

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, July 3, 1986 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. HORSMAN: Mr. Speaker, I'm pleased today to introduce to you, and through you to members of the Assembly, a distinguished international visitor Moncef Barouni, president of Jaycees International, who is attending the 50th anniversary celebrations of Jaycees here in Edmonton. He is accompanied by the president of the Edmonton Jaycees, Mr. Tim Schultz, and I believe by two additional national officers of Jaycees in Canada. I would ask that all members rise and receive the warm welcome of the Assembly.

MR. PASHAK: Mr. Speaker, as the energy critic for the New Democratic Party of Alberta, it gives me great pleasure to introduce to you, and through you to members of the Assembly, the energy critic for the federal New Democratic Party, Mr. Ian Waddell. I would ask that the members give Mr. Waddell the traditional warm welcome of the Assembly.

head: **INTRODUCTION OF BILLS**

Bill 203**Alberta Personal Income Tax
Increase Repeal Act**

MR. MARTIN: Mr. Speaker, I beg leave to introduce Bill 203, the Alberta Personal Income Tax Increase Repeal Act.

Mr. Speaker, the Bill would amend the Alberta Income Tax Act to revoke the 1983 increase in the percentage of federal tax payable as provincial tax. That increase raised the provincial rate from 38.5 percent of federal tax to 43.5 percent. The Bill would return the rate to 38.5 percent.

[Leave granted; Bill 203 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. RUSSELL: Mr. Speaker, I beg leave to table the annual report of the Department of Advanced Education for 1984-85, the '84-85 annual report of the Alberta Heritage Scholarship Fund, the 1984 annual report of the Students Finance Board, and the 1985 annual report of the Students Finance Board.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. TAYLOR: Mr. Speaker, it's my pleasure to introduce to you, and through you to the members of the Assembly, five women from the Westlock association for better government. It's rumoured that they're disbanding now that

their MP has resigned and they have a new M.L.A. However, I would like to ask if they would rise in the members' gallery and receive the traditional welcome of the House.

MR. WEISS: Mr. Speaker, it's my pleasure today to introduce to you, and through you to members of the Assembly, in particular to the Member for Edmonton Belmont, several northern friends. In the members' gallery are seated Mr. Arnold McCallum, M.L.A. for the Northwest Territories; Mr. Charles Kennedy, the deputy mayor of Fort Smith; Mr. Don Webb, with the Chamber of Commerce from Fort Smith; Mr. Mike Heron, the native band manager from Fort Smith; and Mr. Matthew Fraser of the Metis Association. As well, Mr. Tony Punko, representative of the advisory board of ID No. 18 north, from Fort Chipewyan is along. As well, he is representing the band manager of the Cree Band. They met recently with the Hon. Al Adair and myself pertaining to some transportation concerns. They've extended a warm welcome to all citizens of Alberta to visit them this summer for promotion of tourism. I would ask that they rise and receive the cordial welcome of the Assembly.

head: **ORAL QUESTION PERIOD**

Energy Industry

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Minister of Energy. The Premier's friends in OPEC failed to agree yet again this week, and international oil prices are in the \$11 U.S. range and dropping. My question to the minister, revolving around the meeting he had with Ms. Carney: did the Energy minister receive any firm commitment for help from the federal government during his weekend meeting, or are we to wait a few more months while the new federal minister gets his feet wet?

DR. WEBBER: Mr. Speaker, the hon. Leader of the Opposition didn't ask — commitment on what? The purpose of the meeting was to have a general discussion about the state of the industry in Canada and North America today, to see if we shared common understanding of the cash flow problems and forecasted reinvestment of the industry and the impact of the lower world prices on jobs in this province. We also emphasized very strongly that we felt that as a first step, before anything could be done, we had to have the PORT dropped, that it would be very difficult to have meaningful discussions, if energy prices stay down, on longer term solutions as long as the PGRT was hanging over our head. We discussed in a general way a number of proposals that have been brought to us from the industry, and then we had a good discussion on gas deregulation. I indicated a number of the concerns the industry has relayed to me and invited her to come to Alberta and hear first hand from the industry some of the concerns with respect to the National Energy Board decision on the surplus test and the National Energy Board rulings related to their interpretation of the export pricing test.

In general, it was a very good meeting. I felt that Minister Carney was very supportive of our position. I don't think the fact that she's no longer the minister of energy really matters that much in the sense that she's still playing a key role in the cabinet, and I believe that our concerns will be heard through her as well.

MR. MARTIN: A supplementary question, Mr. Speaker. I take it by the answer that we didn't get any commitment for anything other than having a nice general discussion. To deal with the PGRT, did the minister at least receive an assurance on the date the federal cabinet will make a decision on elimination of the PGRT?

DR. WEBBER: No, Mr. Speaker.

MR. MARTIN: A supplementary question. I wonder what they accomplished at the meeting, other than a nice friendly talk — and that's nice — but I'll keep pursuing it. Does the government view elimination of the PGRT, which most small producers don't pay anyway, as a panacea for Alberta's oil price problem, and if not, what other specific solutions is the minister pushing for from the federal government?

DR. WEBBER: Mr. Speaker, I would hope the hon. Leader of the Opposition would recognize that the existence of the PGRT, being one of the most unfair taxes that was ever imposed upon an industry in this country and the fact that our industry today is trying to operate in an environment where prices are down considerably from where they were in the past ... I think he should recognize the importance of the removal of the PGRT. We were making our case very loud and clear to the hon. minister that before we felt we could have meaningful discussions in dealing with some of the longer term problems of the industry, should prices stay low, in a symbolic way as well as in an important financial way it is important to remove that tax.

MR. MARTIN: A supplementary question, Mr. Speaker. I've already asked for the date for the PGRT. It's an illegal tax; yes, it should be gone. That's not going to solve all the problems of the oil industry, especially the small producers who aren't paying that. My question to the minister: were there any other specific proposals that this minister took to the federal government that would help especially the small producers in this province?

DR. WEBBER: Mr. Speaker, we didn't take the NDP's proposal of a floor price specifically to the table. However, as I indicated earlier, it's not one that we are eliminating entirely from future discussions.

I think it would be very difficult, Mr. Speaker, to indicate to anyone what should be done for the industry when the industry at this particular time doesn't know what it wants. I've been meeting on a regular basis with a number of people from the industry. The IPAC group, for example, indicated to me very recently that they would like to bring some recommendations to the government in a very short time. I've had discussions with them and others on a number of ideas that have been tossed about, but they indicated that they would prefer to look through those ideas and come back with some specific recommendations. I'm awaiting those recommendations.

I did however discuss with the hon. minister in a general way some of the concepts that have come forth. We agreed that the idea of a floor price and government subsidization were not ideas we could accept at this time. However, we recognize the cash flow problems of the industry and the importance of having equity, and we're looking at flushing out some ideas on how the industry might be able to obtain more equity down the road.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Minister of Energy. Now that the unemployment rate has

reached 20,000 in the oil industry, has he fixed some number in his mind when he and the Premier will get down and do something positive? Is it 25,000 or 30,000 unemployed? What is the number before you will act?

DR. WEBBER: Mr. Speaker, shouting is not going to make his question any more relevant. The hon. member should recognize that it's not that easy to get a handle on the exact number of jobs that are affected. We think there's potential for approximately 20,000 jobs in this province directly over the upcoming months should prices stay low. That's a guesstimate; the industry has had guesstimates in a similar range and some higher. Maybe the hon. member would like to ask some of them what estimates they might give him.

DR. BUCK: Mr. Speaker, to the minister. In the discussions the minister has been having with his federal counterpart — in the mid-80s we were talking about Canadian self-sufficiency in energy, and this of course can affect us here in Alberta as it relates to our tar sands and heavy oil plants. Can the minister indicate if we still have an objective as to when Canada could be deemed self-sufficient in energy as far as our oil goes?

DR. WEBBER: Mr. Speaker, the hon. member raises an excellent point in that as a nation we should be looking at self-sufficiency and what can be done in this country to make sure that happens down the road. The decline in oil prices as we've seen them can't help but have an effect on self-sufficiency in this country if these prices stay low over an extended period of time. I would hope that the industry would look in the longer term with respect to investments that they would be making, particularly in our heavy oil and oil sands areas. I haven't heard anyone disagree with the idea that prices are going to rise sometime. When prices do rise, these programs will be cost beneficial.

I'd like to add, Mr. Speaker, that in terms of supporting the industry in the short term, we have made available to the industry some \$700 million since April of this year, whereas Ottawa has made available some \$210 million. So we feel that if we're going to work together effectively, the federal government has to get rid of their PGRT immediately and then discuss other things in the future, such as self-sufficiency.

Zeidler Strike

MR. MARTIN: Mr. Speaker, I'd like to direct the second question to the Solicitor General. I have here a transcript of a telegram which Jack Munro, president of the International Woodworkers of America regional council sent yesterday to the federal Solicitor General requesting a public inquiry into the actions of the RCMP at the Zeidler strike in Slave Lake. My question is: given that the RCMP operate on contract with the provincial government to act as police in rural areas such as Slave Lake, what investigation will the Solicitor General be conducting into these allegations of police brutality and provocation in Slave Lake?

MR. ROSTAD: Mr. Speaker, I welcome the Leader of the Opposition back from a great holiday. I am not privy to this particular communication from Mr. Munro, nor have I been made aware of it being received by the RCMP. I will undertake to check with the assistant commissioner and find out the contents and their position and report back.

MR. MARTIN: A supplementary question. We'll go into the procedures. I'll be glad to show the minister the telegram I received. It notes that an IWA organizer, Mr. Harold Hawley, was choked unconscious by RCMP officers. Dealing with procedure, my question is: what is the procedure followed by the province for investigation of allegations of this sort?

MR. ROSTAD: Mr. Speaker, under the provincial agreement with the RCMP for policing I have input into policy areas, but the procedures of carrying out investigations or actual policing are under the sole jurisdiction of the assistant commissioner of K Division. I am not aware of the allegations that the hon. Leader of the Opposition is making in this particular communication and again will take it under advisement.

MR. MARTIN: Mr. Speaker, it's fairly common knowledge, but they allege in the telegram that 30 RCMP officers appeared at the plant at precisely the time Zeidler's chose to drive an empty bus through the picket line. My question then, to deal with procedure again, is: to what degree was this done at the request of the provincial government, and what again is the role of the Solicitor General when it comes to policing decisions of this sort?

AN HON. MEMBER: He answered it.

MR. ROSTAD: I'll answer it anyway.

I'm not aware of the particular incident. I can assure the hon. Leader of the Opposition that the provincial government had absolutely no involvement or direction that the alleged number of police were present at the particular gate at that particular time. Again, I will reiterate that the duties of the Solicitor General are broad in the sense that we have some policy input into policing, but the actual policing procedures are the responsibility of the assistant commissioner.

MR. SPEAKER: I have difficulty with any more questions on the subject, hon. leader. Perhaps it's just a brief one. The minister has undertaken to review the material you're going to supply to him, and I have difficulty whether we have room for one more supplementary on it.

MR. MARTIN: On a point of order. I'm trying to deal with procedures flowing from the telegram, but I'll be brief in the last question, Mr. Speaker. Will the Solicitor General be contacting his federal counterpart to support Mr. Munro's request for an impartial investigation of RCMP practices at the Slave Lake strike?

MR. ROSTAD: Mr. Speaker, there is a procedure that the RCMP have set up when there is a complaint registered against the conduct of a particular member or members of the force. If there has been such an allegation, I would suggest that complaint be made with that particular board and a hearing be held.

Farm Credit Stability Program

MR. TAYLOR: Mr. Speaker, to the Minister of Agriculture. In the announcement of the guaranteed farm credit stability program there appears to be no allowance made for those years when the farmers will have no cash flow. Is he considering, either in regulations or amendments, putting

forward some plan whereby in those years when there are crop failures or variations in income the farmer can pay according to his ability to pay or his cash flow?

MR. ELZINGA: Mr. Speaker, the hon. Provincial Treasurer might wish to supplement the answer to this as the legislation has been introduced under his name, but I can share with the hon. Member for Westlock-Sturgeon that there are provisions for refinancing whatever debt is outstanding under the present regulations and legislation that is before this Chamber.

MR. TAYLOR: Does the Treasurer wish to supplement?

A supplementary, Mr. Speaker, to the Minister of Agriculture or the Provincial Treasurer. Given that the present loan is to refinance, could the minister guarantee some system whereby the interest on the loan paid by farmers in those years when the farmer does not pay income tax and therefore is not able to write off the interest costs will be reduced to account for the fact that the farmer does not have taxable income?

MR. ELZINGA: Mr. Speaker, we campaigned very actively on this program, and we feel that it is a fair interest rate at 9 percent. In the event that an individual farmer does not have any taxable revenue, whereby he will not be paying any taxes, I couldn't at this time give the House a commitment that those interest rates will be written off, but it's an area that we could possibly look at. I must share with the hon. member that we're very proud of what this party has done for the agricultural sector when you look at the numerous programs that we have instituted to reduce input costs for the agricultural sector in Alberta. [some applause]

MR. TAYLOR: Mr. Speaker, without commenting about the sign on his back that says "clap," I would like to ask, when he refers to a maximum loan of \$200,000 per farm family, how does the minister define farm family? Is that spouse, daughter, daughter and son, father and son? What is the definition of farm family in the recognition of the \$200,000 limit per farm family?

MR. ELZINGA: Mr. Speaker, I think that's fairly self-evident. If you have a family that is in a farming operation, that would be classified as a farm family. What we wanted to do was avoid the possibility of stacking these benefits so that we could have the widest possible range applicable to the greatest number of farmers throughout the province of Alberta.

MR. TAYLOR: A supplementary. I'm batting a thousand: three no-answers for three questions. The farm credit stability program makes credit available for refinancing and acquisition. There is a limit to the total amount that's available. Will those farmers who really need the money for refinancing and putting on inventory get precedence over those who are going to use the money to expand their farms into even bigger and bigger units?

MR. ELZINGA: Mr. Speaker, when one takes into account the \$2 billion under this program and in excess of \$1 billion under the Agricultural Development Corporation, we are involved in financing in excess of 50 percent of the debt that is presently in existence in our agricultural community in the province of Alberta. I should share with him that

there are provisions under this program for refinancing and for purchasing some new commodities. We're hopeful that this will be sufficient to cover the financing needs of our agricultural sector. I would hope that those individuals who do wish to participate in it for refinancing purposes will apply as soon as we have the brochures printed.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Agriculture. In the minister's discussions with his federal counterpart in agriculture has he received any kind of commitment to make sure the federal government doesn't start withdrawing their support for the farmers in light of the fact that we've got this program? Sometimes this does happen. I want to make sure that there's been no threatened withdrawal of financial opportunities in light of our program here.

MR. ELZINGA: Mr. Speaker, that's a worthwhile point. I haven't had the opportunity to discuss the specific item that has been raised by the hon. Member for Clover Bar, but it is an item that I will discuss with our federal counterpart. I can't see any reason why they would, but since the hon. member has raised it, I shall convey his thoughts to the federal minister.

