the last two years, where Alberta entrepreneurs go to Japan, see Alberta House, which is associated with the Canadian embassy in downtown Tokyo, and in essence then try and make their way through the maze of Japanese business. What our agent general in Japan will be doing is coming back here, and for the next 12 months he'll be available in Alberta to meet with Alberta entrepreneurs. We will hold that position vacant until we conclude our evaluation of what it is that we want to do in Tokyo. I might point out as well that, coincidentally, a fair number of other contracts with people associated with Tokyo will expire on October 31, 1993. So that process is under evaluation.

### 3:40

We believe very strongly in the Alberta presence in Hong Kong, and that will continue, as will the Alberta presence in Seoul, South Korea. Those are basically the offices that we have. It was a year ago that we closed down the office that we had in Los Angeles and, before that, the office that we had in Texas. We do have opportunities in various parts of the world that we're basically dealing with, not through offices, but we're dealing through consultants. In some cases it may very well be local people who have an affinity or an understanding of Alberta. It may be someone who's been here, got an education in the province of Alberta, went back to their homeland but have retained a committed desire to help the people of Alberta promote their activities in that particular jurisdiction. We have small numbers of these particular consultants, and we will continue to exercise that.

In terms of marketplaces throughout the world, southeast Asia continues to be of prime importance to the people of Alberta. With the situation and developments in Europe, perhaps we will see that in fact in the future Europe will become more difficult for



us to penetrate. In fact, recently I met with a delegation of federal members of parliament in the German Bundestag, and they're thinking of closing down the German consul's office in Alberta next year or the year after. In the discussions we had with them, I repeatedly pressured them to retain that presence in our province, but they said, "Look, we're in the same difficulty that Alberta is; you're dealing with your budget." They have on their eastern boundaries some 20-odd new countries that have showed up in the last couple of years, and with the destruction of the Soviet empire and the creation of all of these new countries, in essence, they have to have diplomatic and trade relations with them. In essence, they've looked at Alberta and said: well, it may very well be that the Alberta offices have to close down. That would be the second one in the last five years that has closed down in this province. When Her Majesty's government, the United Kingdom, closed down its presence in the province of Alberta, we of course made it known to them that we were displeased and in the case of the Germans, who in essence were trying to use good offices, to have them reassess it and continue it.

Mr. Chairman, there are other options that we can use with respect to creating an Alberta presence. The use of honorary consuls is one that we're looking at. In essence, in different countries of the world you might have an individual who has been educated in Alberta, has lived in Alberta, has worked in Alberta, or the like. In fact, if he or she were in a position to advance the cause of Alberta, we would look at the possibility of creating honorary titles called honorary consuls in those jurisdictions.

There is a lot of information, hon. member, with respect to vote 2, and it's located either in that Global Business Plan or in other documentation we can provide to you. We are going to work very much hand in hand with the federal government. We pointed out in the Speech from the Throne, Mr. Chairman, that in essence we have to get away from the duplication.

Alas and unfortunate is the tragedy of Canada, though, that always comes into this. Canada is an enormous country with tremendous diversity, and it seems, unfortunately for us, that the bulk of the population in this country happens to reside in two provinces, and it seems that by tradition or because of our numbers the bulk of the people who seem to work in our foreign offices and our embassies throughout the world tend to come from two provinces. Unfortunately and alas, if they've been schooled and trained in Ontario or schooled and trained in Quebec, that is the environment they are comfortable with, and that is the environment they are familiar with.

So if a prospective immigrant shows up at The Hague and asks for information on agriculture in Canada at a Canadian embassy, he or she will be asked to sit down, be very pleasantly treated, and then given a document of nearly 50 pages in length that describes agriculture in Canada. If you flip through the document on agriculture in Canada, Mr. Chairman, you will find that there are three paragraphs on agriculture in Alberta out of 50 pages. There is no one in The Hague who knows anything about agriculture in Alberta. That's the difficulty that we have, and it's a very real difficulty. We want to make sure, Alberta wants to make sure that when a prospective person involved in business or immigration or education or anything walks into an embassy of ours around the world, there is someone there who understands about western Canada, who knows about Alberta. My God, it would be so fortunate if they had even spent some time in Alberta, to know that there are cities called Edmonton and Calgary, to know that half of the irrigation in the country of Canada is located in the province of Alberta, to know that Alberta has more engineers per capita than any other province in the country of Canada, to know that Edmonton is in the southern part of the province of Alberta,

and on and on and on. Unfortunately, if they don't know that, then in essence these people get directed, for the most part, to the two large provinces in Canada, and Alberta and the other provinces tend to lose out.

So we have to do a number of things. We, all of us, have to make sure that Alberta citizens, Alberta-educated people want to join the public service of the government of Canada, want to get in External Affairs, want to get into industry, trade, and commerce, and want to get jobs in Ottawa so that they can go and promote their province as much as they can promote their country. The way it exists right now, it hurts us. One of the programs we want to make sure we do is to make sure that in fact every appointed Canadian ambassador has an opportunity sometime on their way to wherever it is they're going to be intercepted to come and spend a few days in the province of Alberta. We were successful in doing that recently when the new Canadian ambassador to Japan spent several days here in the province of Alberta, and I had a delightful opportunity a year ago to spend a day or two with the new Canadian ambassador in Beijing, China, and was in Los Angeles a year or two ago and spent some special time in the Canadian consul general's office there to talk about Alberta.

We have to take our people and almost go around and visit all of our embassies around the world and give them an education course about the province of Alberta. The risk of being ignored and the risk of being lost when an entrepreneur comes into a Canadian embassy around the world – and if they're not directed to Alberta, or if there's no information on Alberta, or if there are no questions that can be answered about Alberta, and someone may have a bias to direct them to some other part than the province of Alberta – is simply too great for the people of Alberta and the government of Alberta. We want to do it; make no mistake about it. We want to make sure that our embassies are doing everything possible.

Where it happens, it works well. Recently our agent general in Tokyo, after having the new Canadian ambassador to Tokyo intercepted in Alberta – it seems that in the ambassador's residence in Tokyo there was need to renovate the kitchen, so good offices were used to have in fact an Alberta entrepreneur from Edmonton do the renovations, internationally, and got through all the maze of dealing with Japan. Those are just little examples, Mr. Chairman, of how we have to continue doing that.

There's absolutely no doubt at all, hon. member, that we need to deal with duplication at all levels of government. In tourism marketing the same thing happens. What we're going to be doing in the ensuing months and the ensuing years in fact is asking all of our partners in the province of Alberta, whether or not they be at the federal level, the municipal level, the private level, or the provincial level, to come together and ask the question: do we need in the city of Edmonton federal representatives in terms of marketing? Do we need provincial representatives, in terms of marketing, with different offices? Do we need local municipal representatives, in terms of marketing, with separate offices? Why don't we do as we started to do in Calgary? Bring them all together, in fact working hand in hand co-operatively, because there's only one marketplace that's called Alberta and there's only one taxpayer that's called the Alberta tax citizen, who in fact deal with it.

As long as you have ego, and if every organization wants to protect their turf, then we're going to have a problem. We're going to be reaching out in a very dramatic way with our partners in the province of Alberta, those at the municipal level who expect the province to pay and then them not co-operating with this. The lesson will become very clear in the future that we're going to have to be forced into co-operation for no other reason.

You know, when an hon. member in this House asks me a question about the great riverboat here in the province of Alberta, I sincerely hope that she would also ask of her own colleague, the Member for Edmonton-Mayfield, who sat on city council in the city of Edmonton when they decided to make a commitment with the great riverboat in fact: what was the reason that the city got involved, and why were there community tourism action plan dollars in that? I mean, it's not the government who did that. We're working hand in hand co-operatively and together, and we will respond co-operatively and hand in hand. But amalgamation and duplication and the reduction of that is very important.

Good question with respect to the Alberta Motion Picture Development Corporation, hon. member. In fact, in our May 6 budget we said that we'd be looking at amalgamating three boards and agencies. We've had a further assessment done with respect to that. We're in the process of doing it with the Alberta Motion Picture Development Corporation and the Alberta Opportunity Company. That will happen by the end of this fiscal year, but it does show as a separate entity in here until that amalgamation does occur.

Now, hon. member, I hope that I've at least attempted to try and make a stab at answering some of the questions. If I haven't, I'll stop now and get back in later.

MR. CHAIRMAN: Thank you, hon. minister.  
Calgary-Varsity.

3:50

MR. SMITH: Thank you, Mr. Chairman. I'd like to direct a question to the minister for economic development. The Global Business Plan: I think this department should be complimented for the work that they put to formulate this. I think it's important to have a program that ties in business plan objectives: a marketing plan, marketing objectives, how they meet, and how they tie in to meet the objectives of the department. It's almost as if it were on a profit-oriented basis.

The one article I'd like to address in the Alberta Global Business Plan is on page 4, and it refers to the investment by the Alberta government as "one of the largest funders in Canada of science and technology activity," which we refer to as research, "with an average investment of \$250 million per year." Your department, Mr. Minister, also discusses natural sciences and engineering research, which comes under the Alberta Research Council, the financing of economic development and research projects. That comes to approximately \$41 million. I would like to know if there's been any thought given to putting together the entire research budget that's been spent by all departments and establishing some group that can provide some direction to all the research activities to ensure that it's indeed filling the mandate of this government.

Thank you.

