

Legislative Assembly of Alberta

Title: **Tuesday, March 1, 1994** 8:00 p.m.
Date: 94/03/01

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: Good evening. I'd like to call the committee to order. For the benefit of the people in the gallery, this is committee stage. It's a less formal stage.

For the benefit of the members, the Chair would appreciate only one person standing at a time. Sometimes we have three and four people standing, and I'm not sure who it is that wishes to speak and who it is that's just standing up talking.

Tonight we are here to consider the estimates of Economic Development and Tourism. Before we do that, I wonder if we could have unanimous consent to revert to Introduction of Guests. All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.
Hon. minister without portfolio.

head: **Introduction of Guests**

MRS. MIROSH: Thank you, Mr. Chairman. I'd like to introduce to you and through you to Members of the Legislative Assembly a very special friend of mine who has come to visit Alberta from Toronto, Ontario, and is learning a great deal about our budget and our plan. This gentleman is the president of the Halpin Group. He and I worked together in developing long-term care a few years back. Seated in the members' gallery, Mr. Claude Halpin, would you please rise and receive the warm welcome of this Assembly.

head: **Main Estimates 1994-95**

Economic Development and Tourism

MR. CHAIRMAN: Committee members would please note on page 69 of the estimates that there are in fact three principals involved in the budget. I wonder if we can have agreement that we go through and hear from each one of the three and then proceed with the questions. Is that agreeable?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Comments?
All right. We'll call upon the hon. Deputy Premier.

MR. KOWALSKI: Well, Mr. Chairman, we have before us the 1994-95 government estimates. The document that I'll be talking from and dealing with tonight is the one that I have in front of me, dealing with the various programs associated with this department, beginning on page 69 and going through to page 89.

If I could take all members to page 70, perhaps I'll just explain how this department is organized. If all members would take a look at page 70, you'll see that votes 1, 2, 3, 4, and 9 will be votes that I'll be talking about as the Minister of Economic Development and Tourism. I'll just repeat that again: votes 1, 2, 3, 4, and 9. All members can see that on page 69 there are two other individuals associated with me in this department: the Hon. Dianne Mirosch, minister without portfolio, is responsible for

votes 5, 6, and 8, and the chairman of the Alberta Research Council, the distinguished Member for Cypress-Medicine Hat, is responsible for vote 7. He'll be making comments on vote 7, and Mrs. Mirosch will be making comments on votes 5, 6, and 8.

At the outset, Mr. Chairman, I'd like to table and file with the Assembly today several reports. The first is a report titled Tomorrow: the day for Mexico? It's a report that we had commissioned and hired Mr. John Oldring to do for us, and we're now tabling it with the Assembly tonight. There will be copies available for all members here as soon as they're circulated. It's a report on economic development and trade opportunities in the Mexican market. All members will recall that in the Speech from the Throne that came down a few days ago, the government indicated that one of its major priorities for 1994 and beyond was to assess opportunities in Mexico. We've also pointed out that in fact we're going to be moving into Mexico with an Alberta presence in the year 1994.

This report, circulated here tonight to all Members of the Legislative Assembly, will be circulated tomorrow to several hundred business and economic leaders throughout the province of Alberta. With the report will come a letter from me asking these economic and business leaders in the province of Alberta to assess the recommendations of the report and get back to me with further thoughts with respect to the presence of Alberta in the country of Mexico: where we should be involved in Mexico, what state of Mexico, and to what degree.

I'll also be extending an invitation to the private sector in the province of Alberta to participate with the government of Alberta in the financing of our Alberta office in Mexico. What we're going to do because this is a new opportunity is rather than simply have an office of the type that perhaps would have had more of a diplomatic presence than a trade presence, we want our offices in Mexico and our involvement in Mexico to be hand in hand with the private sector. We're looking forward to them participating with us in a financial way and assisting us in determining where it is that we want to be located in Mexico.

In the last week of June of 1994 there will be a trilateral Chamber of Commerce meeting in the province of Alberta. Chambers of commerce of Mexico, the United States, and Canada will meet in the province of Alberta in the latter part of June to pursue additional opportunities that will arise out of the North American free trade agreement.

AN HON. MEMBER: In Alberta?

MR. KOWALSKI: It will be in Alberta in the latter part of June. This is a conference being sponsored by chambers of commerce, not the government of Alberta. We're going to be involved in a facilitating situation.

I would like to point out that the document itself that has been prepared by Mr. Oldring is, in my view, of very outstanding quality and points out the opportunities that do exist in Mexico. Mexico is one of the 15 largest economies in the world today. It has a population of some 85 million people. It has the fastest growing middle class of any of the countries of the world, and it competes only with India in terms of the emergence of a new middle class. It has a middle class of approximately 25 million to 30 million people. That's more than the country of Canada.

Interestingly enough, Mexico does not produce enough food for itself. It must import food. Interestingly enough as well, there are more Mexicans who leave Mexico as tourists than there are people who go to Mexico as tourists. When you consider the distance from Edmonton to Mexico City as compared to the distance to Ottawa – most members are quite surprised when I

point out that it takes four hours and 20 minutes to fly from Edmonton to Ottawa; you can fly from Edmonton to Mexico City in less than four hours. Here on our doorstep, not very many miles away from us, is a population of 85 million people.

They have made more dramatic changes in their economy in the last five years than virtually any country in the world. They've had some 225 privatization programs with some 300 state entities, including the third largest ever stock issuance by any country in the history of the world in the selling of their telephone company.

This very important document is the first one that I'd like to table, and copies are being circulated for all members.

I'd like to file other documents with the Assembly, Mr. Chairman. The first one is a document called Alberta International Trade Review 1992. We are a trading province, and in 1992 our exports again performed strongly. The value of merchandise that left this province in 1992 amounted to \$17.7 billion. That was a 9.6 percent increase over the previous year.

Now, what we have to do and what we're doing in the province of Alberta is accentuate by definition the Alberta advantage. Home to the most highly educated and productive work force in the country of Canada, we've got tremendous infrastructure development throughout this province, abundant supplies of energy, natural resources, the overall lowest tax level in the country of Canada, no provincial sales tax, and no inheritance tax. Of course, we've got an entrepreneurial spirit of citizens completely dedicated to free enterprise.

Trade is important, and of course this document is statistically loaded with all of the destination points where we do trade, how we do trade, the areas of growth, and the areas of weakness as well. What all members would find in perusing this particular document is that our number one trading partner in the world remains America; 85, 86, 87 percent of all of the exports out of the province of Alberta go to the United States of America. Other parts of the world have, in fact, become less and less important to us simply because their economies have grown rather than ours has gone back. We have had tremendous export of gas and petroleum products out of this province through 1991. America remains our single most important client, our single most important customer and the one that is extremely important to us.

Another document that I wish to table with the Assembly tonight is the 1993 annual report of TRILabs. Its funding parameters within the budget that I am responsible for: some \$980,000 a year goes to TRILabs. This of course is a facility that's located in terms of telecommunications research, very important in high technology. We're a partner along with the University of Alberta and such firms as Communications Canada, the University of Saskatchewan, Northern Telecom, Ed Tel, the University of Calgary, Digital, and others in terms of development and further expansion in that particular area.

A further document that I wish to file is the annual report of the Alberta Microelectronic Centre, the 1992-93 report, called Window to a New World. Out of my budget in this particular upcoming fiscal year will be an expenditure of \$1,750,000 for this very important research development.

8:10

Another report is the report for the Centre for Frontier Engineering Research, the 1992 annual report, a report called Harnessing the Power of Innovation. Of course, we're partners with a number of private-sector firms in the province of Alberta and Canadian firms such as Algoma Steel Corporation Limited, Amoco Canada Petroleum Limited, Chevron, Coopers & Lybrand, the Devonian Foundation, the government of Canada, Gulf Canada Resources, IPSCO, just to name a few of them.

This is involved in the research in the province of Alberta, and my budget starting April 1 has the funding parameter of \$100,883 with respect to that.

The last report is the report for the Laser Institute here in the province of Alberta. We're providing \$800,000 as a partner in the research and development in this very important area in terms of a variety of things: facilities and offices throughout the province of Alberta.

Now, Mr. Chairman, those are important documents. There's no requirement to file any of these, by the way, but I want to make them available for all members of the Assembly if they choose to have them. They basically are annual reports of other organizations that will help hon. members understand some of the parameters of our involvement.

The second thing I'd like to do, Mr. Chairman, is give hon. members an overview with respect to a number of loan guarantees, direct loans, and investments. Prior to Christmas of 1993 I indicated that there were half a dozen files that I was working on, half a dozen files that I wanted cleaned up, and half a dozen files that we had to deal with to get from behind this. The hon. Premier commented as well. What I'd like to do is bring all members up to date with respect to this half a dozen files, identify them here tonight and make some brief comments with respect to them. In some cases there will still remain some certain aspects that perhaps it would not be best to discuss in the public domain.

In a nutshell, the first one of these that we had to deal with in our so-called troublesome files was here in the city of Edmonton, an organization called the Edmonton Space and Science Foundation. Now, I think virtually everyone in the House is aware of what the Edmonton Space and Science Foundation is. They had a loan guarantee of \$1,114,000 and wanted this guarantee revised. We basically said that we could not do that. Since that time we've worked with the foundation. They've become successful in acquiring a working capital operating line of credit without the assistance of the previous guarantee. As a result, this guarantee of \$1,114,000 has been canceled. It is off the books. Gone.

The second firm that we were dealing with and we've now brought a resolution to as well is a firm called Integrated Technologies International Inc. They in essence had an export loan guarantee of \$900,000 and were seeking additional parameters so that they could continue to be. We've had a work-out situation worked with them. There are no more additional dollars being provided to them. This is not a new guarantee. It's an extension, basically, with a work-out provision, a guarantee that was renewed for six months in which cash flow projections submitted by the company indicated to us that they'll be in a position to obtain the necessary bank financing without the assistance of the government. So that's file 2 that is now behind us.