Business Transfer Tax

DR. BUCK: To the Premier or the Provincial Treasurer. There seem to be some reports coming out of Ottawa, Mr. Premier, that the federal government and the Prime Minister are looking at a business transfer tax, which is another name for the value-added tax that is used in Europe quite commonly. Can the Premier indicate if he has had any early discussions with the Prime Minister as to the fact that we may be looking at a business transfer tax in the very, very near future?

MR. GETTY: No I haven't, Mr. Speaker. I might say that the Minister of Finance and the provincial treasurers met just recently, and our hon. Provincial Treasurer may wish to advise the House as to whether or not they discussed it there.

MR. JOHNSTON: Mr. Speaker, during the recent meeting of all ministers responsible for finance and the federal minister we did take some time to have outlined for us by Mr. Wilson the general intention of the federal government to move with the business transfer tax. Although some of the discussions of course were confidential and really at this point fairly general in context, it is safe to say that there are some pros and cons to this tax. I'm not about to enter into debate now, but I'm sure that over the next few months, after the federal government releases a paper describing the tax and the way in which it will be operated and implemented, we'll even get a resolution from this Assembly to discuss that issue.

I should note that other provinces are looking at ways to piggyback that tax in terms of a sales tax, but of course that has unique application here in this province because we don't have that extra tax source. Mr. Speaker, I can't give further details except to say in a very general sense that it's my understanding that the federal government will move with this legislation.

DR. BUCK: Mr. Speaker, a supplementary question to the Treasurer. Has the minister advised his department to be

looking at what impact this proposed tax would have on the Alberta economy? This is hypothetical in a way, but on the other hand we should have this information as to what it would do to our economy.

MR. JOHNSTON: Mr. Speaker, I know that this government is known to be always watchful of federal intrusions into our jurisdiction. Should this amount to one of those, we will of course be mounting a very strong campaign to spell out our own provincial position. Obviously, there are some questions which come to mind. We will have to have an opportunity, perhaps on a bilateral basis with the minister, to explore these. Nonetheless, I will give the assurance to the Assembly that we are doing all we can to develop an understanding of the program so that we have a provincial perspective as the tax arrangement unfolds.

Environmental Impact of Insecticide

MR. MUSGROVE: Mr. Speaker, my question is to the Minister of the Environment. There have been some concerns recently about the long-term health problems that could be caused by the use of Furadan as an insecticide. Has the minister had any research done on whether or not these problems are serious?

MR. KOWALSKI: Mr. Speaker, in response to the question of the Member for Bow Valley, some research has been done with respect to this by officials in Alberta Environment, and I understand that some research is ongoing with research scientists in Alberta Agriculture with respect to the long-term effects of Furadan.

MR. MUSGROVE: A supplementary question, Mr. Speaker. There is also some concern that Furadan might be in honey that's now being produced by bees that are in contact with the insecticide Furadan. Is that part of the research?

MR. KOWALSKI: Mr. Speaker, I can't confirm that there has been any actual damage caused by Furadan to bees and beehives. The information I have is that there is moderate toxicity to birds such as pheasants, mallard ducks, bobwhite quail, and chickens, and that some adult ring-necked pheasants and mallard ducks exposed during and for 14 days after spraying showed no deaths or symptoms of toxicity.

MR. SPEAKER: Nor were they producing honey, I trust.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Minister of the Environment. Could he tell us whether the regulations on this poison are exactly the same as Saskatchewan's, or is there a difference between Saskatchewan and Alberta on this particular grasshopper poison?

MR. KOWALSKI: Mr. Speaker, I believe the information that would go along with containers of Furadan have national standards and criteria that they would follow, as Furadan is licensed by the federal Department of Agriculture. So, in fact, they should be applicable across all provinces in the country.

MR. FOX: Mr. Speaker, a supplementary to the Minister of the Environment. There has been concern expressed by the Alberta Beekeepers Association and some people living in the hon. Member for Bow Valley's constituency that there has been a carryover of Furadan into the pollen and

that's causing mortality amongst bees this year. Could your department give the beekeepers of this province some assurance that investigations will be forthcoming on this potentially very serious problem?

MR. KOWALSKI: Mr. Speaker, no contact has been made with me from any beekeeper with respect to this. Should the hon. member be aware of some written information that he would like to forward to me with respect to this matter, I would be happy to have it researched and followed up.

MR. ELZINGA: May I supplement the answer by the hon. Minister of the Environment to the Member for Vegreville and share with him that we have been in contact with the beekeepers, and they indicated that concern to me also. I should share with the hon. member that when we instituted the grasshopper program for this year, we initiated an additional three environmental studies, including what could happen as it relates to toxicity in honey. We will be getting back to them once we have something to report.

DR. BUCK: A supplementary question to the Minister of Agriculture. In light of the fact that there are some concerns about the pesticide that we are using, can the minister indicate how extensive the program is this year? Is the grasshopper threat much diminished because of the increased moisture we've been having this year?

MR. ELZINGA: Mr. Speaker, our program is downgraded from last year in that we did not foresee the grasshopper problem as was encountered last year. Again, because there had been some concern expressed, as I indicated earlier, we are conducting an additional three environmental studies in regard to this specific program. Plus, prior to that, we did have some environmental studies taking place so that we could examine and reflect on the usage of Furadan.

MR. KOWALSKI: Mr. Speaker, perhaps I might just supplement my colleague the Minister of Agriculture with a specific response to this question. In 1985, 1.1 million acres in Alberta was sprayed with Carbofuran or Furadan. That's 1.1 million acres out of 1.8 million acres.

Deficiency Payment for Grain Producers

MR. FOX: Mr. Speaker, my question is to the Minister of Agriculture. We have both expressed concern about the problems caused by plugged elevators and transportation-related aspects of that. I think we must realize that the problem is one of pricing also, farmers fearing a dramatic drop in the initial price of some \$30 a tonne for wheat on August 1. Has the minister undertaken, or will he undertake, to pressure the federal government for some parity pricing plan for wheat?

MR. ELZINGA: Mr. Speaker, as I have indicated to the hon. member during this past week, we have had communication with the federal minister responsible. He has not yet responded to the concerns that were raised in the Chamber. As soon as he does, I'd be more than happy to inform the hon. Member for Vegreville as to what his reactions have been.

MR. FOX: I appreciate that, Mr. Speaker. I'm trying to get at the pricing aspect of the problem. Can the minister tell the House what the policy of this government is as

regards to a provincial deficiency payment to grain producers, in light of the massive subsidies grain producers elsewhere in the world are receiving?

MR. ELZINGA: Mr. Speaker, I'm sure the hon. member is aware that when the Premiers of the western provinces met, they did call for a deficiency payment from the federal government. It was widely broadcast throughout the province of Alberta. I'm sure he's as much aware as I am that our own Premier, along with the other western Premiers, had called for a deficiency payment to our grain farmers.

MR. FOX: A supplementary, Mr. Speaker. A month has passed since that meeting when the western Premiers called for a deficiency payment. Has the hon. minister arranged a meeting with his federal counterpart to speed this process up or get some resolution? It's only a month now before the price drop comes into effect.

MR. ELZINGA: Mr. Speaker, we're aware of the various jurisdictions that relate to agriculture: some under the federal level, some under the provincial. We have consistently pushed our federal counterparts and will continue to push our federal counterparts. But in the interim we're very proud of what we have done as a province, whereby we do have the lowest input costs for our agricultural sector as compared to any other province in Canada.

MR. FOX: A final supplementary, Mr. Speaker. Our concern right now is not with input costs, although we appreciate the efforts made. What I'd like to find out, if possible: is the province willing to come up with some sort of deficiency payment for grain producers in the absence of federal action?

MR. ELZINGA: Mr. Speaker, as I indicated to the hon. member earlier, as soon as we have something definite from the federal government, we will be in a much better position to respond. It's rather difficult to respond to a hypothetical situation until we hear from our federal counterparts.

MR. TAYLOR: Mr. Speaker, a supplementary to the minister. I'm sure the farmers are interested in hearing that it's only hypothetical. The federal government has said that they were interested in minimum pricing, not deficiency payments. What steps has the minister taken to try to convince his federal cousins that the step taken to cure the situation is deficiency payments rather than domestic pricing, two price systems?

MR. ELZINGA: Mr. Speaker, noting the expertise of the hon. member in agriculture, he should be aware that so many of the difficulties that we face, both at the national and provincial level, are external forces: the U.S. farm Bill, some of the subsidies they have in the European Economic Community. We're doing our level best to offset these detrimental programs that relate directly to our agricultural sector in Alberta and will continue to do so, as we have done in the past.

Grain Transportation

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Agriculture. There seems to be a problem moving the grain from the prairies to the west coast because of a shortage of hopper cars. My concern is: if we can get the grain there, do we have the markets? Is there still an

opportunity for our commitments to be fulfilled for the contracts overseas? Do we still have that opportunity available?

MR. ELZINGA: Mr. Speaker, as it relates directly to the congestion, we discussed that in depth here in the Chamber during the previous question periods last week. Maybe I could indicate that the elevator companies themselves could help alleviate that, in that they are responsible for the allocation of rail cars. If they would participate and let the railways themselves know where they would like to have some of these rail cars allocated, I'm sure it would to some degree alleviate the congestion we are presently experiencing.

Alberta Financial Institutions

MR. MITCHELL: Mr. Speaker, my question is for the Premier. The responsibility for the financial industry has been split between the Minister of Consumer and Corporate Affairs, who has responsibility for the brokerage industry, and the Provincial Treasurer, who regulates trust companies and other investment companies. Can the Premier please indicate which minister has been assigned the lead role for the important financial industry strategy in this province?

MR. GETTY: The Provincial Treasurer, Mr. Speaker.

MR. MITCHELL: A supplementary, Mr. Speaker. Could the Provincial Treasurer please indicate his commitment to this responsibility, since he has reduced his budget for it from \$1.5 million to \$960,000?

MR. JOHNSTON: Mr. Speaker, it's a curious way of posing a question, but if the member wants to re-pose it or set it again. I'd be glad to answer it in a reasonable fashion. If he wants to talk about the estimates, there's a proper place for it; he knows where that is.

MR. MITCHELL: Could the Provincial Treasurer please indicate why Alberta financial institutions are not given contracts to manage the Heritage Savings Trust Fund when Morgan Grenfell from London, England, and Montreal Investments Corporation from Montreal are?

MR. JOHNSTON: Once again, Mr. Speaker, the gentleman seems to have some knowledge here. The problem is that he doesn't have his knowledge in order, and the more of it he seems to have the greater confusion he brings to the debate.

MR. MITCHELL: Mr. Speaker, to the Provincial Treasurer once again. Has the Provincial Treasurer had any input into the federal government's Bill C-86, which will alter the Canada Deposit Insurance Corporation and in effect what's left of the financial industry in this province?

MR. JOHNSTON: Mr. Speaker, the previous ministers responsible for finance and the Provincial Treasurer previously have been consulted and have provided some significant contributions to the way in which the financial institutions are operating. There are a variety of points, however, which have to be considered, and I don't know that question period is the place to debate such things as the statements in the budget with respect to tax-free zones for financial institutions or the change in the four pillars of the financial institutions in Canada or, for that matter,

the big-bang effect of the offshore banks. All of these, of course, have implications for the policies here in Alberta. We have had a chance over the past two or three years to debate at the ministerial level and other levels, certainly the first minister's level, these kinds of implications for the financial system here in Alberta.

Small Business Term Assistance Program

DR. CASSIN: Mr. Speaker, a question to the Minister of Economic Development and Trade. Since the summer is a critical period for a number of small businesses, I was wondering if the minister would be able to tell us when the small business term assistance plan might be available?

MR. SHABEN: Mr. Speaker, the Department of Economic Development and Trade and the Provincial Treasurer's department, along with the financial institutions, have been working very closely in putting the final touches on the small business term assistance program. In terms of timing, the Provincial Treasurer expects to introduce the legislation into the Assembly probably next week, and we would expect that the program's availability to small businesses in the province would occur shortly after the farm credit stability program is made available.

DR., CASSIN: A supplementary question, Mr. Minister. Will this plan be more than a stabilization of interest rates for a 10-year period?

MR. SHABEN: I'm not sure. That question gives me a lot of scope, Mr. Speaker, so I'll take some liberty in terms of answering it. Yes, we believe the name of the program is vitally important in terms of communicating what it's for. It provides for small businesses the opportunity to restructure their financing from term debt or demand loans to long-term fixed rate financing over up to 10 years. It's very important in terms of employment possibilities, because it has the real effect of reducing debt-servicing costs for small businesses. It provides them the opportunity of long-term financial planning, and it also provides greater flexibility in how their financing is arranged, both in terms of operating capital and the capital loan. So it does a variety of features that will be helpful to small businesses in Alberta from a job-creation sense and also in the sense of causing those small businesses that are in business to be more stable.

MR. TAYLOR: A supplementary, Mr. Speaker, to the minister. Will repayment of the small business loans be tied to ability to pay, the cash flow of the business, rather than fixed payments?

MR. SHABEN: Mr. Speaker, of course, the key factor in determining eligibility for the loan will be the ability of the business to service the debt. There are two ways in which that can be done: the principal and interest could be amortized, or it could be done in a variety of ways. Generally, that arrangement is one that the business would make with the banker.

MR. HAWKESWORTH: Mr. Speaker, who will make the decisions regarding the eligibility of an individual business? Will it be the financial institution they deal with or will there be some criteria published from the government as to how that individual business may or may not be eligible for this program?

MR. SHABEN: Mr. Speaker, there'll be a set of criteria that we are developing and have nearly completed in terms of what sorts of businesses are eligible. Generally, in terms of size it's businesses that have fewer than 100 employees, businesses with gross sales of \$5 million or less, and then there'll be other criteria. The information will be made widely available to the small business community as well as to bankers so that they're well aware of the criteria.

DR. BUCK: A supplementary to the minister. Can the minister assure the Assembly that when the businessman makes application for the loan, it will be treated more expeditiously than, let's say, the Alberta Opportunity Company? In many instances the banks seem to be very, very nervous now, and sometimes these things take six, eight, 10, or 12 months to process and to make a decision. Small business, Mr. Speaker, needs a decision relatively quickly. Can the minister assure the Assembly that in his directions to the lending institutions that they even set up a task force or do whatever they want to, that these applications be processed very rapidly and that the businessman gets an answer one way or the other?

MR. SHABEN: Mr. Speaker, an important question in light of the question asked by the Member for Calgary North West. That's precisely one of the reasons the time frame for the implementation of the program will be after the farm credit stability program, so that the pressure on the financial institutions across the province to deal with the very large number of applications is handleable. That is why that time gap will exist.

Another reason for the program being administered by the financial institutions is that in most cases the small businesses will be going to their own banker, who understands their business and has historically and traditionally provided them with their credit. We expect that the process will not be as slow as was described earlier by the Member for Clover Bar.

St. Joseph's Auxiliary Hospital

MR. WRIGHT: Mr. Speaker, my question is to the Minister of Hospitals and Medical Care and concerns St. Joseph's Auxiliary hospital, which is a hospital for the chronically ill in the constituency that I represent. In view of the one and a half year deadline remaining for this hospital to conform with current fire regulations, when may we expect a decision on its request to renovate the hospital, the project options for which were delivered to the minister's predecessor in October of last year?