MR. KOWALSKI: That's exactly what we want to do. Progress has started in that, and in fact there have been a lot of reviews and a lot of discussions, a lot of papers written in this area. The overall question: all the research, what's the direction we should be going in? We are months away from finally coming back to saying at least these are the parameters in which we would deal. With the second part of the question, in terms of what the priorities are, that process is under way now. It has been under way for some period of time. We may have been stalled a bit because of the events of the last year with respect to the reorganization of the department and change of ministers. In this area

now in the last 12 months there have been three ministers in the area of economic development. But I think that given some time now in the future, we'll be in a position to do that. In fact, I would welcome the hon. member getting involved in the process.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. In his 1990-91 annual report, the Auditor General, regarding financial assistance programs, recommended that this department set specific, measurable objectives for its financial assistance programs and assess actual results in relation to these objectives. My question is: is this being done, and if so can these objective plans and results please be tabled before this Assembly so that we can approve these estimates?

I have to just reinforce my colleague's comments about amalgamating three departments and reducing the cost by less than 10 percent and reducing the staff by only 45 people. I think a conscientious review of the three departments would have resulted in dramatically different numbers. I'd like to go through the programs basically line by line. I've got a number of questions for the minister.

In Program 1, the Minister's Office is first of all. The minister addressed these items but not to my satisfaction. Again I'd like to ask why there was no change in the Minister's Office budget. If departments were consolidated to save money, then isn't it being irresponsible when you slash other budgets but not your own specifically?

We move to line 1.0.2, the Deputy Minister's Office. This has been cut. There's a 60 percent reduction here, and that's very admirable. If this could be done, then why couldn't the Minister's Office budget also be cut by a similar percentage? Last year this budget was estimated at about \$840,000, and it came in at \$1.3 million. Are we going to see another increase like this in the budget for next year?

Line 1.0.3, Corporate Services. We see a very slight decrease here, but we don't have any specifics on what kind of detail this included. Will you provide that to us?

On to Program 2, line 2.1.2, Tourism Development. That's up again by 45 percent. Can you tell us specifically why that has happened?

If we go on to 2.1.3, Small Business Counselling, this in fact was reduced by just over 7 percent. We feel that support of small business is vital. Small business creates more than 80 percent of the new jobs in Alberta. Ian Williamson\*, who's the author of your guide to financial assistance for business in Alberta, reported that between 1979 and 1989 small businesses created 81 percent of all the net new jobs in Canada. Only small business can respond quickly to the changing tastes of the marketplace and fill emerging niches, yet we see this government reducing expenditures in that area.

Again, on the small business incubators the minister said that they got out of the business of promoting these because the private sector moved in. Well, they did in the cities, but I would suggest that this has not happened in the rural marketplace, and I wonder why the government would ignore such a large segment of the community there. Our party supported small business incubators. We feel that it's not the role of government to gamble with tax dollars by investing in risky ventures. Instead, a free enterprise government must create a business-conducive environment and level playing field. Government must be a facilitator and help

\*This spelling could not be verified at the time of publication.

industry develop business and marketing skills. We recommended electronic incubators for rural companies during the last election. A component like this would be important to address the needs of the rural businesspeople, yet you completely eliminated it from the budget. I wonder how you're going to justify this to the business community.

Again, you addressed Alberta Motion Picture Development Corporation, line 2.2.7. This has historically proven to be a bad investment. I would like to know if the minister could respond to the type of follow-up done with the investments done here. What are we doing to ensure that those companies that have been given money are in fact living up to the business plan that they gave to the government when they requested the funds and that it is in fact promoting the motion picture industry in this province? I have never seen any conscientious effort on behalf of the government to give that kind of feedback to us.

Line 2.3.2, Tourism and Trade Programs. Again, my colleague referred to this, and the minister gave some sort of an answer, but when we're talking about an additional million dollars, I think that we really need to get some more information here. How much of this specifically is earmarked for administrative support salaries and contracts? We need some details on these contracts. Who were they awarded to? What kind of a tendering process was put out, or are these just more appointments? What kind of a mandate do they have to accomplish, and how are they going to be measured on that mandate? How are we going to know if they in fact do what they say they are going to do?

Line 2.3.4 in trade and investment, East Canada, East USA. They've been slashed by more than 36 percent, but line 2.3.5, the following line, has only been slashed by 2.8 percent. What factors are used to make these decisions? Do we really have some criteria to measure these things by?

Line 2.3.6, West USA, Mexico, South and Central America. These divisions have been decreased by 34 percent. On what basis was the decision made? To the chairman: will the minister tell Albertans if this is the particular division estimate where we will find the \$50,000 that is being paid to John Oldring and the world-renowned expert on NAFTA? Is this where that money is?

Line 2.3.7, Europe, and also Asia Pacific, the following line, 2.3.8. Europe is up by 21 percent, and Asia Pacific is up by 33 percent, but in terms of real dollars we're still spending more on Europe than on Asia and the Pacific. The Pacific Rim is where we should be concentrating our tourism, trade, and investment dollars. Everyone in the business community knows this. When is the government going to catch up?

Line 2.3.10, Commissioner General for Trade and Tourism. While these estimates have only increased slightly, the question still needs to be asked why we're even spending \$600,000 a year on a commissioner general when we have foreign offices that this department professes are responsible for the job. I need to know what unique purpose this commissioner serves to make this position worth the investment. If there isn't one, perhaps Albertans would be better served by eliminating this particular expense.

Line 2.3.11, Petroleum Technology Training Centre. We need to know and all Albertans need to know why we even spend money maintaining this centre. What concrete results and business successes can the minister point to to justify our expenses on this? We need specifics. We've never seen any concrete evidence that this training centre in fact accomplishes its mandate.

4:00

One more time on Foreign Offices, line 2.3.12. The rhetoric we hear from the minister sounds wonderful, but when is he going

to commit to doing a serious, independent audit of these offices to show us once and for all that they are worth the expense and not just retirement homes for government Tory cronies?

Moving on to 2.5, I'm requesting that you table additional information on these budget lines, specifically what real assistance you're going to provide to business under 2.5.4. There's a tremendous amount of money committed here, yet we have no information to provide to the business community that market development assistance programs are really out there and available to the general public.

On to vote 3, which is Financing of Economic Development and Research Projects. The Calgary Chamber of Commerce submission to Toward 2000 says that business in Alberta "does not want or need special grants, incentives or loan guarantees," yet the government plans to spend \$6.5 million in this area. Can you please tell me why?

Line 3.1.3, Pratt & Whitney Canada Inc. This is not earmarked for any additional expenditure this year, but I do have some questions about the \$25 million they received last year. What is the status of the company, and are there plans for expansion? How many jobs will the Lethbridge plant create, and when will they be receiving the other half of their \$50 million interest-free loan?

Line 3.1.4, Consumers Paper Corporation. Why is the government getting involved in this company? What happened to their commitment in the throne speech to get out of business. We do need to know the status of this company. Could the minister please elaborate on this situation?

Infrastructure Development and Support, 3.2. Instead of creating the 110,000 jobs this government promised, we see that they've increased infrastructure by 31 percent. Could the minister please comment on that as well?

Line 3.2.4, Computers and Software. This is up 100 percent, a new line item. This year the department is spending \$1.4 million on computers and software, and that's quite a lot for Albertans to swallow. Why wasn't this money, at least a portion, allocated last year? Why the sudden need to pump all this money into computers and software? Can you give us some explanation on that?

On to vote 5, Western Economic Partnership Agreements. With the reductions in provincial fiscal commitments to these programs that have all been placed in there, will there be proportionate federal cutbacks? I think we need to know that. Will these moneys last for the whole four years that were earmarked for these projects?

Business and Community Development, 5.1. Is this where we would find the \$1 million loan that was given to Beatrice Foods? Is the minister now prepared to explain why a seemingly profitable company, that is owned by Merrill Lynch, even needs such a loan to build a cookie factory, and how does the minister justify this action in light of the government's election promise to stop using tax dollars to prop up the private sector? I'm asking you also why this department hasn't been eliminated in view of your recent commitment to get government out of business.

Communications Technology, 5.2. This has been slashed by an amazing 66 percent. While we agree with this government that Albertans can no longer afford to live outside their means and some pretty significant cuts need to be made, we have to wonder why this government is so quick to make these cuts in research. Technology research must be given the highest priority we can afford or industry will stagnate just like a particular antiquated hog processing plant that's owned by the government. Or we could talk about a magnesium plant Albertans have a huge stake in, which also is in need of a technological boost. What measures

are being taken to ensure that all technology research is linked with the private sector in a partnership agreement?

Line 5.5.3, Research and Technology Transfer. Again, research takes the axe. This time the budget is slashed by more than 69 percent from the previous year's estimates. How can this be considered visionary, Mr. Minister? This is the type of mentality that retards growth in this province and restricts us to being hewers of wood and drawers of water. What is this government actually doing to diversify Alberta's economy?

Tourism Marketing, lines 5.6.1 and 5.6.2 together. The first is Asia/Pacific; the second, North America. These estimates were reduced by almost 29 percent. While we appreciate that these areas needed to be cut back, we cannot support the across-the-board manner in which the spending is curtailed. It doesn't look like there's a plan when you do it like this. Twenty-nine percent could still have been cut from this subprogram but with an eye to the future. Why didn't the minister consult trends to determine in which areas our tourism is growing? In real dollars Asia/Pacific has the least budgeted for it, compared to North America. I was under the impression that tourism from the Pacific Rim was becoming a greater share of the market. Why do the budget estimates not reflect this, and can you specifically tell me what the plan is there?