The third file that I was working with which remains one that I have to continue working with is a company called Magnesium Company of Canada. Magnesium Company of Canada has a loan guarantee of \$102.7 million. After the Alberta Natural Gas Company shut down the MagCan plant in High River, efforts were directed at documenting the operating results of the plant and implementing an asset preservation program. There have been delays encountered in terms of the process. We have recently instructed our agent Burns Fry to proceed with the sale of this particular plant. They're in the process of contacting all known potential purchasers worldwide, and they've been given a time frame towards the latter part of March to come back to me with a review of what the international interest might be with respect to this plant. I believe we're not going to be in a position to conclude this matter for perhaps another six to nine months, and hopefully my time frame to deal with this file in a resolute and finite way will be by the end of 1994.

The fourth file that we have been working on is a firm called Millar Western Pulp, which is located in Whitecourt, Alberta. Millar Western Pulp some years ago, a number of years ago, long before I was minister in this particular portfolio, received a \$120 million loan from the Alberta heritage trust fund. This company is experiencing difficulty as a result of continuing low pulp prices. All members are aware that the pulp industry in Canada in the last perhaps 18 months has suffered losses as high as 2 and a half billion dollars. This is not a Whitecourt problem; this is not a northern Alberta problem; this is not an Alberta problem; this is not a Canadian problem. This is an international problem. Millar Western Pulp is no different than anybody else in the pulp industry in the country of Canada: sustained losses of some 2 and a half billion dollars in the last 18 months. Millar Western came to us in the fall of 1993 and identified this difficulty to us and requested an additional number of dollars in loan from the Alberta heritage savings trust fund. We have rejected that, Mr. Chairman. We have said no to that. This government will not do that. We worked with their prime lender, the Canadian Imperial Bank of Commerce, and there has been a new restructuring done with Millar Western whereby the Canadian Imperial Bank of Commerce will be allocating an extra additional amount of money, some \$30 million, to this firm, Millar Western. No additional dollars from the province of Alberta, a restructuring plan under way with the private sector: I don't think there's much more one can say on that. That file is closed as far as I'm concerned. The private sector has dealt with it.

An additional file that we have been working on is a file associated with a firm called Pratt & Whitney, which is located in Lethbridge, Alberta. A number of years ago, again long before I was ever involved in this particular portfolio, Pratt & Whitney was provided with a \$25 million interest free loan from the government of Alberta. When I say the government of Alberta, I mean the cabinet of the government of Alberta. In order to qualify for that loan, Pratt & Whitney had to construct in Lethbridge, Alberta, a manufacturing facility. That facility is completed. It deals with the assembly and testing of aircraft engines, and it's operational. However, as a result of what's happened in the airline industry internationally, there's been a slower than expected recovery, and the project is not meeting all of the employment targets that they originally set out in order to qualify for the \$25 million interest free loan. Neither did the cost of their project reach the \$40.95 million contemplated. In other words, they were to build a plant at \$40.95 million. They were to provide so many hundreds of jobs in order to qualify for a \$25 million interest free loan. They did not have to expend \$40.95 million. They cannot employ as many people as originally set out. So what we have done, Mr. Chairman, is renegotiate with Pratt & Whitney the eligibility that they had for the \$25 million interest free loan. Employment levels and project costs were short by 19 percent of their original objective, and we have negotiated a 22 percent return from the company on benefits associated with the interest free loan and the interest payable. In other words, they were not going to qualify. They were 19 percentage points short of the expenditure target that they had; they were short of the employment target that they had. We have renegotiated the \$25 million interest free loan down by 22 percent in order to deal with that. That matter is now behind us.

The last matter that I have dealt with and that hon. members in the Assembly have raised questions with deals with a guarantee that has existed. Again it was put in place before I ever became the minister. It's with the North Saskatchewan River Boat company here in the city of Edmonton. There is a loan guarantee of \$947,000. The boat has been built, Mr. Chairman, but there is a legal dispute between the company and the builder, and

there's insufficient funding to complete the project. We've been working with principals of the company in the last four and five and six months, and always working on one thing: attempting to attract additional investors to this on the condition that the quantum of the loan guarantee will not be increased. Now, it may very well be that in the next several months this matter cannot be resolved. If it cannot be resolved, I want all members to know that the loan guarantee on this particular craft is secured by a first charge on the boat, estimated to be worth \$2.8 million. So we have a loan guarantee of \$947,000 against a craft valued at \$2.8 million. We are working with certain principals in an attempt to resolve this matter. I am not going to be in a position to identify who those people are, but they are entrepreneurs here in the city of Edmonton. The point is that in my humble opinion there's no possibility of a loss with respect to this at all.

I indicated that I would indicate those files. I've now gone through them: the Edmonton Space and Science Foundation, Integrated Technologies International Inc., Magnesium Company of Canada, Millar Western Pulp, Pratt & Whitney, North Saskatchewan River Boat. I want to make it very clear to all members of this Assembly and all people of the province of Alberta that since Ralph Klein became the Premier of this province on the 15th day of June, there has not been one guarantee, direct loan, or investment made by the government of the province of Alberta; i.e., the cabinet of the province of Alberta. That is rather significant.

8:20

Now, this whole area is a very exciting one. In this short a period of time you hardly even have a chance to go through your estimates. Our three-year business plan: as I identified, it clearly shows the direction we're heading into. We're going into marketing, facilitating. Mr. Chairman, obviously I'm not going to have a chance to give you a lot of additional specifics with respect to this, but it's my humble opinion that over the next three years the area of economic development and tourism will become very, very dramatic.

Now, two of my colleagues will want to participate and add additional comments with respect to various programs that they are involved in. First of all, we would, I believe, have the minister without portfolio deal with programs 5, 6, and 8.

I'll be happy to answer any questions, Mr. Chairman, at my appropriate time.

MR. CHAIRMAN: The hon. minister without portfolio.

MRS. MIROSH: Thank you, Mr. Chairman and Mr. Deputy Premier. It is certainly an honour for me to stand up this evening and talk about the three votes that I'm responsible for, as well as working with the hon. Member for Cypress-Medicine Hat. [some applause] At least I have one fan. [interjections] Oh, great. Thank you.

I'd like to thank the staff who are here this evening as well, the officials specifically, who have worked so hard at putting these three-year plans together and helping me in this short time to learn about these votes and these responsibilities. Of course, our whole focus is to create wealth and jobs for Albertans.

The Alberta Opportunity Company is quite an exciting company. It's like all agencies: it's reaching for bottom-line results, and it is expected over the next three years. Since its inception in 1972 the Alberta Opportunity Company has worked hard to meet its mandate, providing financial and managerial assistance to support small business and medium business growth in this province. In the last five years only, a total of 1,888 loans have

been given out, totaling \$152 million. This has been a direct impact to a lot of activity and business in this province. Mr. Chairman, I think it's important to also stress that over 10,000 jobs have been created in the last five years with these loans, and the number of jobs created through business expansion facilitated through AOC has over just the last year totaled 3,000 jobs.

Mr. Chairman, I think it's important for this Legislative Assembly to know the good news. Some of the people who have received these loans over the last five years wanted me to tell you their good-news story. It's never, ever been spelled out in this Assembly, and I have been given permission by them to tell you who they are. I'd like to tell, if I have the time, every single one, but just to mention a few. One is Key Concrete in Calgary. AOC provided working capital to this company and enabled a much needed expanded facility. They are now employing 60 people, and their loan is paid off. In Lethbridge, the Lethbridge Iron Work enabled a family-owned foundry to relocate to a modern and more efficient plant, and this company has repaid its loans and has created employment for over a hundred people. Also, Goldec International Equipment of Red Deer helped provide land, building, and equipment for manufacturing hydraulic lifts. This company, too, has repaid its loans and has created employment for 18 people. AOC loans to Quicksilver Manufacturing Limited in Strome, Alberta, enabled this manufacturer of canoes to expand its operation to include production of other fibreglass products. They have now employed 10 people and are growing.

Mr. Chairman, I would really like to list all of them, but I think it's important that you realize that even though they seem like small numbers, these are small businesses, medium-sized businesses that are growing. One of the policies that AOC has is that they lend funds where they are no longer available through other lenders. They provide financing where extensive competition would be created in the market and provide financing which would give the borrower an unfair advantage. Despite the three-year reduction in the provincial grants, which are going down from \$17.5 million to \$9.3 million, AOC still will continue its mandate of providing direct-term financing for all types of small to medium sized businesses. The AOC will help bring business to life and assist in expansion to create jobs, diversify our economy, and, most important, to create wealth in this province.

To meet its mandate in addition to direct-term loans to fixed asset financing, AOC will provide guarantees – guarantees – to chartered banks and Alberta Treasury to help businesses obtain increased operating credits. This will enable business to meet their needs in cases where banks are not prepared to provide the full amount of the required funding. AOC will also provide limited export development guarantees which will enable Alberta businesses to capitalize on opportunities within export markets. Again, without assistance of such guarantees a lot of these businesses would not be able to compete in the export markets throughout the world.

Now, in conjunction with AOC, the Agriculture Financial Services Corporation and AOC will become involved in facilitating financial assistance for Alberta businesses through the new community bond pilot project. Community bonds will encourage local investors and the private sector to develop community projects while requiring less direct involvement or risk by the Alberta government. These projects have yet to be identified for the pilot bond programs.

I'd like to point out, too, that AOC will be undergoing a major restructuring program over the next three years, and under the guidance of the chairman, Mr. Jack Donald, and president, Jim Anderson, AOC will restructure to achieve these efficiencies, meet the budget targets, and remove itself from all equity

investments. Specifically, the company's venture and seed investment division, which provided funding for high-tech companies, will be eliminated along with its corporate marketing division. AOC consulting division, which provided management consulting to a variety of businesses, will operate for one more year. Another restructuring development includes the closure of the AOC branch office in Lloydminster April 1, 1994. The implementation of loan application fees and a modest interest rate increase to new loan applications will occur. These changes will ensure that AOC focuses on the task of administering over \$94 million in outstanding loans and pursuing a mandate to provide new loans that will return jobs to Albertans and also help diversify the economy.