MR. M. MOORE: Mr. Speaker, that matter is under consideration by staff of the department. I don't have a time line when the considerations of the capital project request for any upgrading will be completed. I'm not aware at this time of whether or not the total project as requested would be approved. I can perhaps get further information on what I see as a time line for that project and then provide it to the member at a later date.

MR. WRIGHT: Thank you, Mr. Speaker, that would indeed be useful. A supplementary to the minister. Will the minister recognize that it is in the interest of Edmontonians south of the North Saskatchewan River that this hospital remain in the very central and accessible location that it presently occupies?

MR. M. MOORE: It wasn't my intention to move it, Mr. Speaker.

MR. WRIGHT: Well, that's progress, because the hospital is unsure, Mr. Speaker.

Another supplementary. Will the minister recognize in considering the project options that the offer of the owners, the Sisters of Providence, to make available additional land for expansion of the hospital at no cost to the government represents a substantial saving to taxpayers?

MR. M. MOORE: Mr. Speaker, I could not make any commitment at all at this time that such an offer might be accepted by the government. The hon. member needs to recognize that land is a very, very small portion of the capital cost and indeed the operating cost of any acute care or auxiliary care hospital. We would have to take into consideration a great number of other factors as well in determining whether or not we would want to accept the offer of land as a criterion on which we would construct additional facilities.

MR. SPEAKER: The time for question period has expired. We have at least three members waiting in the wings. Do we have unanimous consent of the House to allow two ministers to supplement information from previous question periods? All those in favour please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed?

MR. TAYLOR: I won't try it again.

Calgary Single Men's Hostel

MRS. OSTERMAN: Thanks, Nick.

Mr. Speaker, I would like to provide some clarification to the situation raised last week by the hon. Leader of the Opposition with respect to the Calgary Single Men's Hostel. In order to put the matter in context, members of the Legislature would need to know that 10 days before the memorandum which the leader referred to was written the Calgary region of Alberta Social Services took an administrative decision which changes the way the hostel will be used and at the same time improves services to single, employable people on social allowance.

In the past, single employables, in order to receive benefits, had to be served at the hostel. This decision allows people to be served where they live through the department's district office system. The memo then should be viewed in the context of social allowance clientele only and not in the context of the total utilization of the hostel.

Mr. Speaker, in the early 1980s the hostel had the capacity of 400 and was overflowing. Our service to people has now become more flexible. We now provide benefits to more than 3,400 single, employable men in the Calgary area without the need for most of them to contact the hostel. The hon. Member for Cypress-Redcliff asked about the occupancy rate of the hostel and what it had been over the last year. It has averaged 73 percent of the capacity of 238 and is currently much lower. As a consequence, unless utilization increases, beds are indeed being closed in an effort not to waste taxpayers' dollars. We believe that utilization by single, employable men will continue to decrease dramatically.

I would like to give this House two assurances which should correct any misconceptions that may have been left. The Calgary Single Men's Hostel will not be shut down. It will continue to be available particularly for indigents, alcoholics, the hard-to-house, and for some single, employable men who may choose to ask for service there. The other assurance, Mr. Speaker, is that no service that is needed is being decreased or abandoned, and I am confident that single, employable men in Calgary are of the view that the services have in fact been improved.

Toxic Waste Disposal Plant

MR. KOWALSKI: Mr. Speaker, on Friday last, June 27, a series of questions were directed to me, and I would like to supplement the information that's already contained in *Hansard*.

The first question was from the Member for Little Bow, and the response is: neither party may transfer or sign a partial or whole interest in the joint venture without the approval of the other party. To the second question from the Member for Little Bow my response is: as far as I know there are no restrictions on either party as to their sources of funds. The third question from the Member for Little Bow has basically been identified already. The fourth question from the Member for Little Bow: who dealt with information on taxes paid by Bow Valley Resources? I suspect that information could come from the company's annual reports.

The next question came from the Member for Westlock-Sturgeon, and I think I'll be careful to make sure that I provide a full answer. The Alberta Special Waste Management Corporation is not providing any loan guarantees to Bow Valley Resource Services Ltd., neither is the government of Alberta providing any such guarantees for loans which Bow Valley Resource Services Ltd. may or may not make to acquire their assets at the Swan Hills special waste management facility. Last, Mr. Speaker, is in response to a question from the Member for Edmonton Glengarry asking for my assurances, and my response is yes.

ORDERS OF THE DAY

MR. HORSMAN: Mr. Speaker, I would move that the question and the Motion for a Return on the Order Paper stand and retain their places.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

205. Moved by Mr. Schumacher:

Be it resolved that the Legislative Assembly urge the government to consider establishing a penalty where, when a person is found guilty of an offence under section 119 of the Highway Traffic Act, that person thereupon becomes disqualified from holding an operator's licence for a period of six months from the date of the finding of guilt, and any operator's licence held by that person thereupon becomes suspended for the same period.

MR. SCHUMACHER: Mr. Speaker, some hon. members may recall that this resolution was first introduced a little

over a year ago by the former Member for Edmonton Belmont, Mr. Walter Szwender, who I'm happy to see is sitting in the members' gallery. I would like to welcome him here today. I hope this is a happy coincidence that it has happened this way. I am pleased that he is in the gallery to see this motion proceeded with.

The subject of this resolution is of course pursuit of vehicles attempting to flee from the police. I would like to say at the outset that I hold the highest degree of respect for the various police forces across the province and in our cities who have to deal with this problem. The debate around police pursuits has generally focussed on perceived misgivings about police procedures and policies with respect to pursuits. My intention today is to shift that focus and place it where it belongs: not on the police officers involved with these pursuits but rather on the persons who are attempting to flee from a police officer.

The media has had a heyday with police pursuits over the last number of years, and there have been some rather colourful and really tragic results flowing from these activities. In January of 1985 there was an enormous amount of media coverage relating to a police pursuit which ended in a real tragedy in the city of Calgary. Two teenagers and a 70-year-old woman were killed when the car containing the two youths, while being pursued by a police car, hit a Calgary transit bus, which in turn hit another car driver who happened to be the 70-year-old woman, and that car then burst into flames. You can see that we're dealing with a really serious and what appears to be a growing problem in our lives in this regard. By all accounts a tragedy, of course, but the media chose to concentrate its coverage on the actions of the Calgary police department. I would like to ask the question: what of the two teenagers who initiated the events by fleeing the police cruiser? They were in possession of a stolen vehicle and had just broken into a house. We didn't hear very much about their responsibility for that tragedy.

The most recent thing I've observed in the media in that regard concerns a chase that happened on June 25, just last week. I'm referring to the *Calgary Herald* of June 26. The headline is: "Residents fuming over police chase." It has a picture of a gentleman who is alleged to be shocked by the police chasing a motorcycle. The thing that initiated the chase was an unlicensed motorcycle. I would submit that it's certainly in order for a police officer to attempt to stop and talk to the operator of an unlicensed vehicle, but that isn't the result you get from the media. The media says that residents are really fuming over the police initiating such a thing. I really don't know why we have to have this sort of upside-down treatment of this problem.

In this connection it is certainly not my intention to act as an apologist for the Calgary police department, though I understand that they have one of the strictest, most comprehensive, and toughest pursuit policies in our country. I don't want to address the question of police procedures and policies; I want to look at what the provincial government can do to reduce the incidence of police pursuits in this province.

In 1983, the last year for which complete statistics are available, the provincial RCMP reported 98 pursuits, the Calgary city police reported 57, and the city of Edmonton Police Department reported 121. I think these figures should concern us as legislators. Severe consequences arise from police pursuits, and I've already mentioned the situation in Calgary where three people died. There is danger to other drivers, the driver of the vehicle being pursued, the police

officers involved, innocent bystanders, and damage to property.

The question may be asked: what can we as legislators do? Of course, the purpose of this resolution is to ask the government to consider tightening up the penalty for this very serious thing in the area over which it has jurisdiction. Section 119, which I'm asking the government to consider amending, presently reads as follows:

A driver shall, immediately on being signalled or requested to stop by a peace officer in uniform, bring his vehicle to a stop and furnish any information respecting the driver or the vehicle that the peace officer requires and shall not start his vehicle until he is permitted to do so by the peace officer.

The offence we're dealing with is commonly called failing to stop for a police officer. Of course, the present penalty for disobeying that law is set by the Summary Convictions Act and is a maximum of a \$500 fine or six months in jail. I would say that if in fact the six-month jail sentence were imposed for such an offence, that would be a real deterrent, but as we all know, in these situations the maximum fine becomes the top penalty. Generally, the fine is something much less than the maximum, which in these circumstances, where so much damage can be done, is not much of a deterrent.

I would like to see that penalty of a \$500 maximum fine or six months in jail be beefed up by the inclusion of an automatic suspension of the person's operating privileges for a period of six months. In many cases the suspension of driving privileges is much more severe and much more of a deterrent than a fine and in some cases even the jail term. As I pointed out, this is something that is under provincial jurisdiction and something this Assembly can hopefully initiate some action on.

I know that some people will say that six-months' denial of driving privileges isn't much of a deterrent either. Others will say that the current provisions of the Criminal Code for offences such as dangerous driving and criminal negligence in the operation of a motor vehicle already have the inclusion of an automatic suspension of driving privileges and that a person failing to stop for a police officer is more likely to be charged under the federal rather than the provincial statute. I would say that in those cases where bodily injury does result from a thing of this nature, then that is the case. To these people I would say: yes, I can't argue with that. But to those defenders of the status quo I would say that we can do even more and introduce more flexibility into the range of options available in our system of dealing with offenders of this kind.

We can send out a show of provincial support to the Alberta police forces today by passing this resolution. We can say to the person failing to stop for a police officer that the province cannot and will not condone high-speed chases initiated by them if we can do anything to discourage them. That includes suspending their driving privileges. It may be that this matter we're discussing today is more show than substance, because it is a resolution and not really legislation, but in terms of high-speed pursuits the problem is often attitudinal. One reason I think it bears discussion is that it is a question of education and letting people know that their actions are really not appreciated and that they should attempt to change their attitude toward them. We have the perception among some members of our public that to flee from the police is exciting, daring, and perhaps even a little glamorous, which I think is a

very poor attitude and should not be encouraged or condoned in any way.

There are other options open to us, and perhaps we should be considering them as well. In British Columbia, for example, a similar offence of failing to stop for a police officer can result in a fine between \$500 and \$2,000, as well as up to six months in jail, but they also go for the possibility of up to a three-year licence suspension.

In Ontario, as a result of a very widely publicized and tragic case there, a special committee was set up by the provincial government to consider the problem. They recommended that the registered owner of the vehicle be charged and dealt with for the original offence that the police noticed. If the car took off on them so that all they could do was record the licence number, then the owner was responsible for that vehicle. In that way it wouldn't do much good if it happened to be the owner driving the car, because he would be dealt with in any event. They also recommended that a vehicle involved in such an activity be impounded. I would think a great many people would consider running off from a peace officer if they felt that they would or could lose their vehicle as a result. But that is an approach that has been taken in that province. Between 1981 and 1984 there were over 6,700 police pursuits in Ontario. When you consider the number there and what we have to deal with in Alberta ... In Ontario that averages five every day, and over that period of three or four years it has resulted in 900 people being injured and 33 of them dying. We can see that this is something that requires some consideration.

Thank goodness the incidence of these types of activities is not as high in this province as in Ontario, but I think that an ounce of prevention is certainly worth a pound of cure and that we should be working to make sure that that incidence doesn't increase. By giving this resolution favourable consideration, I would hope that we would keep the record we have of being fairly low, but better than that, make it even lower. Passing this resolution today can help to ensure that Alberta's streets and highways never have to see some of the carnage occurring in Ontario.

Mr. Speaker, the establishment of an automatic licence suspension under section 119 of the Highway Traffic Act would also serve to give law enforcement officials a wider range of penalties at their disposal for a driver failing to stop for the police. It would also help prosecutors and police officers to more closely match the penalty with the offence. In some cases I think they might be tempted to lay a charge of dangerous driving or even criminal negligence with a view to trying to get the person's licence taken away. They might fail to make the conviction in those more serious offences, whereas they could get the licence removed under provincial legislation under what we're proposing, in most cases making it easier to get a conviction for what is perceived to be a lesser offence.

[Dr. Buck in the Chair]

Additionally, suspension may just deter a driver from initiating a high speed chase if the driver's livelihood depends on having a driver's licence. I don't know whether we can say that under circumstances like this, but it seems as if the people involved don't think of it when they're doing it. We see the situation with impaired drivers; they know that they're going to lose their licence, but it doesn't seem to deter a thing. Surely it can't help but be a step in deterrence. Whether it is absolutely successful or not is

questionable, but it has to be a step in the right direction. I would suggest that deterring even one or two drivers, when you consider the tragic results that can flow from it, would make it well worth while to consider adding this additional penalty to section 119 of the Act.

It is for these reasons, Mr. Speaker, that I would urge the members of the Assembly to support this resolution.

Thank you very much.

MR. CHUMIR: Mr. Speaker, I rise to speak in favour of the concept of taking steps with respect to high-speed chases. Steps that I would favour would be directed to increasing sanctions against those drivers who abuse their rights on the road, as was partially suggested by the hon. member. However, unlike him, I would also focus a great deal more attention on the role of the police in these matters. I propose to comment on both aspects. Although I speak in favour of the general concept as proposed by the hon. member, I would have some reservations and enlargements upon the particular solution that he proposes.

For the interest of the House, Mr. Speaker, I might note that I am somewhat knowledgeable on this issue, having chaired a 1981 committee of the Calgary Police Commission on high-speed chases and having made a very extensive report to the commission which was the foundation stone of what are perhaps the most stringent police regulations with respect to high-speed chases in the country. So I am aware of the problem.

Perhaps just to focus the attention of the House on how serious a difficulty this is and to go beyond the question of the three deaths referred to by the hon. member in the accident in Calgary in January 1985, I believe, and to emphasize to the House that this is a recurring problem not only provincewide but nationwide and indeed around the world, I would point to the particular instance which led to the formation of the committee of which I was the chairman. That resulted from several incidents in which three Calgarians were killed in traffic accidents associated with police pursuits. In the first of those, on January 28, 1981, two boys aged 14 and 15 were killed when a truck which they had stolen went out of control and smashed into a light standard after a short police pursuit. In the second incident shortly thereafter a 28-year-old mother of three was killed when a stolen car being driven by a 16-year-old collided with her vehicle during a high-speed chase with police.

This is a serious problem. It requires some serious action. I would like to go on, Mr. Speaker, to comment perhaps in some detail on what I see as some of the technical directions that some of the solutions might take in dealing with, firstly, the restraint and deterrence of the driver in these situations. If the House will bear with me, I'd like to refer to section 119; it's unfortunate that copies of that section are not before the House at the present time. It basically provides a penalty — and an inadequate penalty, as the member has noted — if the driver does not comply with the requirement under that section of "immediately on being signalled or requested to stop by a peace officer ... bring his vehicle to a stop ..."