On to line 6.0.1, Operating Grant. This is up 24 percent. It might not sound like a lot, but we're talking about millions of dollars in this particular line, a \$3.4 million increase, to be specific. The AOC has proven to be one of this government's favourite sinkholes. Why are they receiving a budgetary increase? Is this increase necessary to cover further losses by the AOC? Could you comment on that please? We require a further breakdown of the loans and investments and a comprehensive report of its losses. Will the minister please supply those to us?

In closing, I've got a number of questions that I hope the minister will take seriously and answer.

MR. KOWALSKI: Mr. Chairman, there's absolutely no doubt whatsoever that the minister will take the questions very seriously, will attempt to answer. There was a wide-ranging litany of questions raised here this afternoon. Unfortunately even my shorthand did not permit me to take them all down, so I'm going to have to consult *Hansard* with respect to them and will make every effort to make sure the hon. member does get an answer to all the questions.

Now, there are other options as well. This is only day one of 25 days of estimates. I'm sure this particular department could be brought back ad nauseam every week for the next six weeks, so we'll probably have a great opportunity to deal with all these statements and all these questions.

I do want to repeat again, because there were some generic things that went through most of the questions, that this document we tabled a few days ago, Alberta Global Business Plan 1993-1994, is very significant because the first question the hon. member raised was one that arose out of a recommendation from the Auditor General several years ago asking for specific objectives. So we have written our specific objectives; we have printed them. As an example, in the area of Tourism Objectives that the hon. member just raised questions about, we basically said our goal for tourism development is to increase annual provincial tourism revenue from \$2.9 billion in 1991 to exceed \$4.4 billion . . . by the year 2000.

Then we said that this goal would be achieved by the following initiatives. I think perhaps they're important to review. First of all, "developing a solid tourism foundation at the community level throughout the province" of Alberta. That allows us to have been

involved in consultation in concert with our partners. Secondly, "developing a solid service structure for the tourism industry;" thirdly, "encouraging the development of regional and provincial tourism generators;" fourthly, "encouraging private sector development of major destination resorts;" fifthly, "supporting provision of appropriate infrastructure and transportation access;" sixthly, "supporting education and training needs of the industry;" seventhly, "encouraging an integrated approach to marketing that focuses on those markets that generate the greatest return on investment and that support greater use of existing capacities on a four season year round basis;" and then "reviewing all government policies affecting tourism." Those are our objectives only in the tourism area.

We've also outlined our objectives with respect to international trade. We've outlined our objectives with respect to investment. We've outlined our objectives with respect to technology and research, with respect to industry development, and we've in fact focused it in terms of the global, a western hemisphere, North American, Canadian, western Canadian, and Alberta environment. We've done that, Mr. Chairman, and we have myriads of papers that are all published and made public already. They're freely available for all members.

In terms of the office budget, I only repeat again the information found on page 67 that basically shows the elimination of some \$572,411 in this particular area. That's a pretty dramatic reduction, Mr. Chairman. You have to look not only at line 1.0.1 on page 67 of the estimates, but you also have to look at 1.0.6 in the estimates.

#### 4:10

Now, the hon. member, of course with her colleague the hon. member from Calgary, talked about staffing in this department. Well, okay, Mr. Chairman, we've got 640 full-time equivalents in the Department of Economic Development and Tourism. I would ask the hon. member to give me a list of which of those individuals she would fire. It's one thing to say how many . . . She hasn't indicated what the size of this department should be. She said: why didn't you reduce more? I indicated already in talking to the Member for Calgary-North West that we have some very competent people. We're downsizing, we're reorganizing in this department, we have some very talented, innovative individuals. That's just not good enough, hon. member. If you want to get the list of the 640 men and women employed in this department, then you go through the list and come back to me and tell me that here are the 200 people you're going to fire. Just red circle them all and tell me why. This minister will stand here today and say we have downsized, we have reorganized, these are the people we need to run the component we have. They're very competent people, very talented individuals. I'm very proud of them all and very supportive of them. But if the hon. member wants to take the red pencil, she can eliminate 200. Tell me who they are and give me the list of the individuals, because it's not good enough to talk about global statements. People say that all the time, and there's no responsibility with respect to that at all.

I've already made comments on such things as Beatrice, which have absolutely nothing to do with the Department of Economic Development and Tourism. I made comments earlier, indicated that we have lending programs such as you'll find in the Alberta Agricultural Development Corporation. We have in this department a lending program called the Alberta Opportunity Company. It has a budget; it's listed. That particular organization gives out loans to Alberta entrepreneurs who access it. They are loans. These are not grants; they are loans. If the hon. member is saying that the Liberal Party says, "Scrap the Alberta Opportunity

Company," that's the kind of input I want to hear this afternoon. I think hon. members should say that, should come out straightforward and say it. If in Alberta we do not need credit organizations like the Alberta Opportunity Company, let's say it, let's get on with the business, because we want to know exactly where this particular opposition stands on particular issues. Beatrice was not a grant. It came through the Alberta Agricultural Development Corporation, a lending organization. If they're saying, "Scrap the Alberta Agricultural Development Corporation," then so be it; let's deal with it and know exactly what the position of the Liberal Party is with respect to it.

Consumers Paper is a kind of interesting one. The hon. member said: why is there a flurry with respect to Consumers? Well, I recall a statement in a newspaper article that came out of Medicine Hat just a couple of months ago. The first paragraph said: Liberal leader, Laurence Decore, says providing assistance to organizations like Consumers Paper is exactly what the government should be doing. I'd be very, very happy to get a copy and table the document here in the Assembly. The hon. member might choose to consult with the Member for Edmonton-Glengarry in response to her question, because her leader has said: this is the kind of project I would support and this is the kind of project I want in the province of Alberta. It's there in black and white in a public document here in the province of Alberta. Don't ask me, hon. member, why your leader takes that position. You should consult with your own leader and with your own caucus. I presume in their caucuses they share ideas with one another. At least, we do it in our caucus.

AN HON. MEMBER: They don't talk.

MR. KOWALSKI: They don't talk. I see. Okay. Perhaps that's the reason there are so many questions here today in this particular Assembly.

Now, hon. member, I really would like to go through each of the lines you have and give you a paragraph or two on it. We're going to be here till November, and if you want to call me back and designate this particular department Thursday, I'll come back Thursday afternoon and deal with it. I'll come back the following Thursday and deal with it again. The opposition had an opportunity, of course, to designate under the new rules certain departments for subcommittee support. They didn't designate the one I'm minister of, and I felt really sad about that because I've always taken the view that the public has the right to know. If I can be in a position to provide any information to any of my colleagues with respect to any of these matters, I just want to be helpful, Mr. Chairman. I really, really want to.

So I will review the *Hansard*. I'll try and find a mechanism to deal with the specific requests, and if we have time this afternoon, I'll even pop up and answer more in a very, very specific way if we can do it.

MR. CHAIRMAN: Thank you, Mr. Minister.

Bow Valley.

DR. OBERG: Thank you, Mr. Chairman. I, too, would like to echo my compliments on the global business plan put together by the hon. minister and his department. I think it's very good and takes a step in the right direction. I'm sure that the majority of us sitting on this side of the House ran on a platform of fiscal responsibility as well as economic development. That line is a very fine line and very difficult to ascertain. I respect the job the hon. Minister has in economic development and do not envy him at all.

I have a couple of questions with regard to some specific industries: first of all, the pharmaceutical industry. As you know, with the granting of the new patent law federally, it takes into account that the pharmacology companies have to invest a certain percentage of their money in different regions of Canada. An example is that one specific company invested \$1.4 billion in Ontario last year alone. There are numerous pharmaceutical companies out there, and I'm wondering if the minister has any plans to attract these companies to Alberta. I have been contacted by several of them, and they seem to be very interested in starting up in Alberta. I would welcome the hon. minister's comments on this area.

MR. KOWALSKI: That has the potential of becoming a very exciting area. It has potential for several reasons. First of all, we have a business environment in the province of Alberta that wants to attract business. We have the lowest corporate taxation levels in the country of Canada. We have no payroll tax. We are the most competitive taxationwise in Canada, Mr. Chairman.

The second very important reason is that we have a tremendous research infrastructure in this province. We have the heritage funded Foundation for Medical Research. Members will recall that about a decade ago some \$300 million was taken out of the Alberta heritage savings trust fund and set aside. Interest was provided on an annual basis for research in the province of Alberta. I hope I'm not wrong in saying that as a result of the dollars used on an annual basis, over 2,000 research doctors and medical people and biologists and pharmacists are involved in active research in the province of Alberta today. That number has sustained itself from the very, very . . .

Thirdly, we have two excellent universities and two outstanding trade schools in this province that have trained people in research. In fact, in Edmonton and Calgary, at both the University of Alberta and the University of Calgary and NAIT and SAIT, and of course with the emergence of facilities like the University of Lethbridge we have tremendous potential.