Another responsibility within this vote, Mr. Chairman, is the western economic partnership agreement, which started in 1992. This is an agreement that the government entered in with the federal counterpart. These areas include tourism, business and community development, and technology. The tourism agreement enables the Alberta tourist industry to lever its market dollars through co-operative activities. As of January 31, 1994, 18 projects have been approved, and the net estimate for WEPA in this project is \$590,000, down from \$1.14 million. This agreement terminates March 31, 1996.

The business and community development agreement is still in its early stages. However, we do know that it has created at least 57 jobs, and the estimated amount for this is \$1.665 million, down from \$2.9 million in 1993-94. This agreement also terminates March 31, 1996.

The communications technology agreement provides funding of Alberta-based firms, Alberta industry association and research institutes based in Alberta who partnership with the private sector. Many of them have relocated in Alberta. This agreement supports the telecommunication research labs. This agreement has \$5 million dedicated to the wireless communications research laboratory. The TRILabs' world-class capabilities were a critical factor in Northern Telecom's decision to make Calgary its global centre for wireless technology. This estimate for WEPA is \$1.735 million, down from \$1.775 million. This agreement ends March 31, 1995.

8:30

The Alberta Tourism Education Council was formed in 1987, and the mission was to create training and education for the tourism industry. This has also produced the Alberta Best program, and it has been a successful one. Tourism industry workers maximize their experience in encouraging tourism in this province and putting out the positive word on a major industry growing in this province. Mr. Chairman, I'd like at this point to just announce that a new chairman has been appointed, and his name is Mr. Mike Miller, who comes from the private sector. The industry over the next three years will be receiving reduced funding and by 1997 will become self-sufficient.

In conclusion, Mr. Chairman, I'm very confident that the people of Alberta will realize the strong benefits from these programs and that certainly job creation, business, and wealth will provide a solid return on our investment and will be consistent with this overall direction of government and the Department of Economic Development and Tourism.

Mr. Chairman, I would like to now ask the Chair for my colleague from Cypress-Medicine Hat to take you over the next three-year budget plan for the Alberta Research Council.

Thank you.

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

DR. L. TAYLOR: Thank you, colleagues. It's a pleasure to address this august body this evening.

AN HON. MEMBER: It's a March body.

DR. L. TAYLOR: It's a March body this evening. All right.

The Alberta Research Council has played an important part in Alberta's economy. It was founded in 1921. I want to talk just a little bit this evening – and I'll try and be brief – in regards to the Alberta Research Council. The mission of the council, of course, is to advance the economy of Alberta. We intend to do that, and we do do it, in three ways. One, we promote technology, development, and the application of the technology. We advance the economy and create wealth by performing applied research, and we advance the economy by providing expert advice and technical information and scientific infrastructure.

Now, I want to point out that we are particularly concerned about creating wealth. I think we as a council are not ashamed to talk about creating wealth, because when we create wealth, we create jobs. I want to say that the Alberta Research Council on the whole does not create wealth directly; rather, it creates wealth through its Alberta-based clients and partners. It creates wealth by joint venturing with various companies in an attempt to add value-added technology products, processes, and services for the global marketplace.

The Alberta Research Council, as I say, is involved in wealth creation. It does it in two ways. It does it through the private sector, as I mentioned, through joint research ventures, and it does it through reducing the cost of government services. For instance, we worked with the city of Edmonton to reduce the amount of salt that Edmonton applies on its roads by 25 percent. That reduces the cost of sanding and salting in the winter. It reduces the cost of replacing equipment, of course, because there's not so much rust. It reduces the cost to all of us in terms of vehicle maintenance. There's less salt, less damage to our cars.

What I want to particularly talk about for a few minutes is the success that we've had in the private sector, Mr. Chairman, and just to give you a few good-news examples. We hear lots of negative news and doom and gloom today, but we've got lots of good news in Alberta. We've got lots of good news created . . .

MR. CHADI: Where?

DR. L. TAYLOR: Right here, through the Research Council. If the member opposite would listen and keep his mouth closed and his ears open, he'll become more than a shadow New Democrat, as I've mentioned before. [interjections]

Chairman's Ruling Decorum

MR. CHAIRMAN: Order. Hon. members, shots back and forth are not helpful.

DR. L. TAYLOR: Sorry, Mr. Chairman. Did you wish to make a comment?

MR. CHAIRMAN: I just did. May I remind all members of committee that shots back and forth are not helpful.

Would you care to continue with your speech?

DR. L. TAYLOR: Mr. Chairman, I certainly wouldn't make a shot at the other side unless, of course, I was attacked in the first place. I react; I don't initiate this kind of behaviour.

MR. CHAIRMAN: The hon. member is just reminded that we don't have here the right of self-defence.

DR. L. TAYLOR: Certainly that's surprising, Mr. Chairman.

Debate Continued

DR. L. TAYLOR: To continue with some good news – I hope the members opposite will listen to the good news – on some of our joint research ventures, some of our partners with private industry that create wealth, that create jobs. We're not interested in just creating taxes because that destroys jobs. Creating wealth creates jobs.

Gienow Building Products is a joint venture to manufacture windows in Calgary. It created 110 new jobs; it increased sales \$10 million a year. ICS Inc. improved manufacturing products for ceramic armour in industrial uses, a million dollars a year. Polar Bear Water Distillers: 15 new jobs, increased sales of \$4.5 million a year. Pine Shake & Shingle: we see now in a lot of the new subdivisions the light-coloured shakes that are going on. They're pine shakes as opposed to cedar shakes because we can produce them in Alberta, and they're much less expensive. With the weathering process, in the period of about one year you can't tell the difference between a pine shake and a cedar shake. With Majestic Forest Products, 80 new jobs created.

These are the good-news stories, and I can go on briefly. The manufacturing area, with construction materials from postconsumer plastics: that is, instead of putting them in a landfill, we now have technology to use these to benefit our economy and our environment. This project was with Elstro Asphalt and will create extra sales of \$2 million to \$5 million within two years. The joint research venture in magnesium alloys with Amptech Corporation will create 100 new jobs and 150 other jobs in suppliers. Mr. Chairman, I could go on.

The Alberta Research Council works with private industry and creates wealth and creates new jobs in the economy. Now, as I've said, our goals are to create wealth, to contribute to the provincial deficit reduction and job stimulation. Over the next three years we at the Alberta Research Council are going to have a three-year impact of \$310 million on the economy of Alberta. We are going from a ratio of for every \$1 that's invested in the Alberta Research Council, the impact on the economy will be \$5, and that's the \$310 million figure. We will contribute \$170 million to the deficit reduction in this province over the next three years, and that is a substantial contribution to deficit reduction. Of course, as a government we have talked about job creation and creating new jobs, and we will create as a government 110,000 new jobs in the province over the next four years, Mr. Chairman. The Alberta Research Council is going to be part of that. We are going to create 9,300 new jobs in job stimulation from the growth in the economy through the joint ventures that we do with industry.

The Alberta Research Council has developed strategies to increase our mission effectiveness, and I'd remind you once again that the mission is to create wealth for the province. We intend to increase our mission effectiveness by a number of strategies. Number one, we want to select economic sectors where economic impact will be the highest. Number two, we will select clients and partners with the best business skills.

A recent example I might refer to is a joint research venture with an Alberta company. Now, as you know, in the pulp and paper industry there's a lot of effluent that goes out of the pulp and paper mills into the streams and rivers. We are in the process right now of developing technology with an Alberta company so that material will be one hundred percent recycled. There will be no impact on our rivers and streams at all. The material will stay

in the pulp or paper mill and just be recycled one hundred percent. That's what we're talking about, selecting partners and clients with good business skills.

We will give increased emphasis to joint ventures. We will increase our emphasis on spin-off activities to the private sector. An example of that is the contract that we have just signed with the Mitsui corporation for scrubbing the chemicals that come out of coal-burning furnaces. We have signed a joint research venture, and we will get royalties from the Mitsui corporation as they put this technology into coal-burning plants throughout the world. We will continue the implementation of quality business practices.

8:40

Those are some of the things we intend to do, Mr. Chairman. Because we are going to become more efficient, there are some areas that we are going to withdraw from. We intend to withdraw from the Alberta Geological Survey; the Alberta soils survey; groundwater, surface water, and air quality monitoring; electronics testing; gasoline and oil testing; pavement management research; and humane trapping. These are all areas that were largely interacting with various government bodies.

What we intend to do is withdraw from the areas that we were interacting on with various government bodies and stress our emphasis in the private industrial sector. So we will focus our efforts in the following sectors: biotechnology, energy breakthrough technologies – and we are presently working on transferring the national centre for upgrading technology from Ottawa to Devon. That alone will bring 36 scientists from Ottawa to Devon over the period of the next several years. Energy breakthrough technologies – and I might say, in spite of the member opposite's comments, that Devon is not in a Conservative riding – energy technologies, environmental technologies, forest products, information technologies, manufacturing, and pulp and paper.

Now, ARC's work in the manufacturing of advanced materials and manufacturing processes and product development will increase. Through that, we will increase the provincial gross domestic product. We will create new high-value jobs, and I think that's important. When we're looking at the restructuring of the North American economy, we have to look at the types of jobs we create. We will create new high-value jobs. These new high-value jobs will increase tax revenue for the province and diversify the economy, and it's important for us to diversify the economy. As you know, our economy is largely agricultural and energy based. Through this process we can diversify the economy.

In the energy breakthrough technologies, such as in situ recovery technology and upgrading technology, there are many benefits. Of course, a major benefit is lowering the price of heavy crude and heavy oil. By lowering the price of heavy oil, we make our market more accessible to the North American market. This will create, of course, many jobs. We will create wealth through the oil sands recovery, through licensing newly developed technologies and selling expertise in recovery methods.

Once again, improvements in technology will lead to an increase in established oil reserves. We're seeing some of that in existence today already. Net benefits of work in this area will include employment and exports in the energy sector, development of many new products for commercial use, improved productivity in existing Alberta companies, and improved competitiveness and diversification of the Alberta economy.