I have a technical comment that I would make with respect to that section; that is that we, the government, should provide in that section that the requirement to stop by the police must be based on reasonable grounds and be made in the course of the officer's duty as a peace officer. At present, the section leaves it open to the unfettered discretion of the police officer to require a stop to be made.

It is arguable, and it's implicit that in that section the stop must be by the officer in the course of duty.

However, it is my view that there is a serious question of whether or not the Charter of Rights and the right to be free from arbitrary detention on the part of the citizen is infringed as a result of the granting of arbitrary powers to the police in that section. I make this very technical point, having had some experience with this matter in my professional practice, because it is so easy for the legislation to provide that the officer must be acting on reasonable and probable grounds in making the stop, as is the case in section 120, which immediately follows that. That's a technical matter that I wish to raise, having some knowledge about it, Mr. Speaker. I'll now move on to something somewhat more substantive.

[Mr. Speaker in the Chair]

I agree, Mr. Speaker, that we do need to have more stringent penalties under section 119 of the legislation. I agree with the hon. member that one of the options should be licence suspension. But in my view the licence suspension under that section should be optional rather than mandatory, because section 119 covers situations in which the failure to stop may arise not from a serious situation in which a criminal is evading pursuit from the police but rather from a situation which is somewhat less blameworthy. For example, assume we have a situation in which a motorist feels aggrieved about having been stopped over a traffic violation. He presents his driver's licence to the police officer. The police officer is writing up the ticket; the motorist is fuming. The motorist takes off and says: "I'm not waiting for this. The police officer has my licence; he has my name; he has the car licence. I'm known; they can mail me the ticket." It is wrong for that motorist to take off, but I submit that that is not a situation in which a mandatory six-month licence suspension should be imposed.

What I am saying is that section 119 covers too broad a range of situations to justify this, Mr. Speaker. However, there are circumstances where the failure to stop would in fact justify a mandatory suspension. Accordingly, this raises the issue of the need for a new provision in the Highway Traffic Act to cover these more serious situations in which motorists are fleeing from police. Our committee in 1981 recommended this action. We suggested making it a serious offence to "knowingly flee from a police officer," and we suggested in our report that there be teeth provided in any penalty; for example, that there be a stiff minimum fine and provision for forfeiture of the vehicle in default of payment of the fine in serious cases. At this time I would add my support for a mandatory, minimum six-month licence suspension in serious cases and would also suggest that, as well, consideration be given to providing for impoundment of the vehicle for a period of perhaps six months in a serious case.

Mr. Speaker, the hon. member has suggested that there be a six-month licence suspension, and I've indicated that I concur. That is all and well; that in itself can be a serious deterrent. However, it has been my experience that the deterrent effect is very, very much diluted, if not totally removed, if the licence suspension is not adequately enforced. The reality of the situation in Alberta at the present time is that our government and our police very poorly enforce the present rules respecting suspension of licences. First of all, there is little likelihood of getting caught. Therefore, many suspended drivers drive in any event. If the driver

is caught, there is a minimal penalty; usually, a very small fine is imposed.

I happened also, Mr. Speaker, to be on a committee of the Canadian Bar Association late last year dealing with impaired driving. That committee reported on January 20, 1986, in a report that the government might very profitably peruse. I would like to quote the findings of our committee with respect to the practice in this province of enforcement of licence suspensions in dealing with impaired driving. This committee, composed of lawyers from Calgary and Edmonton, indicated that:

Our research and interviews with persons involved in the enforcement and defence of impaired driving charges lead us to confidently conclude that mandatory licence suspension upon conviction for impaired driving is a significant deterrent in itself. However, in both the perception of violators and in actual fact there is a very low risk of apprehension of persons driving in contravention of such license suspensions. Further, the penalty imposed on first offenders who are caught is currently a low fine and [not] an automatic consecutive six month license suspension. It is the feeling of the Committee that this low risk of apprehension combined with low penalty upon apprehension minimizes the deterrent effect of license suspensions.

We then went on to point out that a new provision in the Criminal Code, section 242, provides an optional term of imprisonment at the discretion of the court for driving while a licence has been suspended. We went on to recommend that provincial legislation be enacted providing for a mandatory suspension in the event that a driver was caught driving while the licence was suspended for impaired driving. I might add that we had in mind a seven-day mandatory jail sentence. Our philosophy was that an offender in these circumstances was in effect a repeat offender, having been caught for impaired driving first and then for driving while the licence was suspended, and that some strong sanctions were merited. We need a similar provision, Mr. Speaker, in respect of flight from a police officer while a licence is suspended, again in light of the low risk of apprehension and the fact that the offender is a two-time offender.

We also have to address, Mr. Speaker, the problem of the low risk of apprehension. As I mentioned, this was discussed in our committee report. At that time we also discussed the question of the policy of the provincial government insofar as the retention of records of those whose licences are suspended and the mechanisms for making police aware of those licence suspensions in apprehending offenders. An example raised at that time was a 1984 study done over a 30-day period where there was an attempt to match licence suspensions with those who had been charged with other traffic infractions. It was found in those matchings that there were 300 Albertans whose licences had been suspended who were charged with other infractions and who had not been charged or apprehended for driving while their licences were suspended. We in this province have, I understand, recently undertaken a \$7 million computerization of our traffic records; perhaps we're well into this. This computerization should encompass those who have had their licences suspended for various offences, and it would be in the interests of this province if some effort were made to use this system of linking our records of driver suspension with the other traffic offences in order to increase the record of apprehension.

Mr. Speaker, that deals with the issue of initiatives directed to the offender who flees from and fails to stop

for police. I'd like to move on now to comment briefly on the question of police policy with respect to high-speed chases. I think it is quite apparent that I have a far greater degree of concern with respect to police policy and attitudes on this matter than the previous speaker. While there is some responsibility on the part of the offender, it is we who are sitting here determining Legislative policy, and we as a community must do our best to see that we have the best laws and procedures not only in the Highway Traffic Act but on behalf of our police forces. I believe that we as a civilized community can do better than we have.

We're all aware that many police chases take place in the province of Alberta annually. There is tremendous loss of life and property damage. It has been a recurring problem in the city of Calgary, from where I hail and with which I am most familiar. As I have noted, it has had some very serious loss of life over recent years. Our committee in 1981 took what were at that time quite good rules and regulations of the city of Calgary police and made them even better. As I mentioned, we ended up with the toughest rules in the country. Basically, our conclusions were that some police chases were necessary. It was not in the public interest to totally ban chases because if this were done the fact would become known and we would, regretfully, have a situation in which lawlessness on the roads would be encouraged. We concluded that this would be a counter-productive measure. However, we did decide that pursuits should be rare and that they should not be commenced or, if commenced, should be discontinued when there would be a clear danger to the public or to the pursuing member which outweighed the necessity of immediate apprehension.

I don't have time to read these guidelines for the House, Mr. Speaker. I have copies and would be prepared to make them available to any members who would be interested. They are excellent guidelines. The purpose of these guidelines was to limit the number of high-speed pursuits and to ensure that dangerous pursuits did not take place for trivial offences. An example of a trivial offence that was a real-life situation presented to our committee was one in which a lengthy and very dangerous chase took place in pursuit of a motorcyclist because he was not wearing a helmet.

However, our guidelines are only guidelines. They're only as good as the systems and the people who are enforcing them. I must say that I have not been totally happy with what I have seen of the way in which these guidelines have been enforced in the city of Calgary. Since being on the committee in 1981, I have been receiving the monthly police reports. I have read the summaries of how they deal with chases. I must say that the police procedures and approaches are better than they were before our committee recommendations were enacted, but I am concerned that we still have far too many cases in which high-speed chases are taking place for minor or relatively minor offences in the city of Calgary.

I am also concerned that many chases which should be called off are not called off or not called off soon enough. An example in recent times was the one to which the hon. member referred. It took place last week in the city of Calgary; it was either reported on or took place on June 26, 1986. There was a high-speed chase through a residential area at 4:30 in the afternoon. Was it a serious offence that was in issue? Yes, it was a serious offence if you consider a motorcycle without a licence plate a serious offence justifying police cars careening through a residential area and imperilling the lives of children and others at that point

in time. The parents in the city of Calgary were concerned. They brought it to the attention of the newspaper. The newspaper publicized it, and I commend this, because if we don't have this kind of publicity and public concern, we're never going to improve the situation. I am concerned about that situation, the parents are concerned, and I believe we should all be concerned.

What I did not see in that newspaper article was an expression of concern on the part of the police department. What I read in that article — and if I am misreading or misreporting, my apologies to the city police — was the general approach of circling the wagons and supporting the chase as having been within the rules and intentions of their policy. I am very concerned about this attitude and this conclusion, because as one of the main authors of that policy I can assure the city of Calgary police department and the Calgary Police Commission that engaging in chases of that kind was certainly not within our intention. It was our intention that those chases should not even commence.

What I would like to do at this stage, Mr. Speaker, is to call upon the Solicitor General — who is unfortunately absent from this House, but I am sure my comments will be ferried over to his office immediately — to take some steps which should have been taken long ago in this area. I would urge the Solicitor General to look into this matter, to ensure in terms of his dealings with police and police commissions that there is tighter enforcement of the current policies, that they share the concerns of the people of this province with respect to high-speed chases, and that they will take some action to improve the situation. If he does not get proper response and action from police departments and police commissions, I would suggest that it will then be time for the Solicitor General and this government to proceed to set some provincial standards for high-speed chases and to put in place a provincial mechanism for monitoring the situation.

This is far too important and recurring a problem to be allowed to drift, with attention only at the time of each succeeding disaster. There is no perfection in this matter, I hasten to add. There will always be some chases, and there are always going to be some accidents, but we can certainly do much better than we have done in the past on this matter. It is nice to see the hon. member who proposed this motion concerned about the situation, and it would be very much nicer if the government showed some recognition of concern as well and did something.

Thank you, Mr. Speaker.

MRS. MIROSH: Mr. Speaker, I may not be as knowledgeable as the Member for Calgary Buffalo nor do I have the same experience, but I would still like to add some of my comments to this motion. I am speaking to this motion since two families in my constituency were victims of a police chase resulting in the fatality of four innocent people. The deaths of these individuals resulting from a police chase have left a feeling of bitterness in our community as we watch the children grow up without their parents. Even though this accident occurred outside the country, I feel that the penalty is never too severe. Other families in this province have suffered the same consequences. In any high-speed chase the lives of innocent people are endangered.

I have read many articles written about high-speed chases, many of them as a result of robberies and many of them resulting in death or bodily harm. Areas around the province have shown a substantial increase in the number of RCMP pursuits over the past few years. Police pursuits are the

responsibility of the individual police force, recognizing the danger of high-speed chases. It is a professional judgment, and according to law officers, police chases are monitored very closely. Policies and procedures regarding high-speed chases are the responsibility of local police forces. These procedures respecting a chase are vitally important. The maintenance of public safety while carrying out the responsibility of law enforcement is also a matter for the local police force.

Currently drivers in Alberta who are convicted in police chases are prosecuted under a variety of offences depending on the severity of the incident. If there is a careless driving charge or a death involved, the victim is convicted under the federal Criminal Code and various penalties are imposed for this offence. An automatic six-month driver's licence suspension is the penalty imposed for anyone convicted under the Criminal Code, along with other penalties. It would be advantageous if the provincial Highway Traffic Act were consistent with this federal law.

In other provinces, such as B.C., failing to stop for a police officer is an automatic licence suspension for six months, and the court prohibits the person from driving for a period of up to three years. In Ontario the penalty is the driver's licence suspended for three years. In Manitoba the person driving the car would be charged under the federal Criminal Code.

The purpose of this motion is to help reduce the number of high-speed police pursuits. In some cases the suspension of a licence for six months may not make any difference to the driver failing to stop for police. A harmless driver may not stop for police due to a lack of hearing. However, this would be a police judgment. The imposition of a licence suspension recognizes the severe implication of the offence. Hopefully this would be a deterrent if the offender's livelihood depended upon having a valid licence. Increasing the penalty would act as a statement of the provincial support for the police forces in Alberta.

In conclusion, Mr. Speaker, I support this motion that an automatic loss of licence be imposed plus the maximum fines that accompany this offence under the Criminal Code. Perhaps even more severe penalties could be examined for this tragic act, depending on the severity.

Thank you.

MR. WRIGHT: Mr. Speaker, I have to respectfully submit that this is a somewhat ill-thought-out motion which does not deserve the support of this Assembly, not because the concerns expressed by the hon. member who has just spoken and by others in this House are not perfectly valid — they are — but because the powers already exist under the Highway Traffic Act and the Motor Vehicle Administration Act to do the things that the hon. members have spoken of to remedy the situation and indeed more. One can think of instances in which a six-month suspension is inadequate to reflect the punishment that should be meted out. Conversely, as the hon. member on this side of the House has already said, there are some instances of failure to stop for the police which are so venial that a six-month suspension would be excessive. It is not well thought out to have a draconian penalty, because a six-month suspension is. It often results in the loss of a job for the guilty person. It's so inflexible, Mr. Speaker. No one has adverted to the fact that under section 57 of the Motor Vehicle Administration Act

The Minister may suspend or cancel an operator's licence or a certificate of registration or permit issued under this Act

for a contravention, amongst other things, of the provisions of the Highway Traffic Act and also the Motor Vehicle Administration Act. There are a number of other contraventions too.

Inasmuch as there is a need to resort to suspensions of licences more often where there has been a failure to stop for the police, it seems to me that there has simply been poor administration of the Act. For instance, the clerks of all courts should simply be required to report when there has been a conviction under this section of failure to stop, and perhaps then the minister can ask the guilty person to show cause why his or her licence should not be suspended. To have a discretionary remedy in the Highway Traffic Act or the Motor Vehicle Administration Act might run the government into jurisdictional problems since similar provisions exist in the Criminal Code for some of the offences there.

As for the other points that make high-speed chases so dangerous, invariably the 'flee-er' is guilty of other offences under the Act — of speeding, of course — or, under the Criminal Code, of careless driving, dangerous driving, criminal negligence in the operation of a vehicle, criminal negligence itself, and of course, in fatal cases, manslaughter or criminal negligence causing death. The much more extensive remedies supervene in the bad cases, and in the venial cases this is a draconian penalty which is, as I say, ill thought out, Mr. Speaker.

The minister's discretion can be exercised in a hearing out of court in which the guilty party has more opportunity than in court to lay out the penalties that will occur to him or her in life if he or she loses their licence for six months and is a more flexible way of approaching this problem, Mr. Speaker.

Thank you.

MR. ZARUSKY: I would like to rise and give support to Motion 205, which urges the government to establish an automatic six-month suspension for drivers convicted under section 119 of the Highway Traffic Act for failing to stop for a police officer. I would also like to congratulate the hon. Member for Drumheller for bringing this most important issue to the floor for debate. I believe there has to be something done to reduce these high-speed chases, as there have been many bodily injuries and lives lost because of this.

Mr. Speaker, probably one of the most tragic aspects of high-speed chases is that the outcome results in injuries and loss of life. The decision to try and outrun a police vehicle often has serious consequences to not only the driver of the vehicle but also the police officer. Over the last few years a number of people in this province have been seriously injured or killed as a result of high-speed chases.