We have one additional tremendous resource, and that's agriculture, agriculture, agriculture, agriculture, the production of primary products and the development of value-added products. Take all that together, Mr. Chairman, and you've actually got all the ingredients to make sure that in fact the pharmaceutical industry can develop and expand and prosper. The reason it may not have happened I'm sure has a lot to do with the way Ottawa decides there is going to be certain activity in various regions of the country of Canada. In the past, whatever the federal government was, it basically interceded and somehow directed these people and these research firms to go to places elsewhere than, quote, the wild west and, more particularly, the province of Alberta. But we've got to make sure that gets back on track, and we've got to make sure we in fact can see things happening. I think one of the key things that the federal Progressive Conservative government did in the recently passed legislation was to in fact mandate that investment must occur in various regions of the country of Canada. That's positive, because I understand that's the first time basically federal legislation is directed to all the regions of Canada rather than simply blink, blink, blink and it will go to central parts of the country.

So the member is right on, Mr. Chairman. The member is right on. As a young doctor educated in the province of Alberta, he knows as well what the tremendous potential is in this particular area.

MR. CHAIRMAN: Edmonton-Mayfield.

MR. WHITE: Thank you, Mr. Chairman. [interjections]. Thank you, Mr. Thumper. Mr. Minister and members of the House, I rise today to take over the responsibilities of the thumper and look forward to being aptly named myself from the other side. Over the next four years I'll be the critic in the area the minister knows well and retained from the last portfolio, lotteries financial assistance to major fairs and exhibitions and all that belongs to that, including his favourite of all machines – I'm amazed you haven't installed one in your office yet, sir – the VLT. The minister takes this as a game. We're dealing with the Gaming Commission, and I'm hoping we'll have as much fun with this commission as others he's had in the last four years.

4:20

First, I'd like to congratulate the other side on finally seeing the light after seven long years and continual prodding from this side and from the business community and the Auditor General – eight Auditor General reports – and, finally, the findings of the Financial Review Commission that the other side commissioned. They finally listened and said yes, we must report the income, the expenses, and the grant areas of lottery funds. I must commend you on that, and I truly mean that.

Unfortunately, the information it contains is not all that useful. If you try and look through this relatively small volume provided the public and, through the public, also this side, it would be nice to be able to say that the income relates to something and say there are some reasonable conclusions that can be drawn from it. One of the conclusions that can be drawn, though – and I draw the minister's attention to this, particularly in light of the argument put a little earlier in his opening statement about the need to bring all the research in the province of Alberta into one centre, which I applaud. It is very wise to do that so one can tell the right from the left and all arms of government are working together in unison.

What you've done here, though, sir: you have taken lottery funds and financing of major exhibitions. You have kept Gaming Control, and then, strangely enough, you send gaming policies and licensing and the like off to Justice. Well, I have difficulty understanding how you can control and regulate and disseminate funds in two separate elements of government. I don't have any idea how that comes, and I would like a statement on that, if you would, please, Mr. Minister.

Dealing with the lottery funds, there's one critical page, which I compliment the government for finally filing again. The bottom of the page shows some strange numbers that do not seem to have any bearing on anything else that's contained in the documents filed by the minister, and that's the actual income last year. I presume it's income, because all we have here is the expense side. Whether it's all the expenses or not, it doesn't completely say. It's \$88 million that last year was actually expended from the lottery fund. This year a 62 percent increase is projected: \$142 million. Now, the fundamental question that's raised, I suppose, is: how did those moneys come to that extent? Now, that's a fairly large increase, and I presume the government has a very good reason for projecting those kinds of massive increases in income. If it were an income in a pure business, I would applaud and all this side of the House would applaud. Unfortunately, that is not the case.

Government income derived from gambling is at least a two-edged sword, probably many, many other sides as well. There is always the danger of addiction. This government has not addressed . . . That problem has set off a study, and I ask: is a study necessary when we are absolutely aware – there's not a person in this House that wouldn't say that to a greater or lesser

extent gambling is addictive and something should and could be done with it. Absolutely; there's no question about it. So the question for that commission is not is it addictive or not addictive. The question that should be put is: how should that addiction be dealt with, and is it the responsibility of government, those that derive funds from gambling sources, to deal with the addictions thereto? This side of the House says yes. Presumably that side of the House has no answer, and we would like that for all Albertans as soon as possible.

This side of the House also believes there is a major, major effect of this 62 percent increase, and we suspect, although we don't know, that it comes from the VLTs. We would like to ask a number of questions related to the VLTs. The simple fact they exist and the magnitude of their income and growing income has some other effect, too, we believe. It is shown in the income of many of those that are currently running bingos, running casinos, running pullout tickets, and all those things that are done by volunteers for organizations, minor hockey to self-help parent groups, all those nonprofit organizations that truly are looking to help in their communities. These are volunteer supported, sir. These are not organizations that go out for some profit motive. Their motives are pure: they want to help and assist in a society. I say to you that with the income of the VLTs, which comes directly to the government, you're hurting these people and hurting them very badly. This side of the House would like to know: what is the government's prediction on the amount of funds that will be lost to those that are running those community-based licences for casinos, bingos, and pull tickets. Now, the minister may have difficulty answering that because the minister, in fact, is only in charge of the revenue of that side. The governing of that side is off in those other departments I was talking about earlier. That's very difficult to deal with from this side of the House, and, I should imagine, from that side of the House also.

I'd point to this past week's edition of the St. Albert *Gazette* that has a very big article about 55 organizations in that small city that are hurting and hurting badly. Their revenues are off substantially, and they have no other recourse. They cannot derive any support from this government directly or indirectly because they haven't got in line for long-term applications. They can't do those sorts of things. What does this government say to those people? Does this government believe, as this side of the House believes, that gambling revenues are directly proportional, of course, to the gross amount gambled? That is a finite number. Yes, it can be elastic in some part from year to year, and it can and should vary, but in fact it is a finite number. Now, if the government is taking all those revenues with the VLT machine, what happens to these organizations that we all have in our communities? They'll be knocking on our doors to find out. I ask that question of this government and hope the government has answers when those people come knocking on each and every one of our doors.

Turning to the program summary of the lottery fund, the community facility enhancement program has gone from some \$5 million to some \$30 million, and this side understands where that came from. It is a direct transfer of maintaining the programs from the Community Development ministry and the community services budget particularly of some \$22 million or thereabouts and pretty well adds up to maintenance of the program. The difficulty here – and the minister has said it himself time and time again – is that these funds and lottery funds are not guaranteed income. We cannot guarantee they will be coming in year after year. Therefore, budgeting is rather difficult. He says to all those that make application for funds out of that fund that it is darn difficult to predict that they'll be coming. I ask this government:

how do those that are the recipients of the community facility enhancement program budget year to year to year in order to understand that they do have those funds when the government says they cannot be?

4:30

I turn to the Medical Innovation Program, and that goes from \$1 million to 2.2 times as great, to over \$2.2 million. The minister just got through saying, in answer to a question opposite, that there's wonderful moneys spent that come from the heritage trust fund. Here's another program – well, surely if the government from that side says there's one pot that we must mould our expenses from, we must say that this is from where they come. Surely you don't need another program, which is one skinny line here, that doesn't say what it does. Surely the objects of the exercise are exactly the same as that which is provided under the heritage trust fund. We ask: why not combine these so that we know from whence they come and the programs are administered under one area and not overlapping, as you would and as you do, as you said you were intending to do, which I applaud, in the research area?

The Science Alberta Foundation, near and dear to my heart as a practising engineer. We all know, and it's not a fact that this government should not be aware of, that this world is becoming increasingly technical. We must train our young people. I applaud the government's contribution to that foundation, but you've cut it back. There seems to be no explanation here. We'd like an explanation. It may be logical. We don't know, nor do the people of Alberta know.

The last line on that page before the summaries is a bit disconcerting. We'd really like to know from the government. Presumably, from last year's comparables, the '93-94 actual spent is in the order of a million dollars. It's gone to nothing this year. How is it that the school hazardous chemical pick up program was dropped? Presumably it was an error last year, picking up hazardous chemicals, because it was dropped. Or it was placed some other place in a government program. But the information is certainly not here and certainly there don't seem to be any answers from the other side. We on this side would like to know whether that hazard still exists or whether in fact it has been put into another department. Perhaps the Department of Environmental Protection is the area it should be spent.

Mr. Minister, I would like to say this is merely a game, but you and I know that it's not. There's some very serious money being spent by your department and for your department. I would like to know why the minister does not answer – not quite right; the minister has answered a number of questions – why the minister cannot put out a document that would save this side of the House questioning and that side of the House answering and all the people of Alberta would be most appreciative of having in their hands.

MR. KOWALSKI: I guess in response to the last question – and I've known the hon. member for a long time, and he's a likable sort of fellow but he's also very new here. One of the difficulties in this business is that you give the answer, but unfortunately if people don't like the answer, then they don't display what it is and they go around telling people. So let's just begin with some things very, very, very simply.

Three years ago we consulted with the school system in the province of Alberta and asked them if they had an environmental problem in their schools. A variety of principals came back and said yes, one of the things they had a problem with is these residues of chemicals that exist in biology labs, chemistry labs,

and physics labs. Some of these chemicals, particles, were purchased 40 years ago, and there's an ounce here, a gram there, what have you. They're sitting in the corner and they don't know what to do with them. Well, okay. Coincidentally in history, Alberta becomes the innovator in all of Canada and all of North America to create something called the Swan Hills Special Waste Management Corporation. So we developed a program in concert with the Alberta Teachers' Association, the school administrators association, and the Alberta Special Waste Management Corporation and asked the question: how much money would it cost to grab hold of all these residues of chemicals that have been stored in the schools? They came back and said, "\$2 million is what it would cost us to do." So then we said, "In what time frame could we deal with all of this if we could deal with it?" They said, "We could probably deal with it over a two-year program." So we created the Alberta school hazardous chemicals clean-up program, finite for two years. We've done the whole job; it's finished. So at the end of two years the program ends and that's that. That's the way it was described in the press release, the news release, and all other public communications with respect to it. All of this information is in a file.