The areas of pulp and paper and forest products also offers great promise. An example of that, of course, is all the new board we see going on the new houses in the new developments. We see very little plywood going on houses for the original siding

before the aluminium or brick or whatever is put on. The board that you see going on is a development of the Alberta Research Council.

AN HON. MEMBER: What's it called?

DR. L. TAYLOR: K3.

AN HON. MEMBER: Oriented strandboard.

DR. L. TAYLOR: OSB; right. Thank you. We actually have used quite a bit of it ourselves in our construction, but it is OSB.

The other area that is going to be important for the Alberta Research Council is the biotechnology sector. By assisting biotechnology with infrastructure support and manufacturing capability, Alberta can develop a new pharmaceutical industry which can tap worldwide markets with new technologies and many nonfood agricultural products. A good example of this, of course, is the disease we hear a lot about in summertime, the hamburger disease. We at the Alberta Research Council have developed a drug that does away with the symptoms of hamburger disease. It has already gone through the first series of testing last summer; it will go through the next series of testing this summer. You can imagine the market for a drug of that capability that can rid us of hamburger disease, which has caused us so many problems with all of us who like to barbecue during the summer. Indeed, Mr. Chairman, the future looks bright for the Alberta Research Council and the contribution it will make to Alberta's economy.

As chairman I look forward to the future of the Alberta Research Council and to the future of the wealth and the jobs that this council will create for the province. I look forward also to answering any questions the members opposite might have.

Thank you.

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

MR. BRUSEKER: Thank you, Mr. Chairman. The Alberta Research Council in fact, I think, is doing an excellent job in many of the areas that they're working on. The member that just spoke was also responsible for arranging a tour of the Alberta Research Council by the MLAs last fall. I think that was a very informative evening for many, particularly the newer MLAs that haven't had an opportunity to be through there, so I think that's certainly an excellent step in the right direction. I think another step in the right direction is the reduction in their budget. However, if you cast your memory back to that particular evening, you'll recall we had some difficulty getting back here because of climate problems, and maybe where the Alberta Research Council should be venturing into future research might be in climate control so we can get down there and back in one evening in safety. Just a thought there.

Moving on to some of the other comments we've heard earlier on. I'd like to move on to comments made by the minister . . . Well, we'll go on to the minister without purpose, I mean portfolio, with a number of supposed duties. Now, I recall very clearly, Mr. Chairman, when the Premier was elected as leader in December 1992 and talked about reducing the size of the cabinet. This department, Economic Development and Tourism, used to be three departments and used to have three ministers. Now, it seems we've gone back to two ministers, and really there's not, as far as I can tell, much particular reason for it. In looking over the western economic partnership agreements, as I listened to the minister talk about them, these are all going to end basically in March 1995 and 1996, depending upon the particular program. You know, it sounds like many of these are sort of

percolating along on their own regard without much need for an overseer, so the obvious question is: why do we have to have a minister looking after this particular area? But I'd like to go through them a little bit, and the question I have is with respect to the agreements. The agreements are between the federal government, of course, and the provincial government, and I'm wondering how the matching dollars work out between the two different levels of government.

8:50

I also note that of the six programs, three are under the Department of Economic Development and Tourism, so it makes sense to be in this budget, but there are three: cultural industries under Community Development, mineral development under the Department of Energy, and reforestation and forest management under Environmental Protection. I'm wondering why it is they're all in here instead of being more appropriately located in other areas, because it seems to me that it would make more sense to have them located in the area that makes the most sense, which is the respective department, the ones I just named.

I want to go back to the business and community development one, because as I look in the big budget book that we have to look at, on page 78 there are some short descriptions of each of them, and under business and community development there is a phrase in the second line that says "some of which will be cost-shared." So my question to the minister responsible is: which will be and which will not be cost shared? Because "some" leaves it open to considerable interpretation.

The community-based organizations. The minister did make some comment about the community bonds program, and I'm wondering: is that going to fall under this section, or is that going to fall under the auspices of the Alberta Opportunity Company? Because I did hear him make some reference to community bonds, and there's talk about community-based organizations under business and community development, so I am wondering where that is in fact going to fall.

Under the communications technology section, the description on page 78 talks about

support for the development of new technologies, systems, applications and services in Alberta's information technology sector.

I guess my question there is: the support is going to go to whom? TRILabs is mentioned as part of that, but I'm wondering to whom else the money is going to be going. We've got under that vote, 5.2, \$1.2 million, or \$1.3 million I guess, if you round it off, going to information technology development initiative, and I'm wondering if the minister could talk about that just a little bit later on.

I want to jump down to the bottom of the page there. Vote 5.6 talks about tourism marketing and outlines proposed expenditures for tourism marketing. There's a figure for Asia Pacific, one for North America, and one for Europe. The question I have there is that the two figures for North America and Europe are reduced substantially; in particular, North America. Now, as I've heard different ministers and different members talk before about what's going on in tourism development, many of our tourists that spend money in the province, in fact the greatest number, are Albertans themselves, and then we have our near neighbours immediately around us, Saskatchewan . . .

MR. CHAIRMAN: Hon. members. I wonder if we could lower our whispering by about three or four octaves? Then we would be able to hear the hon. member speak.

The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I mentioned that Saskatchewan, British Columbia, and Montana are our near neighbours, yet we seem to be reducing our advertising in North America. I'm wondering again – you know, we never see in the budget anything related to the team tourism program, which I know is funded through lottery dollars, but again its focus is on tourism marketing. One of the things I have heard from virtually everyone in the tourism sector is that one of the things we really need, the biggest thing that we really need, is marketing of Alberta.

Alberta has tremendous, beautiful natural advantages, and I'm talking about the Rockies, I'm talking about the prairies, I'm talking about some tremendous physical assets that the province of Alberta has, and we need to get the message out there. Yet we're cutting this budget substantially, and I'm wondering what consultations have happened between the government and people in the tourism industry that suggest that a reduction of approximately \$500,000 is in fact the right way to go. I'm concerned about that because I think that if we're going to develop our province, one of the fastest growing market sectors in the world is, in fact, in tourism. To reduce marketing in tourism and to reduce the growth in our tourism sector seems to me to be exactly the wrong way to go.

Mr. Chairman, I'd like to quickly review the financial assistance to the Alberta Opportunity Company. I am very pleased to see that the dollars allocated to this money-losing venture are reduced. The minister without portfolio talked about four – perhaps five, I heard her mention – examples of firms that have done well with loans from the Alberta Opportunity Company. The inference that she makes in her presentation is that without the loan from the Alberta Opportunity Company those businesses never would have gotten off the ground. Well, I'm not sure that's necessarily the case, and I have long been concerned about money allocated to this particular corporation. Last time I checked the books, they had a net debt of \$34 million. I'd like to know what they're doing to reduce their debt along with the direction and drive in the government, because this is a firm that has lost money consistently in the past years. The only way it seems to make any headway against its debt is when the government makes a huge infusion of cash so that it can pay it back to the government and buy its debt down against the government. I'm not persuaded that this is something we should be funding at all. I'm pleased to see that the venture and seed capital financing programs are being wrapped up. They were big, big money losers. Now, if we can just wrap up the rest of it, I think we'll be further along.

The minister talked about a provision of guarantees by the AOC to banks. You know, it's interesting. The Deputy Premier in his opening comments talked about the government getting out of the business of loan guarantees, which I suppose technically is correct, but what we see now is simply a move from the government giving loan guarantees to them shuffling them off to agencies like AADC – they gave a loan guarantee so we could have cookies – and now the AOC, continuing on with loan guarantees for whatever purposes. I don't distinguish in the same fashion that the Deputy Premier did in his opening comments; the AOC, being an agent of the government, is part of the government.

Briefly on ATEC, Mr. Chairman, the concern that I've heard about ATEC is that industry, although involved with setting the standards, has not really bought well into the program. I think the Alberta Best program has received its share of accolades and certainly is a step in the right direction. The concept of education, training, and standard setting is certainly the right kind of direction for us to be proceeding in. However, I'm kind of wondering how it is that this is going to continue. I heard the

minister say that this will be self-sufficient – I think the target date was by 1997 – which suggests, then, that by the time we get around to a budget document in 1997, there won't be a line item called ATEC under this department. The question is: how is it going to become self-sufficient or self-funding? Has that been considered? And is there a change in the mind-set of people in industry so that in fact they are using the programs?

My understanding is that in many ways Alberta has a world-renowned reputation for being a leader in this particular role, and I have spoken in support of the role of ATEC in the past. I think it is a good project, if you want to call it that, or a good line item in the government. I'm concerned that something that has the potential, perhaps, to be one of those exportable commodities that we can market elsewhere might be something we're going to be losing. I hope that at some point the minister will get to respond to that concern.

9:00

When I look at those two areas – program 8, which is the tourism education and training, ATEC, and program 5, western economic partnership agreements – and realize they both end by 1996 or in the case of ATEC, 1997, I guess that means that by 1996 she's going to be moving on to another portfolio because this one is going to be wrapped up. So maybe she's going to be the itinerant wandering minister minstrel of who knows what next.

I guess the issue I'd like to deal with now briefly is the matter of the loan guarantees that the Deputy Premier started off with, and I want to deal in particular with, I guess, probably the two big ones, which are MagCan and Millar Western Pulp. MagCan, or Magnesium Company of Canada, I note in the budget has been written down by about \$53 million. The loan guarantee of \$102.7 million does not take into consideration the money we've also had to expend in terms of interest payments on that money. I have heard that the government has received an offer to purchase MagCan, and I hear that the offer is \$400,000 for the land and the building.

AN HON. MEMBER: That's my offer.

MR. BRUSEKER: That's your offer? The offer is \$400,000 for the building as it sits and the land around it. As I understand from the previous comments on this, we're not even sure if this is a viable technology. So I guess my first question to the minister is: are there any other better offers out there on the table? It looks like we're going to eat most of that \$103 million, ballpark, loan guarantee. That would be a tremendous loss.