I remember one incident that occurred in our constituency. It was a 60-mile chase. It started at one point, and the police chased him for a while, then radioed ahead and put up roadblocks. He bypassed them all. In his case, if he had had any sense, he should have got off on a country road, but instead he kept going. When he was passing, he came upon an oncoming vehicle; a father and two children were driving in it. The father was killed — just an innocent bystander. That was one thing which this high-speed chase did accomplish. In this case the police did give him a chance to get off the road, which he didn't.

Mr. Speaker, the frequency of pursuits by the RCMP of vehicles failing to stop has increased from 98 in 1982 to 121 in 1985. This indicates to me that if the number of

police pursuits increase, so must the potential risk of serious injury or death. I don't know the cause of this; maybe it's these young people watching a lot of television, seeing the *Dukes of Hazard* and that registering with them, but we can't stop people from watching television. In this case, giving the automatic six-month suspension might get them thinking again.

Under the existing provincial legislation a conviction of failing to stop for a police officer has a penalty of \$500 or a six-month jail sentence, which other members have indicated. So in actuality a person could be convicted of this offence but would be allowed to continue driving unless, of course, the person was convicted of a criminal offence. I understand that under these circumstances, there are provisions within certain sections of the Criminal Code which call for licence suspension in addition to other penalties. In any case, a person usually is convicted of the lesser sentence and continues driving, so he could do the same thing again.

Mr. Speaker, in a sense, if you threaten to take away someone's driver's licence, you threaten their independence and quite likely their livelihood. A person convicted or in a high-speed chase stands a chance of losing his licence, which could be his livelihood. In any case, he might think twice.

I'm of the opinion that people have to start changing their attitudes toward driving a motor vehicle. Driving is a privilege, not a right, and if people don't respect this privilege, they lose it. I'm not suggesting, Mr. Speaker, that automatically revoking the driver's licence of someone who has failed to stop for a police officer will solve the whole problem of police pursuits. However, I am suggesting that this type of measure would be effective in reducing the frequency of these pursuits. If we can prevent just one person from engaging in a high-speed chase, then we might prevent one death or serious injury.

Mr. Speaker, once again I want to express my support for Motion 205. I think that an automatic six-month licence suspension provision under section 119 of the Highway Traffic Act has the potential to be effective in reducing what appears to be an increased incidence of police pursuits involving high-speed chases. If we as the government support this motion, we might be able to get more of these people off the roads and hence save some lives and some injuries.

Thank you.

DR. CASSIN: Mr. Speaker. I'd also like to speak in support of Motion 205 and support the speakers that we've heard from so far this afternoon. I think the tragedy we are dealing with in the pursuit situation is that so often it's the young people that are the offenders. It's been alluded to by the Member for Calgary Buffalo, I think, that in Calgary we're dealing with 14- to 19-year-olds. On a national average, I think we find that most of these people are male and under 24 years of age, 50 percent of the time alcohol is involved, perhaps another 20 percent of the time there's a theft or we're dealing with a previous bad driving record, and in most cases it occurs at nights and weekends.

It would be fine if we could say "Well, they're young kids, and perhaps the police shouldn't chase them." But when you're in hot pursuit, you can't always determine who you're chasing, why you're chasing them, and what other offences these people have committed that may involve perhaps a more serious penalty. So I think it's important that the penalty is substantial.

I think it's important that we deal with not just the penalty but perhaps an educational program. I think we've alluded to the problem that our young people are inundated with TV programs dealing with cops and robbers or Hazard county, and nothing ever happens to these people. They drive through all sorts of conditions, and the people always come back for the next program.

I think we have to impress upon our young people that real life isn't that way. If they're going to abuse the privilege of driving, then there's a penalty to pay for that privilege. I would certainly support the motion by the Member for Drumheller that we provide the courts with an option to match the penalty with the crime, that a serious crime merits a higher fine or penalty. The approval of this motion really is a statement of support for our police, who have a difficult task to carry out.

They have to recognize, as do we, that we can't do away with pursuits. If we did, we would really give a criminal a licence to speed through our towns and cities without having to worry about being apprehended. I think the passage of this motion will also be a statement that the government of Alberta will not condone high-speed pursuits.

Thank you.

MR. BRASSARD: Mr. Speaker, I've heard some very valid arguments today, and there have been a lot of statistics quoted, but I think what we're really dealing with here is attitude. I think that too often we give too much consideration to the criminal and not enough consideration to the victim. As I say, this is basically a crime of attitude, not just of escape. It's often one of total disrespect. It is a very serious crime inasmuch as it puts everyone in the vicinity at risk, not just the person or escapee, the chaser or police, in this case, but everyone surrounding them.

As was mentioned, I think that driving an automobile today is indeed a privilege. I think that privilege is totally abused when one takes off with total disregard for the people in the general area whom he is putting at risk. It also moves from just impulse, the immediate decision to flee from the crime, to panic and escape.

It was pointed out earlier that if someone is stopped for a ticket and flees during the process, it shouldn't be considered serious enough to deserve the full weight of the law. I disagree totally. If anyone is in total disrespect of the law at that point ...

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

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

**Bill 205
An Act to Eliminate Extra Billing**

REV. ROBERTS: Mr. Speaker, in this public forum and in this Legislative Assembly I am very pleased and proud to speak to Bill 205, An Act to Eliminate Extra Billing here in the province of Alberta. I am pleased and proud to do so because this is the place for such debate. This is the place for input from all sides on this rather contentious issue. This is the place where the legislative powers need

to come to pass, where the people's voices need to be heard, as well as the patients' voices.

We have been told there is a consultative process going on in private and in secret that may well be considering the key aspects of this very important issue. We are of the opinion that these matters need to be brought forward now so they can be open and publicly seen for what they are.

Mr. Speaker, I am surprised this is still such a contentious issue today, for we all know that the landmark decision — the Saskatchewan doctors' strike of 1962 — brought this issue to the fore in such a public and confrontational way over 14 years ago. That strike was settled then, and most of the medical profession, together with most of health care in this province, was brought kicking and screaming into the 20th century, a time of a humanitarian way of dealing with health care. There was then a growing acceptance in all provinces of this great country of ours of the advantages of a universal medicare system for the patients, doctors, and governments. At all levels this system began to take deep roots for the betterment of all Canadians vis-a-vis people in other countries who do not have this wonderful advantage.

It was quite significant that in 1982, just four years ago, all parties of the federal House of Commons passed the Canada Health Act, an Act which ensured the principles of universal access to medical care, an Act which all parties and all members voted in favour of to eliminate extra billing, user fees, or any other such fee that may be imposed by the medical profession, that such fees were flying in the face of the principles of medical care as it is needed to be practised. So it is that even today the hon. minister of health, Mr. Jake Epp, Progressive Conservative member from Manitoba, is continuing to enforce the Canada Health Act, and so he should. It is a policy that we, too, as New Democrats have been advocating in and through this province for some time.

The will to eliminate extra billing is one that is now also supported by over 70 percent of the population, Mr. Speaker, a percentage which cannot be ignored, a percentage to which, if we are the government of the people, we need to respond. Perhaps it is the unfortunate backdrop of recent events in Ontario which gives us great pause, as they do me in raising this Bill at this time. We do not want to hurt the system. We do not want to hurt the doctors, and we do not want to hurt those involved in the delivery of health care. Such confrontational events and such unfortunate ways in which the issue has been handled there seem to have hurt all sides of the health care delivery system. Nonetheless, the principles of universal health care and the elimination of extra billing by physicians is something that must be brought into reality in this province here and now.

Mr. Speaker, when the Magna Carta of the 12th century was first introduced, the kings and nobles of the day couldn't stand it. "Give the power to the people," it said. No way. So for centuries they fought it. When mass was first said in the vernacular, the bishops and priests fought it. "Give the power of prayer to the people?" they said. No way; that's our prerogative. When education in the 18th century had become a pursuit for everyone — that everyone ought to have the ability to read, write, and be educated and that should be provided by our society and our governments — no, said those in power. Educate the masses and they're going to get too much power; they're going to get too much on us. So they fought against it.

Mr. Speaker, we know that in our civilized society everyone can vote, thanks to the roots of the Magna Carta.

Everyone can worship; everyone receives basic education. But in our human, caring, and resourceful country everyone must be able to have access to quality health care. No one should have to have the health of their bodies depend on the size of their bank accounts. At least Mr. Epp says so, at least the Alberta New Democrats say so, and at least 70 percent of the people in this province say so.

I could go on to argue the political philosophy behind the roots of universal medical care as we know it. But since it seems that all parties and all people on all sides of this issue are agreed — even our own hospitals minister seems to catch the drift of this Bill, this universal medicare system — the wisdom, humanity, and economy of it seem firm. So I don't think I should pursue having to argue for its defence.

Perhaps some doctors still have some problems with it. I don't really know what is the best diagnosis for their problem with it. If they want to be free-enterprise doctors and have the freedom to sell to consumers of health care what they have to offer at a price they want to levy, then let them. Only let them do it in a private sort of way. They can certainly opt out of the system entirely, as they have in the province of Quebec. There is nothing wrong if they want to do that. They must, therefore, also do their own billing, not piggyback on the billing practices of the government. If you want to drive on your own roads, go and do so. If you want to send your kids to a private school, do so. If you want to be a private doctor in free-enterprise medicine, do so, only do not do it within the guise of the Alberta health care system and do not piggyback and extra bill on the provincial health care plan.

Mr. Speaker, Bill 205 asks for only two things, and they are reasonable. The first is to end extra billing, to end what they call here balance billing, to end what we call a tax on the sick, to end what some have thought to be deterrent fees. The other thing it does is to provide in the legislation that the Minister of Hospitals and Medical Care should at least meet annually with the College of Physicians and Surgeons to negotiate the fee schedule and, in some sort of collective bargaining way, get at adequate fee schedules in the give-and-take and the power play between the government and the medical associations.

Let's look at the first thing that we're asking in this Bill; that is, the aspect to eliminate extra billing. Why are we advocating this? As a deterrent to abuse in the system, as it's often argued, we're going to extra bill patients so they know what the costs are. We're going to extra bill them so they don't abuse the system and come to us whenever they want just because it's free and they don't have to pay for it. This argument is often made.

Mr. Speaker, let me remind the members of this Assembly, as well as our own hospitals minister, of a recent study in the early part of this year by the U.S. institute of medicine. A comparison study between Canada and the United States found that in Canada the delivery of health care has to do with only 8.6 percent of our gross national product, but in the United States it is a full 11 percent of their gross national product. In other words, to keep their economy going, they need more sick people. To keep our economy going, to keep our gross national product down, only 8.6 percent is spent on health care. So it is in a universal medicare system that costs are controlled, costs are down. There isn't as much abuse, though there may be some. There isn't as much rising cost, though there are many in the system that can be deterred by the use of user fees or extra bills by doctors. Yes, all members of the

health care team and all patients need to be conscious of what the costs of our medical system are. No doubt in the budget estimates we will get to those. It does not seem by any stretch of the imagination or any evidence or statistics presented so far that the pressure for spiralling health costs is the fault of the patients. It is not the patient in the palliative care unit who asked to have triple bypass heart surgery.

Mr. Speaker, another reason we are asking for the elimination of extra billing is that though it is argued to be a deterrent so people don't abuse the system, what it does become is a deterrent for those who most need it but may least be able to afford it: the poor, elderly, and disabled. The Hall commission report has substantiated through and through that the imposition of extra billing hurts only those on low and fixed incomes. We have found even in this province that though in the election campaign the Premier said no, we must get a handle on the extra billing of those on low income, while 11 percent of welfare recipients were billed less and 14 percent of senior citizens were billed less, for those people in income groups of \$4,000 maximum income for singles and \$5,000 maximum income for families, extra billing went up 143 percent. It is just unacceptable that they should be so victimized. We've just been talking about people who have been victimized.

Other statistics show that the provincial average for extra billing has been coming down, but it's still at the full 25 percent, with Calgary doctors extra billing the most at 32 percent, Edmonton doctors billing at 24 percent, and doctors in the rest of the province extra billing at 13 percent for a grand total of about \$900,000 per month. Mr. Speaker, it is not a deterrent for people to abuse the system, but it is a deterrent for those who need it not to use the system. It also puts a responsibility on the doctors which they have not been trained in nor should be able to assess, which is the responsibility to assess not just the health care needs but also the financial capability of their patients. Doctors do not and should not have that responsibility.

A third reason we are asking for it to be banned is because it seems to us that voluntary pressure just isn't working. The ability to extra bill is still too great a temptation for many doctors, as we've already said, to the tune of \$25 million worth over the last two years. Unanimity amongst the profession is hard to get by voluntary pressure.

So we would turn to the second aspect of this Bill. Mr. Speaker, which perhaps is the good news and in which we as New Democrats firmly believe. That is under section 7(1), (2), and (3) of this Bill, in which the issue is forced into the area where it truly belongs; that is, into negotiation between the Minister of Hospitals and Medical Care and the College of Physicians and Surgeons. At an annual meeting at least, they are able to go over the fee schedule, amend it, and collectively bargain if they want it improved.

Why do we want this, Mr. Speaker? At least it's what the rest of us mostly need to do or have done. In our social contract we all formed groups that make contracts with other groups. It's not that hard to live with and not that difficult a system when you get the hang of it. It shouldn't be that difficult, Mr. Speaker, because at least two of the hospital minister's deputy ministers are former members and heads of the Alberta Medical Association and the Canadian Medical Association. If they're afraid of not having clout in the government, they need not be afraid; they've got lots of clout.

A third thing this does, Mr. Speaker, is that it shows some respect and some regard for the integrity of the

system. It doesn't just allow for mavericks to go off and do their own thing and piggyback on the rest of the system and have no regard or no respect for the integrity of the system. Rather, it forces us all, whether we are legislators, members of the health care delivery system, or patients, to work from within to improve the system, to work from within to ameliorate the system, to tighten up the billing procedures and the ways of billing, if that's a way to tighten it up. It puts the health care team together in a way that gives integrity to the system that we can work within to improve. It doesn't allow for mavericks to go on their own merry way thinking that they somehow have a better line on how it should run than the whole system itself is dictating.

A fourth thing is does then, Mr. Speaker, is to eliminate what is now going on, which is having to define and redefine what are essential and nonessential medical services. We have a good system in this province, and we need to preserve it. We should not allow certain people in secret negotiations to make the decision or to make the definitions of what is essential and nonessential. Who is going to make that decision? Who is going to monitor that decision? How politically expedient is it to get rid of this perhaps non-essential medical service, though it may be a very essential aspect to a particular person or a particular patient? It's not the time to dismantle the system that we have and the extended benefits which we enjoy in the system. It's the time to work within the system to continue to improve it and not to whittle it away in secret from the outside.

As a priest, Mr. Speaker, I have often worked with other caring professionals, even some of the curing professionals. I have worked with and met many physicians and other people in the health care system. I have been there with families when someone has died and the doctor has just left the room. I think it is an unhealthy situation for anyone in our society, or particularly in our health care system, to try to play God, to think they have all the answers, even though people invest them with a lot of respect, responsibility, and power. To think that oneself is a God in a system borders on the idolatrous and serves one's own megalomania. People are seeing that doctors are not God. People are seeing that the health care system is one which needs a holistic approach, one in which there are different people in the health care system who work together in an interdependent fashion to deliver the health care that people need and deserve.