With respect to Science Alberta we agreed, when a petition came from Science Alberta several years ago, that if there was funding from the federal government, if there were was funding from the private sector, the province of Alberta would allocate so much money. Lo and behold, with great enthusiasm people, chaired by Mr. James Gray of Calgary, go out and they petition the whole world. The only good person they really found in the whole process was the government of Alberta. They came to us repeatedly and said: "Gee whiz. Now we're finding a difficult time getting our source of funding from the private sector, and we're not getting our source of funding from the federal government. But would you still honour your commitment, even though the contract says: we will participate if you have these other dollars from these two other sources?" So we did honour our thing.

Now the hon. member stands up and says: why did you reduce it? We haven't reduced anybody. We fulfilled all of our contract for the two years even though the other two partners in the contract did not fulfill theirs, and we added a third year, albeit at a reduced amount from the first two years. The third year was never part of the contract, Mr. Chairman. So if the hon. gentleman – and if he's a member of the Science Alberta Foundation, he knows exactly what the contract says. I've discussed it with the chairman and with the board. Everybody knows. In fact, we bent over backwards to help Science Alberta Foundation with an additional \$750,000 in a third year when there was no obligation, there was no contractual obligation whatsoever from the province of Alberta to continue beyond a second year, and when the other two partners didn't come to the fore with it.

Each one of these programs – and the hon. member's looking at page 49 of the budget document – in essence lists the disbursement commitments under the Alberta lottery fund. In fact, there's history behind each and every one of these. These are not whims of the minister responsible for Alberta lotteries. They've all been worked out with organizations throughout the province of Alberta. All of them are under contract. There's a term-finite contract with each and every one of these particular allocations on this particular page. As an example, we indicated under the Community Facility Enhancement Program II that it would kick in on January 1, 1993, and it would terminate December 31, 1995, and it will. It will, Mr. Chairman, the same way as all of these other programs, in essence, that we can deal with in a variety of ways.

I look at the dollar allocation for Ex Terra Foundation, \$1.94 million for the dinosaur exposition held in the city of Edmonton this year. [interjections] Okay, okay; I think it was a successful one. The province of Alberta through the lottery fund is involved as a business partner with the people here in the city of Edmonton with respect to that.

The hon. gentleman says: why do you have some medical equipment purchases? Well, we have some MRI machines. There's one at the University of Alberta hospital. Two million bucks came out of this particular portfolio to pay for that sophisticated machine because the doctors in the province of Alberta asked us to do it, and we had some dollars that came through the general revenue fund, through the Department of Public Works, Supply and Services, with respect to it. Of course, we have the Cross Cancer Institute facility. They have a machine that basically deals with stones, gallstones and liver stones, and in essence it was funded under that. All of them are very important ones.

[Mr. Clegg in the Chair]

Mr. Chairman, I want to spend just a minute or two here with respect to the overall question, because the hon. member did raise the question: why is it that now some ministers are responsible for some areas and other ministers are responsible for other areas? Until June 15 – well, after the election – there was one minister responsible for all the gaming activities in the province of Alberta, and that was the minister responsible for lotteries. So the minister was responsible for the four areas of gaming activity in the province of Alberta. Horse racing, with the Alberta Racing Commission, has now been transferred to the jurisdiction of the Minister of Justice. The Alberta Gaming Commission was also part of the responsibility of this minister as well, but that's also been transferred to the Minister of Justice.

In answer to the question "Why was that done?", well, the member should look at his other members, who for years stood up in this House and consistently accused the minister of lotteries of being all-powerful in this area. They consistently said, "Why should one minister have all of this enormity of power, and why should he have all this opportunity to control all the gaming in the province?" So the answer to your question is that we listened. The Premier of Alberta listened, and he took away half of the responsibilities of the minister of lotteries and gave it to the Minister of Justice. There's the answer: we listened. Perhaps there should be a brake put on some of the speeches given by the hon. members, because really it's kind of confusing, hon. chairman, to get the arguments both ways with respect to it.

**4:40**

In Alberta today gaming is something that we control and the province of Alberta must control. We're well positioned to control it in the marketplace, and we do not have the difficulties that you'll find in the province of Ontario, where each municipality regulates gaming. So you have each municipal government in Ontario with different rules for gaming, and guess who comes across the river? They've got nice black, sleek automobiles. They show up late at night, and they wear fancy clothes. There are some interesting developments that have occurred in Ontario and Quebec and other provinces in Canada that are not going to be permitted to happen in the province of Alberta with respect to this because of the one control mechanism in Alberta, which is the government of Alberta, who will control all elements of gaming.

Horse racing in this province does about \$230 million a year. There's an annual report assessed to it. Attendance at tracks is down. Pari-mutuel betting is up; it's up because of offtrack

betting. The equine industry deals with about 6,000 people, and it's a very important industry in the province of Alberta. I know the Member for Edmonton-Rutherford is an active participant in that particular area, because he's spent a lot of time talking to me about it. He's done a lot of research. I'm sure he will continue, which is very good, because it's been helpful research when he's come to me and told me about what he's been able to do or not do.

The second area of gaming is that which comes under the Alberta Gaming Commission. The Gaming Commission is the responsibility of the Minister of Justice. The enforcement side of gaming rests with this particular minister, and the dollars that you see in here are the policing activities with respect to gaming. Gaming in this area, under the Gaming Commission, does about 8,500 licences a year on bingos, casinos, pull tickets, and raffles. It's been increasing in volume nearly 10 percent a year and this year will probably do \$650 million worth of business in the area of bingos, casinos, pull tickets, and raffles. All of that information is public. It's printed on an annual basis. The Gaming Commission puts it out. The most recent pamphlet is around here someplace, and it shows all of what's going on at all levels and clearly.

The third area of gaming is the lottery system. Alberta is one of three partners in an organization called the Western Canada Lottery Corporation, whose head offices are located in Winnipeg, Manitoba. Lotteries this year in the Western Canada Lottery Corporation will probably do about \$350 million in business activity in the three Canadian provinces. It's an increase of nearly 9 to 9 and a half percent in terms of volume.

The fourth area of gaming that we recently got involved in – again, with public documentation, public plan, the whole organization laid out for the public of Alberta – occurred a couple of years ago when we got involved in the program called the video lottery terminal system. In fact, we're on the basis of continuing the implementation of that program.

Of those four areas, the province of Alberta takes essentially no revenue out of horse racing. That stays within the industry, stays with the people, the organizations, the venues. Whether or not it's Edmonton Northlands or the Calgary stampede or Lethbridge, the province takes zero dollars, essentially, out of the Alberta Racing Commission.

In the area of the Gaming Commission, despite the fact that there's nearly \$650 million a year in activity with 8,500 licences, the province of Alberta takes zero dollars. All of the profits in the area of bingos, casinos, pull tickets, and raffles are staying with the 8,500 groups, which are nonprofit organizations, in the province of Alberta. Recently you had a super-bingo held at the Alexander Indian reserve just a few miles north of St. Albert, and they netted \$145,000 in a one-day bingo, the largest net ever received. There's no guarantee that any nonprofit group will ever make any money in a bingo or casino. In fact, we've had examples where particular nonprofit groups who have held casinos in Edmonton have lost \$40,000 in a given day. So it is a marketplace reality, and these are not golden opportunities for people to make money. Up and down and over the years we've developed an insurance program and an insurance policy with all of the nonprofit groups in it.

The third area, Mr. Chairman, that we are involved in is lotteries: \$350 million a year and essentially \$100 million profit. That comes to the province of Alberta indirectly through the Western Canada Lottery Corporation, and that is the money that you see on page 49 of the budget document. The province of Alberta essentially nets all of the money from the lottery system, the sale of 6/49 tickets and everything else.



The fourth one that we're involved in is the video lottery terminal system, and the member will see on page 49 the difference of – what? – \$100 million to \$142 million is essentially the profit from the VLT system in the province of Alberta in this particular fiscal year. As the machines have been into the marketplace, the return is essentially on target with what we suggested it would be. The system is geared to the private sector. The private sector gets up to 19 percent of the net win on each of these machines on a weekly basis. It has been a godsend for hundreds and hundreds of hotels around this province, and class D liquor licences have allowed them to decrease their liquor sales and increase the opportunity to expand their businesses.

Those are the four areas. Now, this government is very concerned about the whole question of compulsive gambling, the whole question of, quote, addiction. We're very concerned about that. We have an organization called AADAC, which we've asked to take a look at it. They basically said that's not an area of their expertise. So I have publicly stated for a number of years now that I want people to come to me and tell me what the status of this stuff is. In February of 1992 we had an overview, a general review of compulsive gaming and gambling, done in the province of Alberta. In the spring of this year, on March 26, we put out a public request for an overall comprehensive prevalence study with respect to it. Very shortly this study should be provided to us, by the end of October 1993. It was done through the private sector in the province of Alberta.