With respect to Millar Western Pulp, the minister talked about 2 and a half billion dollars in losses, I think he said, in the last 18 months. I'm wondering if he could update us as to the state of repayment of that loan, of the \$120 million that he referred to, because that again is a concern and a potential loss if things are continuing in a negative vein in that particular industry. Between the two of them, then, with interest payments, et cetera, we could be looking at exceeding the quarter billion dollar mark. That is a significant concern to my constituents and I would argue, Mr. Chairman, to all Albertans, because of course that would be another hit that quite frankly we don't need and really can't afford.

Mr. Chairman, doing a quick overview of some of the other line items in the department, just a generic question. I raised it before when we talked about budget; I would just like to mention it again. In previous budget documents we used to see a column that showed a figure for the percent change. It seems to me that it wouldn't be terribly difficult for the government to include that calculation in the preparation of budget documents. So I throw

that out as a suggestion to the minister because I think it would help MLAs, it would help ministers, and it would help the public to get a better handle on what it is that's happening. Up until the current Premier became the Premier of the province, in previous budget documents there used to be a percent change figure, and I think it would be nice if it was thrown back in again. Not to say we can't do the calculation, but it's easier for the government to do it once and include it in the publication of the document.

[Mr. Clegg in the Chair]

On to vote 1.0.4. Communications shows a slight increase in here, and I'm wondering why it is that that would be the case when it seems we have a Premier who is more than willing to go on TV and communicate issues, when we have lots of other ways of getting out information, why we see a small increase. I don't think it's a big amount of money, but I guess the obvious question is: why is it going up at all?

Mr. Chairman, I'd like to turn to my hometown of Calgary of course, program 2, vote 2.1.4. The government is opening a new Calgary office, and I didn't hear any comment from the minister about the Calgary office. I think that certainly could be a step in the right direction for business and tourism development. I would like to know a little bit more about what is proposed to be undertaken. The figure that is there is \$420,000. Certainly that will rent a lot of space and pay a lot of salaries, and I'm wondering what is going to happen out of there. In Calgary we already have a southern Alberta office of Economic Development and Tourism. There are staff on hand there, and I'm wondering why this new line item appears. Is it simply a better identification of what we're already doing, or is this a new project? If it's a new project, I'd like to know exactly what it is that we're doing in that particular area. Program 2, vote 2.1.4 in the element details book, page 15: \$420,000.

Moving on in vote 2, industry, technology, and research: there is a sort of a hold the line compared to the actual of 1992-93, but there's a section simply entitled industry development, vote 2.2.2, and I'm wondering if the Deputy Premier could just talk a little bit about that particular area.

Vote 2.2.7 is the Alberta Motion Picture Development Corporation. Mr. Chairman, I know that here we have a hold-fast position and that the dollar amount hasn't changed, but in the last few months I've had the opportunity to speak with a number of people that are involved in the tourism industry.

AN HON. MEMBER: Thirty seconds.

MR. BRUSEKER: Only 30 seconds, gee, and I've only begun.

This is an area that is labour intensive, is environmentally friendly. They are very high-tech kinds of jobs, and I'm wondering what it is we can do to develop that industry even more in the province.

I'll get back in later on.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'd like to speak to the business plan for Economic Development and Tourism as it specifically backs up the estimates for this department. I have to compliment the minister and his staff on their ability to create a wonderful looking business plan. It has a mission statement, graphs, goals, strategies, expected results and performance

measures, and appendices for the associated councils of the Alberta Opportunity Company and the Alberta Motion Picture Development Corporation and Alberta lotteries and gaming. It's really too bad that there's no depth here. Nice start, real glitzy, but no surprises from this government, no depth.

A department which expects to spend \$184.4 million for the '93-94 year, \$137.5 million for the '94-95 year, \$127.3 million for the '95-96 year, and \$100.3 million for the '96-97 year, a four-year total of \$549.5 million, has provided the grand sum of eight pages for their business plan. It's impossible to obtain any real sense of quality or reasonability or means by which to measure the decision-making process of this plan, because what we have is not a plan. It is a collection of statements which culminate in a wish list. It's amazing to think that there is a total of 630.6 full-time equivalent employees in this department, more than \$3.4 million is spent in policy development alone, and they can do no better than this: a flimsy eight-page business plan. If you take the total dollars being spent in this department over the next four years and divide it by the total number of pages for this plan, you get a cost per page of \$68.68 million. I wonder if the taxpayers of this province think they are getting their money's worth.

Now, the minister will argue that I am wrong, that in fact this entire document including title page encompasses 42 large-type pages. We have the eight pages from his department. Then there are the various affiliated agencies. There are eight pages for the Alberta Tourism Education Council, which has provincial grants of \$2 million and which will be phased out over the next three years; six pages for the Alberta Research Council, which receives \$24.6 million from ED and T and a further \$7 million from other provincial departments; two and a half pages for the Alberta Opportunity Company, which receives \$19.5 million. It's interesting that AOC, which has the worst lending record of any financial institution in this province, feels that it can adequately and completely outline its three-year plan in two and a half pages. Then there's the shining star of this department, the Alberta Motion Picture Development Corporation, with 12 pages of information, and it receives a total of \$412,000. It's worth mentioning that this is the only agency that comes under the mandate of this department which even attempted to discuss an actual action plan with time lines. This one is still incomplete, but they made a reasonable attempt. Of course, finally we have Alberta lotteries and gaming, which really only contains three pages of information, but they packed it in over four pages. That with the title page makes 42 pages of wishful thinking. What it does not make is a thoughtful, useful, comprehensive business plan. Of course, we do not judge a book by its cover and therefore should not judge this plan on the number of pages alone. We will judge it on content.

9:10

Let's start with the mission and mandate.

The mandate of the department is to develop and facilitate a favourable business climate and infrastructure that promotes a competitive private sector in the province, allowing the generation of new wealth and jobs for Alberta.

The mandate is further augmented in the Government Estimates on page 69, which states that this mandate will be achieved "in partnership with communities and business," that

this client-oriented Ministry is focused on increasing Alberta's exports, job creation, and the implementation of the economic development strategy of the Government of Alberta.

Sounds great, but is the minister able to prove that this mandate is in fact achievable? How you would do this is by ensuring that the goals, strategies, and action plans of this business plan set out a clear and distinct path for this department to follow. This

would mean that the barebones, basic information we would expect to see in this plan are the normal components that we would see in any business plan. Some of these components would be: identifying the objectives of the plan, outlining constraints. Constraints can be such things here as the federal government and budget constraints within the province itself. You need to identify the market that you operate in – "market" can mean a local or a regional or a global marketplace – and which portion of the market you actually expect to target with this plan. If you're going to target all of these areas – local, regional, and global – then that in itself requires thought and a well-thought-out plan to accomplish.

You need to evaluate the strengths and weaknesses of the competition. So what do we mean by competition when we're talking about a province? Well, that would relate to the federal government, other provincial governments, and the global business marketplace, scarce investment resources, and scarce research and development dollars. After you evaluate the strengths and weaknesses of the competition, then you develop a strategy to capture the target market. So when you're talking about a government department, what's your target market? Is it all Albertans, only businesspeople, only export companies, or only natural resource companies? It's not outlined here. We have absolutely no definition.

Tied to this strategy, maintaining customer service is something that has to be put in place in the business plan. So what do you talk about when you talk about customer service in terms of a government? Well, what kind of appeal processes do you have for businesses who have a concern? How do you develop the programming that you were suggesting to be fair and equitable for anyone who may apply for it? Then in the business plan you need to incorporate an executive summary – who's actually running the show here – so that users of your service will in fact have the confidence that you have the expertise to carry out your mandate. All this stuff is missing here.

You also need to take into account your environment. When you're talking about government, what do you mean by environment? Right now in this province we have an environment of massive government cutbacks, and when you're talking about a strategy for a business plan, you've got to take those cutbacks into account and talk about what kind of instability this creates in the business communities. Nothing here to address that. When you take into account the environment, you need talk about what you're working in and relate that back to how you're going to achieve all this in your mandate.

I've just given you a list of information you need to be able to identify and confirm the plans. Let's see if it's actually here in this document, starting with the mandate.

Mr. Minister, you talk about working in partnership with communities and business. Nowhere in this plan do I see goals, strategies, or specific action plans which tell us how, when, or even why you would be doing this. As a basic component of the mandate, working in partnership with communities and businesses, we would reasonably expect you to provide detailed information on the formation of these partnerships. At no place do you ever identify any of these areas.

Mr. Minister, will you tell us what you expect all the parties involved in the partnership to do? You talk about triparty working relationships between government, communities, and business. Well, exactly how is this going to work? Do the other involved parties even know that they are involved at this stage? At no place are they named in the plans. There's no reference to them or any proposed consultation with them, and those are items that we need to know.

What are your expectations for involved parties in the community? Who are these parties going to be? What about your expectations for those in business? Do you expect to involve every business in every sector of this province, or are you going to be selective? In all of my experience in developing working partnerships in communities and business and different levels of government the terms, conditions, and expectations are clearly identified before the working relationship begins. In order for the partnership to work, all parties need to have an equal level of participation in the process, yet here you've gone ahead and established the mandate without consultation or any level of participation from any of the players involved.

What should have happened to initiate the process is that one of the parties should develop a mandate, then a framework and an action plan that works towards setting out the goals. Then all involved parties sit down and hash out the details. Mr. Minister, can you tell us when we can expect this to happen and why it isn't in this business plan? Clearly, that is what we would have expected to see here, particularly because you are the initiating party. So we would truly expect to see leadership. We would expect to see the framework of this co-operative initiative from your perspective. We would expect to see details and time lines which would involve both community and business. These time lines should cover the entire time frame outlined in your plan and should result in concrete results or benchmarks as they evolve. These benchmarks should tie back into your mandate. What we should see here is a business plan which is a model plan: a plan which the community and business would be happy to mirror when they engage in the proposed partnership with this department. What we have here is absolutely no reference to this part of your mandate anywhere.