As I close, I recently read this poem, which I think helps us to realize that doctors are no longer gods, as they might sometimes think they are. The poem goes like this:

Now I lay me down to sleep,
I pray the Lord my soul to keep.
If I should die before I wake,
I pray the Lord my soul to take.

But if I die with open eye
Because my doctor is not nigh — To tend me being
most unwilling,

Denied his itch for extra-billing — I'll yet abide the
Lord's decree
That I, bereft of remedy
Be doomed to rot in durance vile
While doctor dwells it up in style.

I question not the Lord's intent
How our respective lives be spent.

I gasping at the clinic door.
He lolling on a distant shore.

If the Lord wills it that I die
Not mine to ask the reason why,
That my MD may better live
My life for him I gladly give.

Oh let me, Lord, depart with speed,
My rightful span not o'er-exceed,
And whisk me to my last abode;
The hearse awaits another load.

Mr. Speaker, let's not die this way. Let's not let our excellent health care system in this country and in the province die this way. Let us support Bill 205.

MR. OLDRING: Mr. Speaker, I rise to speak in opposition to Bill 205. Just before I get on to that, I want to take this opportunity to boast a little about the Red Deer Regional hospital in my constituency. It's a tremendous facility. It's relatively new. We boast some of the finest doctors and staff in this province and in this country today. We have a team of emergency physicians there second to none. With the recent addition of a new CAT scanner, we are able to treat a lot more of the emergency situations in our own facility without having to transfer them to Edmonton or Calgary. I would suggest, Mr. Speaker, that this is indeed indicative of this province's commitment to the health care system we enjoy today. It's a full range of services that we're providing, second to none in Canada.

Mr. Speaker, I too share the concern expressed by the minister of health earlier in this Assembly over the potential loss of funds as a result of not complying with the Canada Health Act at this time. But I'm optimistic. I'm optimistic and hopeful that we will be able to more than satisfy the Canada Health Act long before the April 1987 deadline comes around. Personally, I fall into that category that the hon. Member for Edmonton Centre referred to. I'm amongst the 70 percent that don't agree with the concept of extra billing. I would suggest that some of the statistics provided in a recent March '85 report of the Health Economics & Statistics of Alberta Hospitals & Medical Care indicate the majority of the medical profession fall in amongst those statistics as well. It shows that only 26.27 percent are extra billing, and the total amount of dollars extra billed as a percentage of the Alberta health care insurance premium payments is in fact only 2.02 percent. That's encouraging.

Mr. Speaker, it's not the extra billing that is really at stake at this time; it's more a matter of professionalism. It's a right. It's a right that medical practitioners have worked hard for. It's a right that lawyers, dentists, accountants, engineers, and other professionals all enjoy as well. Most importantly, as a result of the practices that we have in this province, we've attracted some of the top medical doctors in Canada and some of the top medical doctors in the world as a direct result of the professional privileges extended to them.

Mr. Speaker, I campaigned on the concept of new ideas and new initiatives. I alluded to that in my remarks last week. The minister of health has already assured this Assembly that he is negotiating in good faith with the Alberta Medical Association to end extra billing in a consultative approach: consultation rather than confrontation.

REV. ROBERTS: How about legislation?

MR. OLDRING: How about legislation, says the Member for Edmonton Centre. It amazes me. It amazes me that that's the best they can come up with. It's amazing that members opposite can't use a little more imagination and be a little more creative in their approach to problem solving. You'd think they would at least be astute enough to see the damage and the results caused by their NDP cousins in collaboration with the Liberals. Look at the damage they've caused in Ontario.

I'm going to quote from a few recent news clippings. Obviously, they're not paying attention. They haven't seen the results of the kind of legislation they're proposing. I'm quoting from the *Edmonton Journal*:

"The real struggle is now going to begin," said Dr.

Ed Moran, general secretary of the 17,000-member Ontario Medical Association which called the strike.

"Passing the bill is not going to change anything."

I'll go on to quote from another article. [interjection] Sure it is, and we'll see what it's going to do. It's very evident.

Premier David Peterson told the Legislature that Bill

94 was "a victory for the principle of equal access to quality medicine and a defeat for no one". . .

"A defeat for no one," he says. In the same article:

"If he (Peterson) is pushing the bill through thinking everything is going to stop, he is sadly mistaken,"

says the Ontario Medical Association President Dr. Richard Railton.

MR. SIGURDSON: A point of order, Mr. Speaker. I wonder if we're debating Bill 205 or if we're reading newspaper clippings out of Ontario from previous occasions that happen to appear in the *Edmonton Journal*.

MR. OLDRING: Mr. Speaker, I'm sorry the member opposite is so ill-informed. Obviously, if he had read these articles already, he probably would have come up with something a little more imaginative. I again quote from another article.

MR. STRONG: Do your Henny Penny act. You do that better.

MR. OLDRING: You're pretty thin-skinned over there, but you'll get tougher. You'll have to if you're going to last. I'm glad you're paying attention at least. You might learn something. I quote:

"The province is like a tinder box out there . . ." said Dr. Edward Moran, general secretary of the Ontario Medical Association. "This is like putting a match to the tinder box.

"Frankly, I'm worried."

Dr. Moran said the doctors, who have closed hospital emergency wards and threatened to close intensive-care units, could begin escalating their strike almost immediately.

And I again quote from another article:

. . . a comment from Dr. Joan Atkinson, president of the Durham Medical Society, reported in Wednesday's Oshawa Times. She replied, when asked what complete withdrawal of services meant to her, that it meant "sitting on the curb and watching the ambulances pulling in to the front door and watching the funeral directors pulling out the back door."

A very, very serious situation, Mr. Speaker. It amazes me again. Their timing is dead wrong. The timing is not now when the minister of health is in the middle of some

meaningful and constructive debate with the Alberta Medical Association.

I would urge the defeat of this Bill at this time and would suggest that the members opposite quit trying to make political hay on this particular issue and instead utilize a little creativity and offer the minister of health some solutions and some assistance in resolving the situation on a consultative basis.

Thank you.

MS BARRETT: Mr. Speaker, I'll keep my comments in support of this Bill quite brief. I noticed the member who had the floor just before me talked about the timing of the introduction of this Bill. First of all, I'd like to advise all members of this Assembly that this is not the first time this Bill has been introduced. As a matter of fact, I think it's been introduced every single session since the Canada Health Act was put in place by the federal government, and I remind all members that the Canada Health Act was supported by all three political parties represented in Ottawa.

It seems to me that as an observer from the public gallery for a couple of years watching the proceedings of this Assembly, I saw a number of different debates about the right for physicians to extra bill and for hospital user fees to go on in this province after the passing of the Canada Health Act. I also witnessed something that may not appear to be related, but it occurs to me that it is. That is that following the submission of a petition to save what we know to be the General hospital in downtown Edmonton, at least to continue functioning in large measure as an acute care hospital, a petition with 70,000 signatures was basically ignored by this government. When asked, the previous Minister of Hospitals and Medical Care said that "one signature on a valid petition is good enough for me, but I don't care how many if the petition is invalid." Obviously, that is to paraphrase him. I don't have *Hansard* in front of me.

It occurs to me that with three-quarters of our population objecting to extra billing and with a government that absolutely never indicated any intention of bargaining with the physicians in this province in order to maintain an accessible, portable, universal medicare system, now is the time to in fact get this province, the last of the provinces, on board with the rest of Canada and to make sure that everybody can stay healthy at no special cost.

I am particularly riled when I think about the need for universal access to medical care, when I think of the years when no such medical care existed in Canada. What I saw as a child was a lot of kids who couldn't have their health care needs taken care of because their folks couldn't afford to send them to a doctor. I also remember physicians having to chase after delinquent bills, because the parents couldn't afford to pay them. It seems to me that we've come a long way since then. If in fact the government argument that extra billing constitutes only a very tiny percentage of the overall medical care bill is valid, then it's equally valid to say that if it's that small, junk it.

Finally, Mr. Speaker, with respect to the rights of professionals, I would hold that this is the one political party that has maintained the whole time that what one does is bargain with the professionals to make sure they are getting a properly negotiated fee schedule year after year and not being penalized for inflation, over which they as individuals or even collectively have no control. What we do is recognize the service that these professionals provide to people and at the same time recognize the valid needs

of ordinary people who may or may not be able to afford those extra bills and look for a compromise in between. The compromise, as struck by the Canada Health Act — and I again recall to you, supported by the three political parties represented in Ottawa — seemed to be a good solution for eight out of 10 provinces. I bid you that it's time Alberta caught up in supporting this Bill.

MR. R. MOORE: Mr. Speaker, the health care system I've been listening to from the opposition isn't the one that I've been living with. I think we have the best health care system in the Dominion of Canada or the world, and it's totally accessible to every citizen. I have never seen one citizen who has been denied medical service under our medical care system. Believe you me, Mr. Speaker, I for one as a member of this government am determined to keep that high quality of service here and not let it deteriorate like it did in Great Britain under a socialist system. Our citizens are the best, and they're going to get the best system. They have it now, and we're going to see to it that they still have it. We're not going to allow it to be watered down.

I want to talk for a minute about the process that we hear advocated. We see the system in Ontario — confrontation with the doctors — and it's not working. I think the NDP should be one that understands collective bargaining. They're the champions of the working force, so they say, but suddenly they say they want confrontation. Suddenly you see the leader out on picket lines in tense situations inciting detrimental action. But here your government is responsible, Mr. Speaker, because ...

MR. MARTIN: On a point of order, Mr. Speaker. Yes, I was out on the picket line, and if they want it again — I think we should stay on the topic. If they want to come out on the picket line with me, I'll go out with them.

MR. SPEAKER: We'll assume the pickets haven't lodged in any hon. member. We'll come back to the Act which is before us. Thank you, the Member for Lacombe.

MR. R. MOORE: Thanks, Mr. Speaker, I will.

As I said, we do not believe in the confrontation system. We don't believe, like the hon. Member for Edmonton Centre said, that hurray, we have to get out there like they did in Saskatchewan and drag them in — I made a note of how he said it — kicking and screaming into the system. That's a real way to work with our medical system, which is the best in the country. Our medical profession are qualified people.

Mr. Speaker, I think there's a better way of doing it, and the best way is by sitting down and talking like responsible people and working out these problems. This can be done, because they are responsible people. This government is a responsible government, and when two responsible parties sit down, I'm sure we'll find a responsible solution.

I think there are a lot of things that we have to consider, Mr. Speaker, in this situation. It's not just the little, tiny part of extra billing; it's the total health system. It's our total way of doing business in this province. I think when we talk of the medical profession and its negative impact with its extra billing on senior citizens and on our welfare recipients, we should look at all the systems we have. We have plumbers and tradesmen out there. They must do business with welfare recipients and senior citizens, and I'm

sure that when they charge their fees it has a negative impact on that senior citizen. It's unfortunate, but that's part of the system. When we look at the tradespeople now, I'm sure that when our electricians go out and do work for a senior citizen and the welfare recipient it has a negative impact. I'm sure it does. But I can tell you this, Mr. Speaker: when I go to get my wiring and plumbing done and when I go to get something done medically, I doggone well want to go to a plumber or an electrician or a doctor, not a civil servant.

There are other things we must consider. It isn't just the idea of extra billing. We have to look at the service that the individual provides. I can take an individual, an eye specialist who built his own clinic with his own money, close to a million dollar clinic. He got his specialist training in the States with his own money, and he brought that expertise back here. He didn't ask the taxpayer to do it for him. He sits there and provides a tremendous service, and he extra bills. In fact, I think he's one of the ones mentioned in this House in previous sessions as being one that extra billed and extra billed very heavily. But is it the place of government to say, when somebody spends his own money to build his own building and to get his own education, that this is all he can charge? I wonder if that is the place of government.

I listened with interest to the hon. Member for Edmonton Centre. He went back to the Magna Carta, and I like that. I like these guys who go back in history and say, give the power to the people to worship. They did, and we've got it today. I agree. That's great. That's the one thing I will agree on with the hon. Member for Edmonton Centre. Give the power to the people. They said, give them the power to vote and the power to worship. I agree, but that's where it stops. I say give the power to people, not the government, as he ends up advocating in a roundabout way.

Mr. Speaker, we have to have a little more common sense than that. We don't want all the power in the government. I think we all have common sense out there. Let us use it and not let government take all the responsibility to think for us, tell us what we can charge and what we can earn. It's a field that I think the government should stay out of and let individual initiative go. I look at the private individual when he's out there. He thinks of a way of doing it. I look at the government civil service, because I was a civil servant and I know about working in that system. I know they work from a certain hour to a certain hour, and I know they all retire at 65. I know you can't shake the system. No matter how good a job you want to do, you cannot innovate within that system. But in the private sector you can innovate, and you can do better things. You can grow and provide the things the people want. We don't want to bring that sort of system into our medical profession.

When you look at the specialists we have here in Alberta, because of our system we've drawn them from all over the world. When you look at the number of Scotch and English doctors in our system, Mr. Speaker, we've drawn them from a socialist system. They couldn't operate, be innovative, and provide the service they wanted to within that system, so they came here to Alberta.

In closing, Mr. Speaker, I don't want to be party to creating a system in which they move on somewhere else and say, "It's better here than it was in Alberta." Right now we're the best; we don't want to go downhill to that degree.

MS LAING: Mr. Speaker, I would like to speak in support of this Bill. I would like to address the comments of the

last speaker. Many people are professionals. I am considered a professional, having eight years of university training. Most people, like engineers, lawyers, psychologists — of which I am one — are allowed to set their own fees. They then have to collect their own fees. They are not allowed to piggyback on the public system. They have to take up the slack when people cannot afford to pay. As a professional I also worked in a nonprofit, charitable organization where I got a salary. My services were not diminished through that system. In fact, I felt they were enhanced because I did not need to be concerned about my clients' abilities to pay. So I felt they benefitted from that system. They did not need to worry about paying.

Extra billing is often seen as a deterrent to people abusing the system. I see that it in fact often deters good health care practices and preventative medical practice. It deters many pregnant mothers from getting good prenatal care. This is essential if they are going to deliver healthy babies. This is essential if difficulties are going to be picked up prior to birth so there can be the necessary technology present at the birth of the child. It often deters from getting good care for children. The children are not taken to doctors on an ongoing basis so their medical development can be monitored so that if difficulties develop, they can be picked up and treated at early stages.

I would say that it also deters good health care for senior citizens who, if they are unable to pay, often do not get medical treatment when symptoms of illness first appear, so the illness becomes very serious and may in fact become untreatable by the time they do seek medical attention. This would be particularly applicable in the area of cancer.

Another thing we see with parents is that if they have children with chronic illnesses, those with allergies, diabetes, and those kinds of things, the burden of paying for health care is very difficult for many of them to bear. This requires that they see doctors on an ongoing basis. Children with allergies have shots once or twice a week. This becomes a real burden for these people. They often require emergency medical treatment also to deal with the emergencies that arise in this area.

Excessive costs are often attributed to patients. I would suggest that it is doctors that order tests and that patients are often unable or unwilling to question the wisdom of the doctors ordering those tests.