This government is prepared to take money out of the Alberta lottery fund and fund a program that will assist people who find themselves in the category of compulsive gambler. I don't know how much would be required, but I have no hesitation from my consorts, from my colleagues. They've all said that they're very, very supportive of any program that we would come up with. We would not want the government to have the program. We would rather have the private sector, basically with consultants, counsellors who are knowledgeable in this area, do the program, and in fact clients would be referred to that particularly. We're very anxious to do it. The difficulty in dealing with a group called gambling anonymous is that they don't want to tell you who they are. I have met with representatives of Gamblers Anonymous, and we talk on a first-name basis. We have implemented all of the things to this point in time that they've asked us to do. But they're anonymous; they're not going to hold press conferences and they're not going to point out what it is they want. We have followed through on every request that they have made of us to this point in time, including this study. We're very, very determined about that.

I should point out as well that we're in touch with what's going on in other jurisdictions in North America. This very week this minister should not be here. This minister should be attending the World Gaming Congress, which is being held in Las Vegas, Nevada, where some 7,000 people from around the world will attend one of the biggest opportunities for availability of information, for the free flow of information with respect to gaming. But this minister is staying here in this House because it's important to be here. Now, I will lose something and we will lose something by my not being there. Seven thousand people will attend the World Gaming Congress. At the end of September in the province of Alberta the North American state legislators conference on gaming will be held in the province of Alberta. There will be state representatives from all 50 jurisdictions in America and the 10 provinces in Canada. It will be in Alberta, in Calgary and Kananaskis Country, for a very in-depth sharing of information as to what's going on, where we're coming from. Several weeks from now a major, major world lottery congress is being

held in Hong Kong. Alberta will have a couple of representatives there, and I'm sure a number of private-sector groups in the province of Alberta will have representatives there as well. It's an opportunity. There's a lot of sharing of information. We have access to Interpol. We have access to the FBI. We have access to all international police forces. We monitor what's going on. We understand what's going on. It's done in a very, very secure way.

There are good reasons for using some dollars back into the community. I should point out one last thing with respect to lotteries, because I think it's an important point. Some people say: cancel all these programs on page 49 and put all the money in the GRF. The reality is that when you do that, you then destroy an opportunity for literally thousands and thousands of groups in the province of Alberta to have ad hoc funding, number one. Number two, we've said we would not put lottery dollars into ongoing operational matters so that people do not become dependent on the lottery fund. The third thing: you have to take some of the profit that you get out of lotteries and put it back into good works. If you don't, then the citizens get upset with that. You can look at the research that has been done, and you can consult with all these people.

If somebody wants to go to Las Vegas, you can go and get involved in all these seminars starting this weekend about the varied experiences from other jurisdictions. They'll tell you conclusively that in essence if people are told that their dollars must go in a certain area, they get mad and they quit buying the ticket. But if they're told, "Well, you may be doing some good things with your dollars," then they don't mind doing that. Wherever other jurisdictions, even in Canada, have taken lottery games and said, "We're doing this ticket for a specific purpose; i.e., clean up the environment," the thing fails. Ontario's the most recent example; they did that a couple of years ago with a couple of tickets that were singly directed. They bombed in the marketplace. People didn't want to be told. People get involved in gaming for a five-letter word that has two "E"s in it, it starts with a "G," the second letter is an "R," and the fifth letter is a "D." That's basically what motivates them. So you have to be very careful from a marketing perspective.

I appreciate the questions, gentlemen.

4:50

MR. DEPUTY CHAIRMAN: The hon. Member for Innisfail-Sylvan Lake.

MR. SEVERTSON: Thank you, Mr. Chairman. First of all, I'd like to congratulate the minister for his new portfolio of Economic Development and Tourism.

Mr. Chairman, the questions I would like to ask of the minister – well, first, I'd like to overview by saying how important this department is. It has a budget of \$140 million, but this is the department that will generate the growth of this province, that will pay for our social programs of health, education, and social services. I don't think we can underestimate the importance of this department. It is the key to the growth of this province and tax dollars, and tourism is one of the real bright lights of our industries, along with agriculture and forestry. This is what will create the 110,000 jobs that we outlined in our throne speech. [interjections] A hundred and ten thousand; that's right.

Exports is another area that's so key. Roughly, every billion dollars we increase our exports creates about 10,000 jobs, so the minister has a tremendous job and an important portfolio.

The area that I would like to ask some questions on is in program 2, the Business and Tourism Development section. In 2.2

the Industry, Technology and Research part of the budget runs slightly over \$11.3 million. When I look through the various items, to me it looks like there's more development and very little research into that department. I was wondering if the minister could give me a breakdown on how much of it is research and how much is development, and if for the research department or the development, for either, it's a matching program, where industry contributes to part of that program.

Then on to program 3. Much the same question. When I look over that budget of \$14.4 million, again I see only \$362,600 for medical research. Is the rest of that program mainly in development? Again I would like to know if he could answer if there is any matching program for money in that, or is it strictly government funding?

Then I would like to go on to program 7, the Alberta Research Council. They have in the elements a one-liner of \$24.6 million. Again, I would like to ask the chairman of the Research Council if all of the programs are matching funding, or if not, what percentage of the programs are matching.

I look forward to the answers.

Thank you, Mr. Chairman.

MR. KOWALSKI: Perhaps we could ask the chairman of the Alberta Research Council to respond to that last question first.

DR. L. TAYLOR: Thank you, Mr. Chairman. Thank you, Mr. Minister. Actually, I'm very pleased to stand up and answer this question and address the question of the Alberta Research Council.

As you're probably aware, the Research Council's mandate is to stimulate and promote and advance the economy of Alberta. We do this in a number of different ways. We do it by promoting technology. We do it by promoting development and application of technology. We do it by performing applied research. We do it by providing expert advice.

Last year, Mr. Chairman, we served over 12,000 clients in Alberta; 12,800 to be exact. We had contracts for fee for 1,500 clients; technical advice, 6,300; information, 3,000; publication, 2,000. That totals over 12,800 clients we served.

Now, we served these clients in a number of areas. We served clients in manufacturing. We served clients in community business and personal services. We served clients in energy and mining. We served clients in environmental areas. We served clients in fishing and trapping. Finally, we served clients in transportation. That adds up to the eight areas we're working in.

Now, you might be interested to note a couple of exciting things of particular interest that are happening in manufacturing. If you drive around Edmonton in some of the areas where they're building, in new construction you'll note that they no longer use plywood on the walls and ceilings of these various new residences. They're using something that if you're into construction you know is called OSB, oriented strandboard. That oriented strandboard is a direct development of the Alberta Research Council. They are the ones that managed to line up the strands of the pulp chips in a line to give that OSB the strength so that they could build the buildings. What that does is substantially reduce the costs of residential construction. For instance, three-eighths OSB is probably worth – I haven't checked recently, but it probably was worth last month about \$8 a sheet, whereas you're going to pay up to about \$12 a sheet for the same three-eighths plywood that you would put on the walls and ceilings of your house.

Another interesting development in OSB out of the Alberta Research Council is the tongue and groove. Now, even when the first OSB was out and used for walls and roofs of houses, you couldn't use OSB on the floor. You still had to use three-quarter-

inch plywood tongue and groove on the floor. That's because the OSB, if it got wet, would swell. The Alberta Research Council developed a new product, a new glue, so they could put that glue into the wood chips and the OSB does not swell. So if you walk into new residential construction right now, today, you're likely to see that OSB tongue and groove on the floors of houses. This has happened within the last two years, because the new glues that they're using in the OSB doesn't swell if it gets wet. So that's one area that's interesting in the manufacturing area.

The other area that's interesting is that the Alberta Research Council just signed a contract with Mitsui Corporation. Mitsui Corporation is interested in some manufacturing technology that Alberta Research Council has developed. This manufacturing technology has to do with scrubbing coal so that when it comes out as an emission, it's clean. The Alberta Research Council developed new technology that's relatively cheap to do that helps clean the emissions from coal-burning furnaces. Mitsui signed the contract I believe for \$289,000 as an initial payment. After this initial payment Mitsui plans – and there's a royalty agreement with the Alberta Research Council so that any projects that Mitsui goes into in the future will give us royalties.

Now, in speaking with the gentleman from Japan, the Mitsui Corporation informed me that they expect to go into China with this new technology. China, as you are probably aware, Mr. Chairman, burns huge amounts of coal and has huge pollution problems. As a result, Alberta Research Council stands to make substantial profits from this new technology developed from the contract with the Mitsui Corporation. So there are a number of areas that we are working in.

In regards to our budget, we get approximately – these are just approximate figures – \$24.8 million, \$24.7 million from the provincial government. Our total budget is just over double that. We manage to get \$24.7 million or \$24.8 million from the private sector as well. That's because the Research Council does research in areas that the private sector doesn't want to do them in. These areas of research are relatively technical, and they're relatively chancy. It's too chancy for the private areas to do, but it's not so esoteric that it would be done at universities. So it's a kind of hybrid between the esoteric research that a university would do and the very applied research that private business would do in the business area. We're right in between, doing research that's really on the forefront of all areas that we deal in, and for this the business community is prepared to pay the Alberta Research Council almost \$25 million a year.