Mr. Chairman, the minister states that the ministry is client oriented. Would the minister please table his list of clients? In addition to this, would he add to the complete lack of information contained in this plan with regard to clients further information such as how he expects to add to this base and how outside factors in the environment will affect his client base over the life of these forecasts? Basic fundamental information that we should see in any plan. For example, when he talks about emerging strategic industries, we need to know who these industries are, why you would consider them strategic, and details on how you expect to identify market and export opportunities. Factors in the environment such as wars, embargoes, and trade barriers will impact what happens with these businesses, yet we see absolutely no reference to how these types of issues will be dealt with or considered here in this plan.

9:20

What we do get under Enhance Alberta's International Strategy on page 6 of the business plan is a strategy called, "facilitate industry export initiatives through intelligence gathering." Now, in English I believe this to mean that government is promising to help jump start export industries by gathering information and asking questions. Well, how are you going to jump start these businesses? Is it going to cost money? If so, how much? We should know that here. What criteria do you have to determine that the information you are going to gather will in fact be timely and useful, and how is business going to access this information? Do you have target industries, or is this going to be available to everyone in the business community? These are simple fundamental questions which clearly should have been addressed in this business plan. My question to the minister is: why hasn't this been done?

Expected Results and Performance Measures. On this page the minister talks about "increased exports both in quantity and variety" and "increased number of exporters and new products and services." The whole point of a plan is to provide details on items such as this, in particular time lines and benchmarks. It's simply not good enough to put these items on a wish list. You have to prove how you would actually turn them into reality. That takes a well-thought-out action plan which stays on track with your mandate. Too bad it didn't happen here. You can't play in the global marketplace, which is what you're indicating here, if you don't know and don't understand the rules, and we have absolutely no indication here from this plan that you have any idea at all about what you're doing. Where's the detail here to back up?

The minister talks in his mandate about the generation of new wealth and job creation for Albertans. This is talked about on page 7 under Expected Results and Performance Measures. While the goal is to target the creation of 110,000 jobs, the strategy is to set the environment. My next-door neighbour who is a health care professional has now been out of work for more than one year. He has four children and a mortgage. He wants to know where this environment has been set out, how he accesses that environment, and when he's going to get his share of it. What are the details, and where is this man's job going to be? You don't talk about intangibles in business plans. You talk about how you're going to achieve reality, and you talk about how you're going to achieve reality year by year by year. How many jobs are you going to create by the end of the first year? How many by the second? What about the third? What industries are they going to be in? Exactly what kind of support can the people expect from this government? That should be outlined and detailed in this plan. What's your backup plan if you don't hit your targets? We already know you're off base. What are you going to do about it? These are the answers that people expect in a business plan. They're real answers, not the mumbo jumbo that you give us.

The following items that I'm going to address in this plan don't relate back to the mandate at all, and as such they should be in someone else's plan, not this one. The three-year spending plan on page 3. There's no reference at all to a decrease in spending. Why not, Mr. Minister? What we at least expect to see here is a clear set of goals and action plans which achieve the reduced targets outlined. If you take out the infrastructure dollars from the '93-94 estimates, we see an 11 percent decrease in spending in the '94-95 year, a 7 percent decrease in '95-96, and an 18.7 percent decrease in '96-97. Given this, this plan should be able to answer these questions. Does a decrease in spending develop and facilitate a favourable business climate as per the mandate? Well, not only do we not have enough information here, there's absolutely no information to tie this back to the mandate. We would have to know what the strategy is in terms of spending those dollars and how the government would expect a decreased spending yearly to enhance achieving that part of the mandate; in other words, clear benchmarks. Sorry; no can do here. Perhaps the minister can answer why this is so.

So does a decrease in spending, Mr. Minister, develop and facilitate favourable infrastructure? Again, this is a point directly from the mandate. Well, this particular question raises a problem with the plan. A part of the mandate simply doesn't make sense. Perhaps the minister can explain what he means by "develop and facilitate a favourable . . . infrastructure." Clearly, you can develop infrastructure, but how do you facilitate it? When you talk about favourable infrastructure, the implication is that at some point in your history you had unfavourable infrastructure. So would the minister please explain if this is a direct reference to the Westlock hospital.

This is a real problem with the poorly written mandate. It leaves the government's intentions open to speculation and suspicion. Does a decrease in government spending promote a competitive private sector in this province? We don't know because we don't have enough information. However, the inference would be that the government would be looking towards creating a level playing field by getting out of the business of being in business. Would the minister please confirm that that is in fact his intention and that this time he really means to carry it out?

Fiscal issues. A big surprise here is that the issues are not addressed at all in the mandate. This is another example of lack of clear direction or focus on exactly what the government intends to do in this plan. As a goal they state: "facilitate a more competitive tax environment for Alberta business." A strategy is to "review implications of the Alberta Tax Reform Commission's recommendations." The expectation: that there will be a "more competitive tax environment for business." Well, more competitive, Mr. Minister, compared to who? Compared to the existing regime or to the rest of Canada or in the global marketplace? Perhaps the minister can answer that.

When you talk about facilitating "a more competitive tax environment . . ." [Ms Carlson's speaking time expired]

MR. DEPUTY CHAIRMAN: Thank you, hon. member.

[Mr. Kowalski rose]

MR. DEPUTY CHAIRMAN: Does the hon. minister know that we're going to allow the hon. Member for Edmonton-Mayfield, and then we're going to – because we had three members speak on this side, we're going to let three members speak on that side.

MR. KOWALSKI: I appreciate that. It's just that the hon. members had so many questions I thought that they wanted to . . .

MR. DEPUTY CHAIRMAN: Oh, I know you're just anxious to answer them, and certainly you will get in, hon. minister.

MR. KOWALSKI: Well, they've been so misled so far, Mr. Chairman, that I thought . . .

MR. DEPUTY CHAIRMAN: I'm sure you'll remember the answers, hon. minister.

The hon. Member for Edmonton-Mayfield.

MR. WHITE: Thank you. If the minister could indicate how long he expects to extend the answers, perhaps we could curtail things in order to allow him to speak at that length. I will be brief in order to hear some answers from the minister, if he intends to reciprocate in the same manner and answer as directly as he possibly can.

Today I intend to deal with vote 9 to the exclusion of all others, as well as the exclusion of the expenditure side, and look at some of the income sides of the generation of lottery funds. Specific questions are these, and they are few in number, but they need some explanation insofar as the full explanation of the question goes.

Mr. Minister, it's been reported to myself and a number of colleagues that there is a holding fund in the Alberta Lotteries. They hold funds until such time as the government requests and requires the expenditure of those funds due to any number of purposes, most of which I assume and all of which I hope are passed in this Legislature at some point or other. I'm sure you'll correct me if I make any errors in that respect. Not so much the

expenditure but these funds are generated by a lot of people that cannot afford the kind of expense that they go through, particularly with the VLTs. The other lottery endeavours don't concern this member quite so much, but we're talking here about a great deal of revenue. That revenue is admittedly rising and rising very rapidly, as we can see from page 44.

Point of Order Relevance

MR. KOWALSKI: Mr. Chairman, on a point of order.

Mr. Chairman, the estimates tonight are the estimates of the Department of Economic Development and Tourism. Vote 9 has to deal with financial assistance to major exhibitions and fairs, gaming policy and licensing, gaming control, Racing Commission. The questions that the hon. gentleman was raising have to do with the estimates of the Alberta lottery division, which, as was clearly pointed out by a motion the other day, will come before this House for a one-day duration. Mr. Chairman, I know that you permitted the hon. member to give a speech, but it's not appropriate to the subject at hand.

9:30

MR. DEPUTY CHAIRMAN: Thank you, hon. member. I take that point of order under advisement, but you're certainly right, and I know the member will certainly stay on topic.

MR. WHITE: I have no recollection – and I looked thoroughly through *Hansard* to find some reference – of the member opposite telling the House that the matter would be brought up and that in fact we would have a full and complete discussion of lotteries. If that be the case, if it is clearly the case and the Chair can in fact inform me of that case, then I'll let my place go to one of my colleagues in order to speak to the issue specifically.

Thank you.

MR. KOWALSKI: Mr. Chairman, perhaps I can help. Last Thursday afternoon a motion was presented to the House. The hon. gentleman was in the House, and he voted in favour of it. It has to do with the 1994-95 lottery fund estimates. He was in the House. He voted in favour of it.

MR. DEPUTY CHAIRMAN: I understand that. Yeah. Okay, then.

MR. WHITE: If that is the case, why the designated . . .

MR. DEPUTY CHAIRMAN: Yes. We voted for that, the estimates on the days . . .

MR. WHITE: Then, sir, could I respectfully request that my colleague . . .

MR. DEPUTY CHAIRMAN: Hon. member, you can't designate, but you can certainly speak on the estimates as presented, you know, by any one of these three. I mean, we're not going to allow somebody to take somebody else's turn.

Debate Continued

MR. WHITE: Okay. Then I will speak . . .

MRS. MIROSH: Now you lost your speech.

MR. WHITE: I don't need one, thank you very kindly. To criticize this government takes no paper at all. [interjections] I'll tell you what it does take.

I shall speak specifically to science and technology. I happen to have some interest in the area, and then having to spend a great deal of my life earning an income, this government has been absolutely abysmal in any kind of assistance. In fact, this government gets in the way time and time again of any kind of advancements.

**Point of Order
Imputing Motives**

DR. L. TAYLOR: A point of order.

MR. WHITE: Point of order; jeez. Citation?

DR. L. TAYLOR: Standing Order 23(i), *Beauchesne* 484(3), *Beauchesne* 69: imputing false motives, suggesting that this government gets in the way, that our performance of science and technology is abysmal.

The hon. member opposite was obviously sleeping the other day when we voted on the motion, and he's obviously been sleeping through the history of what we're doing in this government in the area of science and technology.

MR. HENRY: Mr. Chairman, on the point of order, I suggest that the hon. Member for Cypress-Medicine Hat is sleeping, because the Speaker has already ruled today or yesterday that the citations he cited have only to do with individuals and not with remarks about the government.