We often hear about people abusing the system by going to emergency rooms instead of to their doctors. I would suggest that if there is abuse, it is because the system as it is set up does not meet their needs at that time.

The loss of the right to double bill or extra bill is often equated with the loss of freedom of the doctor to choose the appropriate medical treatment. I would suggest that the choice of appropriate medical treatment now often lies with the patient's ability to pay and that people who cannot afford more complex operations and technology never appear in their doctors' offices. In fact, the decisions are made in terms of the ability to pay, and that sets up a two-tiered system of medical practice.

I think we must say that decisions — and the concern is often that there are limited medical resources, that in a system where there is no double billing, doctors have lost their freedom. What we have to recognize is that decisions have to be made about the use of this complex technology and these resources, and those decisions have to be made in terms of prognosis for the patient and not in terms of who can afford to pay for them.

Again, we have concern about exclusion of nonessential services. Who determines whether cosmetic surgery is necessary? How about for burn victims, victims with birthmarks, or victims of accidents? Or physiotherapy — what about accident victims whose muscles have atrophied? Would it be a blanket exclusion of these kinds of services, or would they be a case-by-case exclusion or inclusion? Who would be making those decisions?

We also have to be concerned when we are looking at doctors not billing those who cannot afford it. As was mentioned earlier, doctors and their nurses, as far as I know, do not ask you about your financial situation when you walk in the door, and many patients that are sick or with sick children are unwilling or unable or too ashamed to challenge the extra billing practices of the doctor. For these reasons I believe we must support this Bill.

Thank you.

MR. DAY: Mr. Speaker, I'd like to begin my address to this Bill by quoting Robert Nisbet's book, *Twilight of Authority*. I believe this quote would apply to the member opposite who has introduced this Bill and to the members opposite in general; that is, in this section directly in front of me. I think the quote will give us some insight into some of the problems we run into in their approach. The quote is by Justice Louis Brandeis. He said:

The greatest dangers to liberty lurk in the insidious encroachments by men of zeal, well-meaning but without understanding.

Mr. Speaker, not only do they lack understanding in presenting this Bill, but they seem to lack understanding in the rules of order. I would be happy to lend them my book at any time when they would like to address the area of when they are permitted to speak and to acknowledge the rules of order in this House.

I think there is a little history that needs to be ...

MR. SPEAKER: Are you raising a point of order?

MR. DAY: Yes, Mr. Speaker, a point of order.

MR. SPEAKER: Which is?

MR. DAY: That point of order being that one is permitted to speak in this House when he has been given permission to do so by yourself

MR. SPEAKER: You're right.

MR. DAY: Thank you, Mr. Speaker. I have your permission to continue?

I think it will help their understanding, as it helped my understanding when I began to study this a little bit, to look at some of the history we are faced with and maybe to address this question. The intent of the Bill seems to be painting a picture of droves of people being refused care — people who are bleeding and dying, and poor people — that doctors are slamming doors in their faces. That is an irresponsible presentation, Mr. Speaker, because it is not based on truth. It is not based on fact.

I'd like to look at the history. In 1977, as some of us may be aware, the federal government established an Established Programs Financing Agreement. Actually, at that time a fairly high point in the development of federal/provincial fiscal dealings had been achieved. At that particular time the established programs financing arrangement recognized

provincial authority over health care and permitted the provinces enough flexibility to administer their own health care systems. The provinces then were able to embark, as they did, on further efforts to broaden and improve health care beyond the limits that were imposed by cost sharing.

Unfortunately, Mr. Speaker, in the November 12, 1981, federal budget we saw a major change to the established programs financing arrangement. Unlike the '77 changes, a federal/provincial consensus couldn't be reached, and on April 1, 1982, the federal government unilaterally enacted amendments to the funding arrangement. They withdrew their commitment to provide stable financing for health care. Those cutbacks result in a cumulative loss of some \$3.4 billion to all the provinces by the end of 1987. Alberta certainly wasn't immune to the effects. These cutbacks were also announced at a time when demands for health care services in Alberta were increasing at a faster rate than the annual increases in federal funding. In spite of the federal constraints, the province continued to press on with the objective of improving the health care program.

But with this loss of agreement and loss of consensus and now some \$91 million in loss of funding from the federal government, a very strange thing developed. It was the federal government then saying to the country as a whole that it had come up with an idea and a thought that they had a crisis in medicare. We were informed that the crisis had nothing to do with the consequences of their reduction in federal funding. The crisis was a result of direct patient charges. Mr. Speaker, that was a red herring.

It was in this perplexing light that the federal government chose to introduce Bill C-3. I believe the Canada Health Act denies provinces access to innovative means to cope with the challenges posed by rapidly escalating health care costs. When you combine this with the regressive cutbacks in federal financing in 1982 and a general decline in the level of federal support for health care, you erode both the quality and quantity of health care delivery in the provinces and in the territories.

In spite of that, we can look at statistics today that show this terrible picture that's been painted by the opposition in a slightly different light. First of all, we know statistically that only 2.7 percent of all medical services are extra billed, and that percentage is decreasing. We know that the College of Physicians and Surgeons of Alberta has an established policy that's endorsed by the Alberta Medical Association and communicated to physicians by both sides. This is their policy, which some members seem to have not been able to stumble upon: senior citizens solely dependent on old age pension are not permitted to be extra billed by the College of Physicians and Surgeons, nor are welfare patients, partially subsidized patients, or totally subsidized patients. That is done. They are not to be balance billed. If it happens, it's under penalty of a charge by the College of Physicians and Surgeons of Alberta. I don't know why the members opposite have missed this. There have been occasions where charges have been levied in error. Sometimes the physician has no way of knowing if a particular patient falls into one of these groups unless he or she directly asks that patient. Even then, sometimes the response is not reliable.

Mr. Speaker, in consideration of the history of the problem of federal funding being drastically reduced, this province strove to maintain high quality health care, and in the light of statistics ... Interesting insights come from a management subcommittee study that itemizes the five procedures that account for the largest amount of dollar

spending in terms of balance billing. The first two procedures compose 50 percent of the balance billing in these five areas. Those two involve eye examinations and confinement and care related to pregnancy. Again, these do not apply to senior citizens — especially the one on pregnancy — to welfare recipients, or to those on partial or complete subsidy. The other three areas that make up the five procedures accounting for the largest amount of balance billing are not triple bypass heart surgery, but they involve elective abortion, elective cosmetic breast surgery, and face-lifts. Maybe that is why the members opposite are so concerned about the extra billing, because every time they rise they lose theirs.

Mr. Speaker, I suggest today that this Bill is untimely, poorly thought out, and if it is passed, it would short-circuit the strides that this province under our minister of hospitals is making towards the resolution of this problem, strides that are under way at this moment, strides which are approaching a peaceful resolution of this problem. The NDP would love the devastation in this province that would be brought about by the inflammatory and confrontational legislation that we see in Ontario. They would love that. In spite of the fact that the poor are not being overlooked, in spite of the fact that ongoing progress is being made — and, Mr. Speaker, I want to go on record as saying I believe we're going to see a peaceful resolution in this province — what is their response? I'll use the member's words directly in his Bill:

Any person who demands or accepts any remuneration for providing basic health services in addition to that provided for in subsection (1) is guilty of an offence punishable on summary conviction.

It really summarizes the approach of the members opposite. If they can't grasp something intellectually, then just outlaw it. This and other Bills demonstrate a common trait in their problem-solving process. As you look down the lines of most of their other Bills, what is the trait that runs through? What is their response to challenge? "There ought to be a law." Mr. Speaker, I think we have enough laws. I am encouraged by the progress made by this government and the minister of hospitals in the peaceful resolution of this problem. I believe we're going to see it resolved, we're going to see it resolved peacefully, we're going to see those funds that Ottawa's been retaining come back, and it's going to be without the devastation that we see in Ontario. It's for that reason that I cannot support this Bill.

MR. MITCHELL: Mr. Speaker, I will speak very briefly, and maybe one of my colleagues from the other opposition party will get a chance to speak as well, because it is very important that as many people as possible speak for this Bill and against extra billing. I would like to confirm that my party and I am firmly opposed to extra billing.

AN HON. MEMBER: We've got you now.

MR. MITCHELL: Given that we hold the balance of power.

I would like to confirm that one of the true measures of the quality of our society is the fact that we have or have had a universally applicable health care system that does not deny access to proper health care to anybody in this society. It is extremely important that we sustain and maintain that system and that we in no way jeopardize it, particularly that we in no way jeopardize it on the basis of some very limited, precise interests.

That's not to say that we think doctors should not be remunerated properly and well. They play a very responsible role in our society. They have a tremendous degree of responsibility in dealing with people's lives. They undergo a great deal of pressure. They should be paid well. It seems to us that nobody in this debate is in fact addressing the question of how much they should be paid or how much they really are being paid. It's very difficult to analyze when you get involved with questions of their expenses and so on.

That leads to the option of reviewing the fee structure. We have the ability to do that in this province. That probably should be done, but we should be careful to separate the question of doctors' remuneration from the question of extra billing and look at it under the fee structure.

I would like to address one of the most important arguments, it seems, in favour of extra billing. This is this belief in the free-enterprise system and that doctors should have a claim to that. I argue very strongly that everybody in our society should have a claim to free enterprise and be able to participate.

I'm going to be cut off here. That's it? Thank you.

MR. SPEAKER: The hon. member has adjourned the debate. All those in favour of the motion?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed, if any? Carried.

MR. HORSMAN: Mr. Speaker, this evening it is proposed to deal in Committee of Supply with the Department of Economic Development and Trade. I give notice that tomorrow morning the Committee of Supply will also deal with a department and perhaps it will be the Department of Technology, Research, and Telecommunications. Mr. Speaker, I would therefore move that when members assemble this evening they do so in Committee of Supply and that the Assembly stands adjourned until such time as the Committee of Supply rises and reports.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader that when the members reconvene at 8 p.m. they will be in Committee of Supply, does the Assembly agree?

HON. MEMBERS: Agreed.

[The House recessed at 5:30]

[The Committee of Supply met at 8 p.m.]

head: COMMITTEE OF SUPPLY

[Mr. Gogo in the Chair]

MR. CHAIRMAN: Would the committee come to order, please.

Department of Economic Development and Trade

MR. CHAIRMAN: Mr. Shaben, would you like to make some opening comments, please.

MR. SHABEN: Thank you, Mr. Chairman. I'd appreciate the opportunity to make a few introductory remarks.

In January Premier Getty conveyed to the people of Alberta his intentions with respect to the importance of economic issues in the province when he created three new portfolios of government. Those were the Department of Tourism, the Department of Forestry, Lands and Wildlife, and the Department of Technology, Research and Telecommunications. I think these are very significant initiatives on the part of the government, in terms of our continued efforts toward diversifying the Alberta economy.

Tourism is the third largest industry in our province, accounting for about \$2 billion worth of business and employing many thousands of Albertans. In the course of our white paper public forums throughout the province in 1985, we heard many comments from Albertans with respect to the importance of tourism and that greater emphasis should be placed upon that industry. The creation of the portfolio is a very important thrust in that direction, where there will be special emphasis on the tourism industry.

With respect to forestry, we all know that in terms of capital expended, forestry is a very important creator of jobs and economic activity. In 1983 for the first time in our history more than 1 billion board feet of dimensional lumber was manufactured in Alberta, mostly for export but a great deal for domestic use.

One of the areas that is so very important is the use of our hardwoods, our poplar. The recent announcement of the Millar Western chemi-thermo-mechanical pulp mill plant is a very important initiative in upgrading that natural resource, as was the support by the government for the Sturdi-Wood plant at Drayton Valley, our support to the Edson plant, and our support to the Weldwood plant in Slave Lake. As a result of these sorts of initiatives of government, we have increased our utilization of poplar just in the past few years from about 6 percent to about 18 percent of the available annual cut, which tells us that over a period of years we can create economic activity and five times the present and projected number of jobs that have been created in the hardwood industry by fully utilizing our poplar resource.

Mr. Chairman, in the area of technology, research, and telecommunications — my colleague is here in the Legislature — there have been important building blocks put in place. There are some really exciting examples of activities and developments that have occurred because of those building blocks. Many members of the House are familiar with companies such as LSI Logic, Myrias, and Global Thermo. These are all companies that are now established in Alberta and building upon that terrific relationship between our postsecondary institutions and the government and the private sector. These and many more developments have occurred in the province in recent years. So in those three areas there is intense activity by the government to strengthen our economy by broadening its base and by diversifying opportunities for Albertans.

Tonight I'd like to just touch on three areas that are my priorities for the next year in the Department of Economic Development and Trade. Those three areas are small busi-

ness, trade enhancement, and diversification. I'd like to make a few comments, Mr. Chairman, on each one.

Small business is an important element in our total economy. There are approximately 120,000 small businesses in Alberta in 1986 compared to 64,000 small businesses that existed in Alberta in 1976 — a tremendous increase. When you realize that about 70 percent of the job creation in Canada occurs as a result of job creation in small business, the importance of small business is obvious to all of us. I'd like to mention some of our initiatives with respect to strengthening small business.

Earlier today in question period the Member for Calgary North West asked a question about the small business term assistance program. We're working very hard to get that under way as soon as possible. It's going to be an important tool for the small business community in Alberta, important in the sense of creating new jobs and causing stability in existing employment and small business.

Another program that was recently launched is the small business equity corporations. This program has now been operating for about a year. There is available about \$120 million of venture capital that has been put in place by the private sector to invest, principally in small businesses. Some investment has taken place, and my examination of the results of that investment thus far is that 1,400 new jobs have been created as a result of investments through the SBEC program. In addition to that, 900 jobs have been retained as a result of investments through the SBECs. About \$60 million has been invested in 216 companies to date, which means that there remains another \$60 million available for investment through the SBECs that have been created in this province.

Another program that has been created and has been really helpful — we've received positive response — is the loan guarantee program for farm implement dealers. It's helped tremendously at a time when implement dealers have faced uncertain conditions.

Next I would like to move briefly to the matter of trade. Trade in a province such as ours that has a small population is vitally important to our economy. The growth in trade since 1971 is pretty spectacular when you look at the figures. In 1971 our exports totalled \$1.41 billion, in 1985, \$12.267 billion, for an average annual increase in exports of 16 percent per year, which far outstripped the rest of Canada. The emphasis on trade is very important, because as I had indicated, the capacity to consume goods within Alberta is limited. So we have had that emphasis, and we will continue to encourage Alberta companies to access trade opportunities in the Pacific Rim, around the world, and in the United States. We do that in variety of ways. We do that by providing an opportunity for companies to accompany us on missions, to target areas around the world. We assist companies in Alberta in meeting incoming missions and make available their goods and services.

Recently at the National Petroleum Show in Calgary we had buyers from 40 countries around the world. Forty different nations were there to visit the national petroleum show, where 1,000 exhibitors had their goods and services on display. I think that's pretty phenomenal in a period when the energy industry is not very healthy. The fact is that Alberta is beginning to be recognized as an outstanding and competent supplier of goods and services not only in the manufacturing area but in the areas of technology and engineering services. We've got a number of programs that are available to help Alberta businesses. One of them is our loan guarantee program to assist Alberta companies in

meeting the financing requirements to fill export orders. Often Alberta companies are able to gain a large order in the export market but they have difficulty financing the production of those goods or services, and we provide loan guarantees. It's been very effective in expanding trade for our Alberta companies.