5:00

Now, it's our estimate that from the \$25 million that we get from the provincial government, we generate a factor of four; our factor of generation is four. So we estimate that we put into the Alberta economy about a hundred million dollars. We're in the process and in the job of creating wealth. We create wealth. From \$25 million from the provincial government we go up to \$100 million impact on the economy.

I can give you numerous examples, one in Calgary called Gienow Windows. Gienow needed some modernization. They approached the Research Council to come in and take a look at their plant, their facility. Our engineering experts went into Gienow Windows in Calgary and recommended new technology, recommended new processes. As a result, Gienow Windows has created approximately 100 new jobs, and they are the leading window manufacturer in Canada. They are exporting windows all the way to Japan. They've got a huge export market available to them, Mr. Chairman, and that's a result of the Alberta Research

Council doing research and suggesting ways of improving a manufacturing procedure.

In my Medicine Hat riding we have a company called I-XL Brick. In fact, if you drive around Edmonton, you'll see two of their lots: I-XL Brick, big sign. Those bricks are made in Medicine Hat. The engineering people from the Alberta Research Council came into I-XL in Medicine Hat, went through their processes, paid on a consultative basis, and said: here's the way you can improve your processes; here's the way you can manufacture bricks to make yourself be more efficient. I-XL Brick today is exporting bricks all over North America and all over the world, thanks to the Alberta Research Council and the expertise they have in engineering. So these are just some of the areas we're working in.

Now, I can give you the figures. For instance, manufacturing: we figure the annual impact on manufacturing alone in Alberta is \$30 million from the Alberta Research Council. The impact on community business and personal services is \$3 million. The impact on energy and mining is \$25 million, and the impact on the environmental area is \$35 million. The impact on fishing and trapping is \$2 million. The Alberta Research Council was the first to develop a humane trap, which is being used in Europe. The Europeans are going to accept the furs that we trap now in Canada into the fur trade in Europe because of the humane trap developed by the Alberta Research Council. Transportation: our impact on the economy is about \$5 million. That adds up to a total \$100 million impact on the economy from an approximately \$25 million investment by the government. So I suggest to you, Mr. Chairman, that that's a good investment. The taxpayers are getting good value for their dollars.

Now, I could go on and say more, but I'm sure the hon. members across the floor would like to ask some more questions. If they have some questions on the Alberta Research Council, I'd be pleased to answer them.

Thank you.

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. It was ironic when the minister referred to sort of decentralizing power. I look at a report here, the new title: the Hon. Ken Kowalski, Deputy Premier, MLA for Barrhead-Westlock, Minister of Economic Development and Tourism, responsible for technology, research, and telecommunications, international trade offices, lotteries. Talk about decentralization.

Mr. Chairman, I'm sure that the Member for Edmonton-Mayfield is going to get into the lotteries. He's going to do a great deal of research, and he's going to watchdog that particular area the way it should be. During the four years I had the opportunity to do it, it was very, very interesting. Some of the issues that arose: the briefcase issue, the trip to Japan, and the question of actually millions of dollars being funneled through the scratch-and-win ticket system to the Edmonton Eskimos and the Calgary Stampeders. I believe that amounted to something like \$10 million.

It's been a source of money that's been very, very lucrative to the government, and there's always been some frustration to us in trying to find out exactly how those dollars were being spent. Now, of course, after a good number of years and the probing of the Provincial Auditor and this particular caucus, revenues will now be reported as other revenues are. It'll be interesting to see how specific we find that reporting.

There are a number of issues the Member for Edmonton-Mayfield brought up, but there are a couple more that I want to bring up, as well, that I'd like to get some answers to. I want to start a bit with the Edmonton Oilers. Now, I made reference to lottery dollars being used to assist the Edmonton Eskimos and the Calgary Stampeders. There's still some doubt in my mind, Mr. Chairman, and maybe today the minister could give assurances that lottery dollars are not going to be used or are not part of a scheme to somehow assist Peter Pocklington and his bid to have the Edmonton Oilers' franchise be a little more lucrative. In other words, there's indication that Premier Klein is going to be drawn into some type of deal between Edmonton Northlands or the Edmonton Economic Development Authority, the provincial government, and Peter Pocklington, who of course is one of the main actors. So I would like assurance that absolutely without question, no matter what the Premier may say – because I'm still not sure who's in charge over there – in fact, no, it will not happen, that no dollars will be given indirectly or directly.

With the video lottery terminals the testing that is going on in Lethbridge at the current time with the coin-in/coin-out operation – there was testing that was done in Calgary about a year ago – problems are emerging. My colleague to the right of me has received a number of phone calls, and I have as well, with some very, very sad stories from spouses where their partner in life is sitting in the lounge playing these video machines till 1 or 2 o'clock in the morning, people that desperately, desperately need help. The minister has addressed to a certain degree the addiction question. What it leads up to is not only attempting to find some type of mechanism to assist these people, maybe warning labels, a group like they have in Texas, but just how far this whole video lottery terminal is going to go.

We saw the report of Gary Smith, and it became very, very clear and the reports out of the United States show – I did a fair amount of research on this – that video machines are the most addictive form of gambling there is. I've been known to go down to Vegas myself on occasion and play around with the machines and do it from a pleasurable point of view, and it can be very, very enticing. I understand that the minister will on occasion play the machines here in Alberta. I don't know if he plays them in Vegas, but he plays them in Alberta, testing them out, doing a bit of research, whatever, and I'm sure he gets some joy out of it. Now, the difficulty is that getting joy out of it is one thing but to become addicted to it is another thing. So that whole question has to be addressed.

I still would like to know how many more machines are going to go in, and are we leading into the coin-in/coin-out? Where is it going to stop? Just how far does it go? It's become very, very lucrative, and at the very least we owe something back to offset those social problems that are occurring as a result of those machines and that addiction.

Now, the minister made reference in this House earlier on – and it was a very, very honourable announcement that was made at that time – that CTAP was going to be terminated, eliminated, finished, the end, kaput. And that's good. The minister has clearly listened not only to this caucus, but he has listened to the community out there. The business community, particularly in rural Alberta, have said: we don't want that; we don't see an unfair advantage being given to somebody in Vulcan that has a laundromat or somebody in St. Albert that has an ice cream stand or somebody in Jasper that has a motel. They do not want public dollars being used to give them a certain advantage, and I commend the minister for bringing this program to a halt. It was long overdue that the program should be zapped, and it is now going to be zapped.

## 5:10

I have a question, Mr. Chairman, on the community facility enhancement program, part 2. I always had some difficulty with part 1, because we had information from a number of the private members on the government side that they had certain information that we didn't have access to. In other words, they knew how many dollars were being budgeted for roughly in their particular constituency. They were taking applications out, and they were given the opportunity to review those applications and, I'm led to believe, in some cases actually veto applications. Now, maybe that's not correct, but it was reported in four different instances that that was occurring.

If it was occurring, so be it, but, Mr. Chairman, I want assurances that with CFEP, part 2, we will not have that type of thing happening, that we'll put an end to some of that foolishness, that stupidity that was occurring, where people were obligated by signature to agree to have their picture taken with the minister or a designate of the minister and that that picture would be hung up in a hall for all to see. In my very own community hall in Royal Gardens the minister's designate is there with the president of the community league because it was a requirement before they received those dollars. I would hope that the minister would take the politics out of that and give those dollars on a fair basis, on an equitable basis to parts of the province that need it, that are in the greatest need, and be fully aboveboard in doing it and not show any favouritism and really, really show that respect, that openness, that honesty that Albertans have come to demand.

Mr. Chairman, I have a number of other questions, but in view of the time and to give other persons the opportunity to speak and to allow the minister to respond specifically, I'll conclude on that particular point.

MR. DEPUTY CHAIRMAN: Okay.

The hon. Minister of Labour.

MR. DAY: Thank you, Mr. Chairman. I'll be brief so that the Member for Edmonton-Rutherford can also have questions responded to in the usual good and timely manner in which the Deputy Premier responds.

Under vote 2 – we're just going in the order of votes here – 2.6, International Assistance. In doing comparisons with other provinces, it used to be that Alberta, in what it gave to nongovernment organizations – the NGOs that qualified would get the government assistance. I support that type of process rather than that going through a whole layer of bureaucracy. It used to be that what came out of Alberta was more than all the other provinces put together. That was a figure that we used to look at. I'm just wondering if the minister doesn't have that today, if he could give us that comparison of where we stand as related to other provinces. We've always been very forthcoming in that area.

Also under vote 2, in terms of support for international offices, if the minister could report if anything's being done looking at the possibilities of either an office or representatives in Kiev itself, in Ukraine, for a number of reasons. On the humanitarian side, from the information I have and contacts over there, they're just crying out for information on how to get their economy together, and I think we've got something to offer there. There's also the historical immigration factor that we have in our favour, the family reconciliation factor as far as our Ukrainian population here and a strong tie-in with Kiev. The third thing, we have businesspeople even from Red Deer who are looking at business initiatives in Ukraine, and the opportunities for both the Ukrainian people there

and for our people here in Alberta are really, really exciting. If we could get a report on any possibilities that are being looked at in terms of whether it's an office or in conjunction with another office or some kind of ongoing support there.