MR. DEPUTY CHAIRMAN: On the point of order, hon. member, members here are allowed to make a judgment, and sometimes on both sides of the House – of course, I'm neutral here – they don't agree with each other. So it is a judgment call.

The hon. Member for Edmonton-Mayfield.

MR. WHITE: Sounds like science fiction coming from the chairs opposite. You being neutral, sir, they are in fact in neutral, particularly in dealing with science and technology.

Debate Continued

MR. WHITE: There was one member of this House at one time not long ago that was a member, actually, from that party who did have a particularly good understanding of what science and technology was trying to further. Unfortunately, he sat in the public works chair and was occupied with that and was unable to do very much in the advancement of technology.

I have to say in defence of the government, as much as I hate to do it, that this is a centre that is, in large measure, in pure science not able to compete with the MITs and the Stanfords in areas other than some very highly specialized areas. The specialized area that this government has chosen seems to be medicine, when in fact our strengths, our performance is not in pure science but in the delivery of science, which is the application of science, generally called engineering. This province is unbeknownst a great deal to the members opposite, it seems, except perhaps once in a while I have to admit that the Member for Barrhead-Westlock does make mention of the fact that the engineers that are spread worldwide in fact are world renowned and do bring a great deal of business to this province.

This government in science and technology does not give one iota of support in that particular end. In economic development perhaps there are some areas where there is some assistance. However, it is generally done as a gift as opposed to a co-operative effort.

I would suggest and have suggested, and a lot of the engineers that deliver those kinds of services worldwide from this province and notably from this city have and do suggest: look, if you're going to spend the money on economic development, don't send out somebody that was formerly in the cookie business. Send somebody in the highly technical areas, and only send a pro, probably one of the senior members in the department. Send them specifically task orientated, particularly in the engineering business.

You cannot sell the product from this location here. You have to go to the World Health Organization. You have to go to the Asian development bank. You have to go to the World Bank. You have to go to so many different areas, and you have to go with a specific proposal. If you take along a government representative, and one that really does know his or her stuff in that particular area, you can be much, much more successful. Don't be all so gracious and say, "Yes, we are going to send three and four and seven and 10 different engineering firms," because the fact is that unless you have a consortium set in place to do it, you will not be successful. You have to start out six or seven years in advance in order to line these things up, and you have to tell your consulting groups that yes, you don't just fire off cannons and hope that you hit some kind of elephants. These are gazelles that are running out there, and you have to have a very, very highly trained and very accurate aim, and it has to be a small projectile, which means that you have to have these things finely honed, know where the money is, know what kind of service needs to be delivered in the field.

This government does it the fat-cat way and has always done it that way. Having spent, a little less than a year ago, some time in southeast Asia and seen first-hand how the selections are made, they are made, a great deal, on site. Yes, the funding is made elsewhere, and the decision is made well in advance of the funding. Then the partners in the arrangement, even though there's nothing signed, go off and work up the chain to find the funding that is there in order to facilitate a project. Yeah, sometimes they do have front-end open competitions, and some actually in fact have back-end competitions, but the facts are that you cannot win unless you put together that kind of team, and this government could do that. Don't have an office in Tokyo that is set up in that manner; have one in Singapore and have one in Jakarta. And yes, if they have to close in a moment's notice, you have to say, "Look, there's not enough interest in the private sector in order to keep this available." The private sector should in fact and will in fact fund part of that office if they have prospects there to keep their presence in that sphere. They will do that. They'll do a very good job of it too, if you allow them to do it.

9:40

What you can't do is allow someone in this consultant's absence to muddle and fuddle, particularly somebody that doesn't know precisely what the game plan is. What happens to the consultant? He must go on to other projects or he must look at servicing other projects, because in the engineering business you can't be always looking for work. Sometimes you have to do some also, amazing as it may seem. You can't allow a bureaucrat to keep tabs on things, unless of course they're one of those highly specialized ones, in which case they should be jointly funded and will be jointly funded by the consulting group, if you have a finely honed package so that you know where these bullets are to be delivered.

Now, getting into another side of the business of this government, in this vote 7, I believe, specialized science and technology. I've spent a fair bit of time going back and forth, not recently but

seven or eight years ago, a great deal of time at the ARC and have since spent some more time and at one time was on the board of directors of the group that put together the research and development park in the south of our city. The big anchor, of course, is the ARC. There's no question about that. The difficulty is between the translation of application and pure science. It doesn't take place very well out there, and a lot of times the areas that are chosen are areas that are open for exploration in pure science but rightfully should be in universities and in fact are in universities. The difficulty is you cannot get a pure science delivered in two places, so they have to decide who's to do what, and that's an error. The University of Calgary has some very good researchers in pure science, and the University of Alberta also has some very good ones.

What you're looking for is the application of that science, which is taking a product that we deliver here and making that into a marketable good. There have been some abysmal failures out there, and I have yet to see in the recent past a minister in charge or a member in charge able to manage in the short term those kinds of decisions. I mean, you have to have such confidence in your staff that overrides any kind of a judgment, because you cannot predict three years out, unless you happen to be in that specialty, what the outcome is going to be. So what happens is a great deal of the funds in fact are not spent well. Now, there are some notable exceptions, I'm sure, and I would like to hear more of those notable exceptions to the rule. I'll leave that to the members opposite.

I would now leave at least a quarter of an hour for the minister, and I expect he'll take all of that.

Thank you very kindly for your time, sir, and your rulings.

MR. DEPUTY CHAIRMAN: Thank you, hon. member.

The hon. Minister of Economic Development and Tourism.

MR. KOWALSKI: Mr. Chairman, this is not a tongue-in-cheek statement. The hon. Member for Edmonton-Mayfield may very well think that it is, but he should stay on the subject of his better knowledge and expertise, which is engineering, than lotteries. He'd probably find himself much more in comfort. I listened very carefully to what he said about engineering. In fact, many of the statements he made I agree with, and I say that as a compliment to him, because I've certainly not found too many that could ever agree with me in lotteries. So I say to him that perhaps he should find the area that he's best suited for and sit in that regard.

Mr. Chairman, without any doubt at all, if we take a look at the business plans that are put forward by this particular department in this document – and it's really too bad that the Member for Edmonton-Ellerslie is such a negative person and can't find anything positive about anything and gave her pedantic little speech about, my God, who knows what it is. But if we want to take a look at the business plan – and I want to spend a couple of minutes on it because in essence what is really fundamental and what is really key to all of this is fundamental and key to the whole province of Alberta – this department, Economic Development and Tourism, goes hand in hand with the outlines for the projections that the Premier gave in terms of the new kind of province of Alberta that he wanted. Basically, you have to begin, first of all, with an addressing of fiscal issues. In essence, when you make the decision essentially that you want to facilitate a more competitive tax environment for business in the province of Alberta and you make a judicious, philosophic decision to back off from direct involvement with business in the province of Alberta, you have made a very dramatic turn in the road in some regard. In essence, we've said we're going to be reducing, and

reducing dramatically, direct funding to business in the province of Alberta, and we've pointed that out. Key fundamental issues in a business plan is what you're going to do. That's a very important strategy. Not only that; it's been implemented in the last number of months.

I want to repeat where I started off this evening, to say there has not been one loan guarantee of any sort advanced by this minister since the 16th day of June of 1993 nor by this department of government. In fact, there have only been two by the government of Alberta per se, one to Pacific Western Airlines and the other one was to Beatrice Foods, which was the result of a loan that was provided by a lending facility called the Agricultural Development Corporation. This government, its cabinet, have not done one of them. That's very important in terms of putting forward one of these nine focuses that we outlined in Seizing Opportunity. We basically said that we want to stimulate research and development, and in essence what we want to do is increase the commercial applications of Alberta inventions and innovations. The Member for Edmonton-Mayfield basically pointed out and said that that's exactly what we should be doing. Well, that's exactly the kind of thing we've identified that we're going to be doing and doing in a very dramatic way. We're going to be building on some of our basic strengths in the province of Alberta with respect to the value-added side of it, and we've set ourselves as a goal a target area of \$24 billion worth of exports by 1997.

We want to increase tourism revenues very dramatically. The tourism that we want in this province, Mr. Chairman, is one of severalfold. First of all, of course, we want to encourage internal tourism within the province of Alberta. We want to encourage domestic tourism within the country of Canada. But as importantly, and more importantly for the value-added side to the Alberta tourism industry, we want to continue to attract offshore tourists to this province. In the last six years they have doubled. Some 460,000 tourists came to this province from outside of North America in the last 12 months, and Alberta was the only province in Canada that showed an increase in tourism in all of Canada, which is very significant. The southern part of the province of Alberta showed a tourism increase of some 12 to 14 percent. In Edmonton just recently the Edmonton Economic Development Authority issued a report that basically said that some 7.1 million people came to Edmonton and this part of Alberta, and in fact that is the most dramatic part of the whole province of Alberta in attracting new visitors to the province.

Here in the city of Edmonton you have one firm called West Edmonton Mall which alone attracted 1.7 million visitors. That is by far three times higher than the next most important tourism generator in the province of Alberta, which is the Calgary Stampede with 600,000. One point seven million to West Edmonton Mall, second most important is the Calgary Stampede at 600,000. There are 23,500 jobs directly and indirectly associated with West Edmonton Mall. It is without any doubt the number one economic generator in the province of Alberta to date, and it's primarily tourism driven and tourism motivated. With virtually every person who showed up at the Edmonton visitors' bureau here in south Edmonton, essentially the first question they asked – and this is not my information; it comes from the Edmonton Economic Development Authority and the Edmonton convention bureau – is: where is the mall? That is very significant in terms of what it means for Alberta, outside of Alberta in Canada, in North America, and in the world. Without West Edmonton Mall, Alberta and tourism would be in a very difficult situation, because our Rocky Mountains, as pretty as they are and as nice as they are – there are ski facilities up and down the Rocky Mountain chain right through all of North America. There are countless numbers of places throughout the world that

have better facilities than we have in the province of Alberta for on ski statements, but we have to work in that regard as well.

There are only a few of these that I'm going to comment on because of the time allocated to me. Enhancing Alberta's international strategy is one thing that the Member for Edmonton-Mayfield talked about, and I want to echo him with this again. There's absolutely no doubt at all that one of the key economic drivers that we have in the province of Alberta is one of the most sophisticated engineering components of any province in Canada. Alberta has more engineers per capita than any other province in this country of Canada. That is significant, because what has been built in this province and the ability to build things around the world is second to none.

9:50

It's too bad the Member for Edmonton-Mayfield got off to be a little negative in this regard again. On the one hand, he said something nice, and then he got a little negative. He seems to forget that it was this government who just passed legislation in the last couple of years, bringing forward the Consulting Engineers of Alberta legislation, which are the most aggressive forum of engineers that we have in this province. These are men and women who work worldwide, Mr. Chairman, by way of consortium to, in essence, penetrate opportunities in new markets. Just recently they met with me, and they wanted to work hand in hand with the province of Alberta. These are the Consulting Engineers of Alberta. APEGGA, the association of professional engineers and geologists of Alberta, want to work hand in hand with the government of Alberta in identifying what it is our penetration will be in the country of Mexico. We've identified Mexico as a major, major target area for incredible amounts of opportunities for Alberta entrepreneurs and engineers in this regard. That's what we're selling, brain power and all kinds of delivery power that we have. This is going on in many, many parts of the world. There are many places that we've identified, that we could look at to identify in terms of other target areas, but the two countries with the fastest growing middle class in the world are, one, Mexico, and the other one is India because of its enormous population. So you would have a certain number.

Interestingly enough, Mr. Chairman, there's another area of the world that we're going to start paying attention to, and it is the country of Malaysia, which is really quite interesting when you look at the raw data and you look at the statistics with respect to Malaysia. You know, currently, today, Malaysia has cash reserves, excluding gold, of some 15 and a half billion dollars. That is very, very significant when you consider it also has virtually no debt as a country and has never really accessed the World Bank for any assistance. When you take a look at Malaysia and you take a look at the amount of reserves that it has, and then if you take a look at a country like Russia, Malaysia has 15 and a half billion dollars in hard currency reserves. That's excluding gold. Russia by comparison has only \$1 billion in reserves. Russia has a foreign debt of \$80 billion; Malaysia has a foreign debt of only \$15 billion. In other words, there's almost an equal basis for a country like Malaysia, and Russia: totally, completely out of whack. What we've had to do is focus with the limited amount of resources that we have and ask ourselves where we're going to go.

We're going to lead our penetration into Malaysia with a well-known Alberta engineer - engineer - the same way, Mr. Chairman and ladies and gentlemen, that in essence our new presence that we're going to have at the China/Alberta petroleum corporation in Beijing is going to be led by an engineer. Our presence is going to be focused in Beijing with that. It's interesting to note that the China National Petroleum Corporation is one of our best

customers for Alberta engineers and will continue to be. In fact, because of our aggressive play and nature in Beijing, just recently the China National Petroleum Corporation opened offices in Calgary, Alberta, to accelerate and improve the interchange that goes that way.

We've held in reserve basically a number of appointments to our foreign offices. The hon. member wanted to talk about that, and in essence we'll be focusing in Japan very shortly with a new kind of an approach. London is open. Our agent general position is vacant. We've kept it vacant very deliberately, as is the position in New York. We have a modest presence in Seoul. We're going to be working very aggressively with the Koreans now that the government of Korea has allowed its citizens, only since the Olympics in Korea, to travel abroad. Prior to a number of years ago Koreans could not leave their country, could not get visas to go. Korea is a very affluent, aggressive country, and we believe that there's great potential to in fact have landing interchanges between western Canada and Korea and in fact will be looking at marketing very aggressively the potential of Alberta recreation and tourism in the Korean market.

There are so many things, Mr. Chairman, that one can talk about with respect to the opportunities there are in the province, but the bottom line is: what this government is doing is creating a fiscal and economic environment in this province to in fact allow individual entrepreneurs to flourish, if they so choose to flourish. Our position essentially: because we are a small, little province, we have to target very aggressively those various markets throughout the world that we can show the Alberta flag in. We're going to be simply there as a facilitator to open doors and to participate with entrepreneurs in various markets of the world. We're going to be very aggressive in reverse sales. Let me just give you several examples. In the fall of 1993 we selected tourism buyers from various regions of the world, brought them here to Alberta, and put them hand in hand with the purchasers and the sellers of tourism commodities in this province. We had one grouping of 200 tourism buyers from a variety of countries in southeast Asia and basically put them together with people in the province of Alberta, people who sell tickets to the Tyrrell Museum in Drumheller, the Muttart gardens in Edmonton, the Calgary Stampede, Edmonton Northlands, Ski Jasper, or the ski slopes in Banff or Lake Louise. In a four- or five-day period these 200 tourism buyers from abroad were in a position to have meetings with some 1,800 people here in Alberta. They were all assembled essentially in one convention centre so that you didn't have to have a person in the tourism business from Taiwan travel up and down the province of Alberta. It proved to be very, very successful. We've done that on three occasions, and it's very, very important to the economy of the province of Alberta.

The hon. Member for Calgary-North West had an inquiry about Calgary. Well, Calgary's very important to the government of the province of Alberta. In fact, what we're doing is attempting to rationalize in the Calgary area along with the city of Calgary and the Calgary Economic Development Authority, in fact, a consolidation of three offices, and we'll work hand in hand and ask the basic questions: should the government of Canada, the city of Calgary, the government of Alberta in fact have three separate kinds of offices? Why can't we bring all three parties together? We're doing the same thing here in the city of Edmonton, and we'll do that same thing throughout the province of Alberta. I should point out again that part of what was identified of course is the need to accelerate and to move forward.

There's one area in this budget that a question was asked about, and that had to do with the Alberta Motion Picture Development Corporation. That Motion Picture Development Corporation

annual report was tabled in this Assembly in the last few days. The motion picture industry has tremendous potential for the province of Alberta. Believe it or not, there is a rather qualified group of technicians and technical people in this province who can participate and participate in a great way with respect to the development of television programs. Of course, we've just recently had two major series filmed in the province of Alberta. We've had such outstanding presentations as – well, Clint Eastwood was here a couple of years ago. What was that movie? *Unforgiven*, and it won some Academy awards. That was all filmed in the province of Alberta. Of course, we've had a tremendous play with respect to *Jurassic Park* and the dinosaurs that came, through Steven Spielberg, out of Hollywood.

The problem we have, Mr. Chairman, is that we don't have enough dollars to promote the film industry, and those people who are in the private sector in the province of Alberta are going to find that, in essence, through that one item that we have in our budget, the dollars available to the Alberta Motion Picture Development Corporation are going to come to an end during the fiscal year 1994-95. We simply will be unable to do the promotion and the marketing in Hollywood and other markets that we would want to do, and we're going to have to assemble the strategy with the private sector to see basically how that's going to go. The clarity of our air and the beauty of our terrain is not enough. People have to aggressively market. In essence, you have to bring people here, and it costs you money to do that. In terms of the philosophy of getting government out of the direct involvement in business, then in essence this is going to be a negative, I think, unfortunately, in the next several years to come, because the dollars simply will not be there.

I think, in a nutshell, Mr. Chairman, I've had a chance to respond to all of the questions, and I'd ask the minister without portfolio to answer whatever questions are available for her as well.

MRS. MIROSH: Mr. Chairman, I just have a few brief comments to make, particularly to the comments by the Member for Calgary-Foothills and his cheap shots . . .

AN HON. MEMBER: North West.

MRS. MIROSH: Oh, yeah. Calgary-North West; that's right. I forgot.

You made some cheap shots about a minister without portfolio. Well, Mr. Member Opposite, perhaps you should get your head out of the sand and pay attention to what's going on in Alberta with regards to what is happening in small businesses. I'm here to work with the Deputy Premier. The Premier asked me to do specific jobs, and I'm going to carry them through. Maybe you should start talking to a few people around. [interjection] There goes Phyllis Diller again, but I'll have to try and speak over her. Maybe you should meet with some of the people who are helping promote Alberta and also small businesses in rural communities who need assistance from Alberta Opportunity, who've created thousands and thousands of jobs. You have not been paying attention. Perhaps you should talk to your own colleagues in the rural community. [interjections]

MR. DEPUTY CHAIRMAN: Order.

MRS. MIROSH: Mr. Chairman, the members opposite don't want to hear good news.

Mr. Chairman, the member opposite was asking questions about the western economic partnership program. Liberal Minister

Axworthy agreed in a public document in a meeting that I attended in late January that all of this funding will come to an end March 31, 1994. We've had to put in the budget matching dollars.

AN HON. MEMBER: In '94 or '95?

10:00

MRS. MIROSH: Ninety-four, this year. I have the news release here. I'll be happy to show it to you.

He indicated at that time that he would be replacing these particular programs with other programs to emphasize the assistance to small, medium business. He really actually complimented the province of Alberta on what the Alberta Opportunity Company has been doing, and he in fact would like to follow that process but indicated that there would be no duplication. So by the end of this month many of these programs will end, and there are sunset clauses in them. There will be a new program by your counterparts.

Mr. Chairman, I will answer any of the detail comments on this budget at any time, but I really feel strongly that members opposite should be paying more attention to what we're doing in seizing opportunity and creating jobs particularly in the small, medium sized businesses in rural Alberta to keep rural Alberta viable.

Thank you.

MR. DEPUTY CHAIRMAN: The hon. Deputy Government House Leader.

MR. EVANS: Well, Mr. Chairman, I think this has been a very productive evening of debate and discussion. I know that members would like to go on for quite some time dealing with this very important department of the government of the province of Alberta. However, in view of the hour, I would now move that the committee rise and report.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. DEPUTY SPEAKER: Order. The hon. Member for Dunvegan.

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

Mr. Speaker, I wish to file copies of the documents tabled and filed by the Minister of Economic Development and Tourism on this date for the official records of the Assembly.

MR. DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

[At 10:05 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