Also under the vote related to the Alberta Opportunity Company, what do we do in terms of making information available to the general public in terms of what AOC does, and is there a scorecard? Let's say that we go back over the last 10 years. That would show companies that traditionally are refused dollars at the bank and other lending opportunities, so they go to AOC, and they do get funded. Do we have a scorecard that shows how successful those ventures are that have been funded or helped by AOC? I appreciate the fact that AOC now is wanting a fairly healthy equity in a lot of these so as to protect the investment there, but if there's any kind of information we can get on that.

Under Program 9, Gaming Control, certainly in Red Deer and I think around the province there is concern, and we may have already heard some of it today from organizations like the legion, which are known and are famous for their support for communities. They've got some real concerns in terms of the video lottery terminals not being available to them. I know there's been some guidelines there in the past that have had reasons for them, but already, for instance, in the Red Deer legion they are reporting quite a shift away. Consumers that would work in and through the legion are being deflected, I guess, to those venues where they can access the video lottery terminals.

In my discussions with them one of the things I've said is that, you know, the legions have also had some advantage, it could be argued, in terms of the pull tickets, and would they be willing to give up exclusive jurisdiction there, which private-sector operations don't have, in order to make it a more level playing field if they, as legions, want the VLTs? They've said that, you know, they'd like to consider that. They haven't ruled that one definitely out. The legions do so much in the community. I know there's been a request for meetings with the minister on this, and any progress report he can give on that consideration would be helpful.

Of course, going hand in glove with that is the concern that's already been raised by members opposite in terms of progress being made looking at programs for those who have difficulty on the compulsive side of gambling. I know there has been some proposals brought to the minister's attention. Is there an evaluation process in place so that those are being looked at? Because there is a concern in terms of how people are affected by gambling, and it truly can become a social issue. So any progress that's being made there, a report on that would be appreciated.

Thanks for your response to those items.

MR. KOWALSKI: Thank you very much. Mr. Chairman, there were a number of questions both from the Member for Edmonton-Rutherford and the Member for Red Deer-North that I think I'll deal with.

First of all, Mr. Chairman, the Member for Edmonton-Rutherford asked a question about the Edmonton Oilers. The position of the Premier is very clear on this matter, as we stated time and time again both outside the House and inside the House, that no dollars are going to be flowing to the Edmonton Oilers. I know that there was some media story in the last day or two, but again I don't know the source of that information; I don't know where these stories come from. On our side we pay very little attention to what's written in papers like the *Edmonton Journal*. Invariably we've found, at least I have anyway, over the years that its ratio of authenticity is probably 1 in 10 at any given time. It's like it's a match, so I don't take my research from that. Our

position is very clear about what we've said with respect to the Edmonton Oilers and professional hockey.

Secondly, the hon. gentleman talked about VLTs throughout the province of Alberta. Our program with respect to VLTs is very, very clear. We announced several months ago that in the Lethbridge area there would be a pilot project that would include placement of these particular machines within the community, and the reports that I get back from people are that a whole new group of people is going, people who basically spent little time in bars before in their life. People who may have had an opportunity because they live in that part of southern Alberta to just whip across the border into Montana, where you could play VLTs for some period of time, are now staying in the province of Alberta. Secondly, they enjoy going. There are a large number of middle-aged women – and I won't define the phraseology for the range for middle-aged in the case of a lady – who are now attending and playing. It's a social kind of an activity.

There has been a decrease in the amount of liquor sales, a very definitive decrease in the amount of liquor sales where VLTs are located, and it becomes more of a kind of a social environment. I also recognize that there are some people who would become very, very susceptible to playing with these particular games, I guess if you're a kid and you've grown up through the Atari-Nintendo-Genesis-Sega kind of generation. It costs me a fortune to buy my kids these particular machines for each and every one. I've played some of them too, and I have spent three and four hours on a Sunday afternoon on a cold winter day playing Nintendo with my 15-year-old son. If I've become an addict by doing that, I don't know. I'm sure that if an individual is unhappy to have a spouse, a partner, a friend be there and they want to do something else, then of course you will get a negative. But we're concerned about it, and we're concerned about the potential for addiction.

5:20

With respect to CFEP, the community facility enhancement program, and this business about: well, what's available? Remember, hon. members, I've said time and time and time and time again that there is no such thing as a quota, that there is no such thing as a special allocation for each constituency. But if you take a \$75 million program in place for three years, we've said very publicly that part of the \$75 million, 10 percent, would be set aside for disaster-related problems; i.e., if you had a facility in a particular area that burnt down, got destroyed by lightning, a tornado ripped it up. In essence, if the province had to respond by way of a disaster related thing, we would deal with it. So take the \$75 million, subtract 10 percent, which is \$7.5 million, divide 83 into the remaining balance, and you get a figure of approximately \$730,000 a year.

I've said that this government will allocate those funds on a fair, equitable, regional basis, and I've said publicly ad nauseam for four years now that if there are 83 constituencies, that would be the definition of the word "region." In essence, if you look at the reports and the way this thing has been dealt with, despite all the nonsense about this Tory slush fund and about this particular minister saying that you're going there and you're going there, the reality is that it was done very fairly. Anybody who's taken the time to take a look at it conclusively will see that, and they know that. Everybody knows that, if you'll be honest about it. But if you want to get up and give your grand speech about the whole thing, well, so be it.

So, hon. members, it's very, very simple. It will be allocated on a fair, equitable basis, the same way it's been done before. No constituency can stand up and tell me that they have been ignored.

The only thing I have ever found is when the greedy ones come in and say, "I want more," and fortunately they've never been anybody from the government side. It's usually somebody on the opposition side who hammers me and then is grovelling in my office day in and day out wanting more and more and more and more, and then they hammer me publicly. I've never been able to understand that. I've got letters from all hon. members who have given me letters. My very good friend across, I've got the letters. They're all piled up saying, "Please help me; please help me," and then we get hammered in here. I'll live to be 1004 and never understand that, Mr. Chairman. I'll never, ever understand that.

To the member for Red Deer: 58 percent is the amount of business that's done in Alberta out of the Western Canada Lottery Corporation. Our objective several years ago was to get 58 percent of all the goods and services out of the Western Canada Lottery Corporation located here in the province of Alberta. That allowed the marketing division to be located in Stettler. That allowed, essentially, the *Luck* magazine and all the printing now to be located in Calgary. That allowed an increase of some 60 people here in Edmonton: unreported. The private sector moves into Barrhead, and it's a scandalous thing, yet what happened in Edmonton and Calgary is totally ignored. You just picked on Stettler and Barrhead. Again, I will live to be 1004 and never understand that.

Kiev is an area that we are looking at, most definitely. In fact, we've had some discussions. We think not only Kiev, but recently a consultant was located in India. In recent overtures that the government has had with various international airlines, we believe that one of the things Alberta should promote is air service from Alberta to Kiev to New Delhi. If you look at the makeup of the population of the people of Alberta, it just is a logical, natural kind of thing. Last week we had discussions with the ambassador from the Philippines and talked to him about an Alberta presence in the Philippines in emerging days.

Legions and VLTs. The hon. member should know that there is an absolute long list of groups in this province who want to have VLTs. We said that our policy is to put them in class D liquor licences throughout the province of Alberta. That's priority number one. Virtually every bingo hall and association, every 65 of them, has come and said that they want to have VLTs. Virtually every service club, whether or not it be the legion or the Kinsmen or the Lions, where they have their own lounges have come and said, "We want to have VLTs in here." The seven casinos in the province of Alberta have all said that they want to have VLTs. The racetracks have all come in and said that they want to have VLTs. Our policy is very clear: class D liquor licences, out of sight, and age restricted. Until we, first of all, deal with the first one, we're not entertaining the possibility of expanding it. We recognize, however, the interest in this particular area. The objective is to take it through with 8,600 machines.

Mr. Chairman, I'm sort of sorry that I didn't answer all the questions, but having said that, I said that I would try and answer all the questions in writing. I would really ask hon. members on the basis of that great spirit and the wonderful opportunity it was to exchange ideas today to really vote on my estimates today. I would really like to move the votes that are associated with the Department of Economic Development and Tourism.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-McClung.

MR. MITCHELL: Mr. Chairman, it's interesting to me that the government would want to call the question on this. We simply haven't exhausted our list of questions by any means. This is an extremely important department. In fact, it's an interesting department, because it seems to be at the core of one of the great, shall I call it, contradictions in this government's promises, its statements versus its actions. Of course, what I'm drawing members' attention to is the direct contradiction between what the government says about its interests in getting out of the business of doing business while at the same time pursuing very aggressively support for business enterprise, in fact intervening in the economy in a way that would really bring tears to the eyes of a New Democrat.

The fact of the matter is that this government without any apparent set of criteria, without any apparent guidelines for why it would choose to invest in one business and not choose to invest in another business, for why it would take the risk of supporting a business in one area that would then have an unfair advantage in competing with businesses in another area doing the same nature of business, leaves us, Mr. Chairman, to say the least, with questions on our minds on this side of the House. The fact is that I could begin to list the contradictions.

MR. DEPUTY CHAIRMAN: I hate to interrupt, but due to the time . . .

MR. MITCHELL: I move that owing to the hour, Mr. Chairman, we rise and report.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. DEPUTY SPEAKER: The Deputy Chairman of Committees.

MR. CLEGG: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions of Economic Development and Tourism, reports progress thereon, and requests leave to sit again.

MR. DEPUTY SPEAKER: Thank you. Does the Assembly concur in the report? All those agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

[The Assembly adjourned at 5:30 p.m.]