Another area is our export services support program, where we provide assistance to Alberta companies, primarily the smaller or medium-size companies, to bid on jobs or projects that are available around the world. We provide some assistance by way of seed capital to help them bid. This has been very successful. Many Alberta companies have been successful in accessing business and growing and being able to create jobs for Albertans. So the export market both within Canada in terms of selling to Canadians and throughout the world is vitally important.

The bilateral trade talks which have commenced are vitally important to us because of the large customer interest in the United States for the goods and services that we produce and sell there. For example, petrochemical products are a very important export commodity into the United States. All of us are aware of the importance of forest products to Albertans and the importance of that market in the United States and elsewhere around the world.

The GATT round begins in September in Uruguay. At a recent meeting of trade ministers in Winnipeg, we supported the decision that agriculture would take a primary position in the discussion of the multilateral trade talks beginning in Uruguay. We felt that from Alberta's perspective often agriculture has been traded off in the past in favour of other interests in Canada. So agriculture is taking the first priority from Canada's perspective in the GATT rounds. The history of GATT talks is that they could last for many years; I think the last round lasted for seven years. This government is prepared to bring forward the interests of the people of Alberta and make sure that they are well represented at the GATT discussions beginning in September.

Mr. Chairman, I'd finally like to spend a few minutes on diversification. This is a subject that is talked about constantly in terms of everybody believing that we must further diversify. Let me give you an idea of what has happened, for example, in manufacturing output in Alberta from 1971 to 1985. In 1971 Alberta had 4 percent of the manufacturing output in Canada; in 1985, 6.2 percent. In dollar figures: in 1971 the value of manufactured goods produced by Alberta was \$2 billion; in 1985, \$16.1 billion. Diversification has taken place in Alberta. That annual rate of growth is 16 percent.

All of us are aware of the two base industries in Alberta, those being agriculture and energy. No one will be foolish enough to say that the economy of Alberta would not suffer if both of those industries at one time hit difficult times. That's what has happened in Alberta. Both of those industries have been struck by circumstances that are dictated by our dependence on market prices around the world in those two areas and also by policies. For example, in agriculture policies adopted by the EEC with respect to subsidization and then a response by the United States with their farm Bill have a direct impact on Alberta, not just on our primary producers but on our value adding, our food and beverage industry. In oil and gas, we're subject to the world market price on oil. The impact of that is obvious to us.

Notwithstanding that dependence upon oil and natural gas and agriculture, the efforts of the government since 1971 to achieve greater diversification are evident, and I've

indicated the growth in those areas. But all of us believe that we have to continue to work hard. We have to continue to help make opportunities available for our entrepreneurs. We have to establish policies and programs that are reasonable, that are supportive, that are catalytic. We don't believe that the government should take on these massive projects in a lead position, but we need to be supportive of the private sector, which is what we have done and will continue to do.

Mr. Chairman, I would welcome questions from the members of the Assembly before we move to line-by-line discussion of the estimates.

MS BARRETT: First of all, Mr. Chairman, in looking at the estimates for economic development, I can't help but note that the department inherited the Alberta Opportunity Company, and given its record, I guess that's some cause for concern in this province. AOC has long been known for rather top-heavy management and administration to its loan costs. From the annual report that was just tabled, I think, last week, the AOC spent about \$6 million on staff and operating expenses or about 25 percent of that amount which it lent out. The corporation at the same time racked up a deficit of \$21.8 million, which is up from the \$18.9 million of the year before.

I see that the AOC received grants of \$9.6 million last year to help it cut its deficit, and this year we've got \$14 million being budgeted for AOC grants. I wonder if later on, when the minister has had a chance to gather notes and respond, we can have some assurance that the additional grant funds won't be spent bailing the AOC out of its deficit without at least ensuring that the costs of supplying loans are brought into line.

I know that the minister of economic development and other ministers in the government have cited a downturn in the economy and especially in the energy service sector as a major factor in the AOC's problems. I think that is pretty obvious. However, citing that begs the question of what our government plans to do about that downturn. I'm not convinced, and neither are the members of my caucus, that it is simply a matter of international economic dictates. It seems to us that there are ways by which we can help control the wild fluctuations of this industry. No one is disputing that it is an important and essential industry, one of the two pillars, shall we say, for the Alberta economy. Therefore, I wonder if we might expect from the minister some constructive action with his colleagues in other departments to work toward a floor price to help stabilize oil. I know that the energy minister has said, "We're not looking at it now, but it's not being ruled out." I think that as the new recession is felt more and more in the Alberta economy and as that is reflected in greater dire conditions for small business and independent business, that may become more and more a reality for the government in terms of its options.

Similarly, I would say that a little prodding for parity pricing in our agricultural sector might be of assistance to the small businesses that eventually go to the Alberta Opportunity Company for help. It seems to me that we have \$8.8 million of bad loans that need to be written off and I'm not sure that it's the fault of the businesses to whom this government lent the money. That's a fact of life that may have to do with the underlying economic structures we're all trying to deal with in this province.

When it comes to economic development and trade, I think no one in this caucus is concerned about the overall

goals of the government in this regard. We understand that what we need to do is diversify upon a very substantially strengthened base and make sure that we have the infrastructure that keeps the whole economy operating. But I'm also given to wonder where the help was from economic development when it came to saving companies like Alberta Drywall which, having been financed through its expansion period from the Canadian Commercial Bank, went into a tailspin that resulted in receivership. That's one problem that is admittedly separate, and I'm not convinced that the Alberta government did the right thing in its partnership in the bailout attempts for the CCB and the subsequent fiasco, shall we say.

But the worst part, I think, is that a number of different companies could not get refinancing help from any other private lending institutions. I certainly don't know, and I was party to corresponding with government members to see what help could be made available from government assistance programs in the emergent sense to keep these companies alive. In the long run, what happened, of course, is that rather than have the company's assets sold to a Vancouver-based company — not the best of all worlds, but at least a Canadian company — for continued operation, the assets were just sold off. I wonder if there's going to be a concerted effort on behalf of this department to make sure that if we have approaching financial fiascos with financial institutions, some measures aren't going to be put in place so that we can respond to those very important concerns.

Following the move of our office. I'm afraid I couldn't locate some of my old notes. I eventually will. But the minister mentioned that small business is important in creating jobs. I know that's true, but if the adequate support system isn't there ... Small business also has the highest failure rate in the country, and that's true in all industrial countries. So while we may talk about job creation, we must look at the other side of the balance sheet and look at the job losses and see where our investments are going wrong, where they could be a little more appropriately handled.

This brings to mind something that goes into another vote area, but I think we can cover it under vote 1. That is the small business equity corporations. I noticed that when it was introduced the amount of money that was made available under budgetary provisions was literally snapped up — I think it was a matter of weeks — which, first of all, indicated the serious need for financing, especially equity financing, for small businesses to survive. But now I notice something really odd. The administration budget for this program started off at \$1.3 million in '84-85, the year in which the program was introduced. It went to \$8.03 million for '85-86, and now it's back down to an estimated \$1.22 million for '86-87. I wonder if the minister can explain this change — not just the change in the administration but what it's actually going to mean.

This year the program has a budget similar to that of the AOC in terms of its ratio of administrative costs to grants. It may not seem alarming to government members of the House, but I have to wonder if the administration is being as efficient as the bad debts seem to warrant, certainly in terms of AOC, but the same might be said for SBECs, just in its overall ratio performance.

It also is of grave concern to the Official Opposition that there is no public disclosure required for the destination of the funds provided through SBECs. I don't think people are going to argue day and night that Albertans haven't

benefitted from the program, but it is being paid for out of Alberta tax dollars. By virtue of that fact it seems immanently reasonable that the government disclose some of the information as to where the taxpayers' money is going. I suspect why it is that the government hesitates to do so, but I still think it's important, and I'd like to see if the minister would respond to this with some degree of elaboration as to why it really is imperative that we can't know this information. I think that's a better way to phrase the question.

I notice, also, that in vote 4, under new industrial development projects, \$5.6 million is being set aside for medical/pharmaceutical nonbudgetary items, constituting a 124 percent increase over the previous year. It occurs to me to ask — and this is something that the Official Opposition has been looking at for several years, since the talk really got high in Ottawa under pressure from the American multinational pharmaceutical corporations. The question, of course, is: are we going to be spending that money in supporting the producers of generic drugs? If we are, don't we need to be making representation to our federal counterparts to make sure that they don't give in on this issue with respect to patent obligations and the royalties that go to the multinationals?

I would caution that none of us should be fooled by the argument that the producers of the name-brand drugs are losing their limbs, literally, over the production of generic drugs. Given that once a company has patented a particular item, which can be anything ranging from an aspirin to a tranquilizer to who knows what, what they very frequently tend to do — and this has been documented many times — is continually make imitations of that, one has to ask why it is that consumers would pay the very high price for that instead of looking to generic manufacturers.

I wonder then that if we're not going to make that representation to our federal counterparts, are we suggesting that under this kind of budgetary item we're looking at attracting some of the multinational pharmaceutical corporations to enhancing their operations here or getting more involved with R and D? If they are, it would be interesting to know what kind of capital outlay versus what kind of proportion of funding would go into jobs, whether or not they'd be taking over existing facilities, that sort of thing, because job creation is ultimately the goal of this department, I think.

Finally, although it's not a budgetary item, it is noted that the Alberta Stock Exchange is here, and what goes with that, of course, is the Alberta stock savings plan. Under economic development it seems to me reasonably sensible that we ensure that whatever kinds of programs we put into place are going to create jobs for Albertans, not necessarily with a xenophobic attitude that creating jobs outside the province isn't good, but creating jobs inside the province is also good for Canada, and that must be our number one focus. We'll wake up tomorrow morning to some new unemployment statistics which may bring this particular issue home with a sledgehammer.

On that note, Mr. Chairman, I think I've asked the questions that I particularly want to have answered for this evening.

MR. CHAIRMAN: Mr. Minister, you may wish to respond to those questions or have the system that was adopted the previous sitting day, where everybody makes their comments

and then you respond. It's in your hands as to which way you want to proceed.

MR. SHABEN: Mr. Chairman, I'll respond afterwards.

MR. MUSGROVE: Mr. Chairman, one of the important things that is in this budget for the small businesspeople in Alberta is our small business term assistance plan. I'm not sure that the people across the room have read that, because I notice that no one referred to it. This is one of the best plans the Bow Valley constituents are talking about. In my constituency office I am visited almost daily and I get phone calls in Edmonton asking when this plan is going to be ready. All of them agree that it's one of the best programs the province has put out in this year's budget; that is, along with the farm stabilization program.

It was designed to help small businesses that have run into an equity problem as well as [provide] short-term credit that is always current. This will allow those people to consolidate that short-term credit into a term loan at an annual payment that they can recognize, get that behind them, release their credit ability to other loaning institutions, and they can go on with their business. The program could be at 9 percent; it could even be at less than 9 percent when it goes into place. I know of many businesses in Bow Valley constituency where this is going to be of assistance.

There was also some criticism of the small business equity program. I don't hear anyone in my constituency criticizing the small business equity program. There has been a lot of benefit to some of those people from that. One of the benefits is that you get a 30 percent grant to the investor. He is not allowed to charge interest, and he is not allowed to declare in the equity that he buys that there shall be some return annually or monthly or whatever. The 30 percent he gets back would cover at least three years of interest, if you would like, on that amount of money. The advantage he can get is that if his shares in that company go up, he can turn around and resell them. There have been quite a few people in Bow Valley that have taken advantage of that program, and I don't hear any criticism of it at all. It's straightforward. I don't see any problems with it.

MS BARRETT: We just want to know who gets the money.

MR. MUSGROVE: Who gets the money? I could probably name you several people, but I don't know why it would matter. The investors have been kept confidential up until now, but I understand that now even the investors are public. So that information is available to anyone.

I just wanted to make the opposition understand that in my constituency they feel that both the small business term assistance program and the small business equity program are a tremendous benefit to small business.

Thank you, Mr. Chairman.

MR. PIQUETTE: Mr. Chairman, the Premier promised in the Assembly on June 16, 1986, that the small business term assistance program, which we are referring to, will get going as soon as possible. The complaints I'm getting from my constituency are not the fact that the program has not been announced; it's simply, "Why do we have to wait so long?" A lot of the companies that were looking at the 9 percent terms have been running to banks for the last two months now, and they're really getting nowhere. Treasurer Dick Johnston said on June 17 that the program would

be ready to go shortly after the introduction of the farm credit subsidy program.

We learned today that the agricultural program that was promised for June will be ready by late July. This puts the timeline for small business somewhere into August or the end of August and, if we look at government programs, probably October or November before any of the moneys are available for small business. The department has a near-\$1 million budget for implementation. The plan is quite simple by their admission and only requires the finalizing of some details with financial institutions. Why then has the government taken so long in bringing in this program? Since the farm credit subsidy and small business assistance are administered by two different departments, why is the implementation of the small business assistance program having to wait until after the farm credit program is brought on stream? Is this another indication of the government's commitment to small business? How long are they willing to keep small businesspeople, who look to them for leadership and assistance, in limbo? That's one question I'd like the minister of economic development to reply to.

Another thing we New Democrats really feel quite strongly about is the misuse of the Alberta heritage fund. We could have been making much stronger use in terms of using that money for provision for economic diversification. Since the establishment of the Alberta heritage trust fund, the dependence of the Alberta economy on oil and gas has actually increased. The contribution of the non-renewable resources sector to the provincial gross domestic product increased from 43 percent in 1976 to 60 percent in 1983, and all of the other goods-producing sectors played a reduced role in economic activity.

One of the things we have in the Alberta heritage fund is large sums invested in the form of debentures, which preclude any public say in corporate policy decisions. Almost \$6 billion of the Alberta heritage fund is invested in interest-bearing debentures issued by Alberta's own Crown corporations. In every other province Crown corporations have to go on the open market to get these debentures to raise their funds. If our Alberta Crown corporations were required to do this, a large chunk of the trust money would be available for efforts to truly diversify our economy, which would be a total of approximately \$6 billion. Between the farm credit assistance program and the small business assistance program we're looking at \$2.75 billion. Using the New Democrats' plan for the Alberta development fund, there would be approximately \$6 billion available for low interest, 6 percent loans to both the farming and small business sectors. Small businesses are the primary creators of new jobs in the province.

The promotion of home ownership is one way of boosting the construction industry, an area in the economy which was hit severely by the recession.

Finally, agriculture as a renewable resource industry sector is a viable alternative to the finite energy sector. One of the things we could be doing very much better in terms of looking at economic diversification and job creation in this province is the rural revitalization of Alberta, making sure that the farmer is able to make his principle income on the family farm rather than off the farm. I took a poll, for example, of the first 100 farmers that I spoke to prior to the election, and 95 percent of the farmers in the Athabasca-Lac La Biche constituency had a second and a third off-farm income in order to subsidize their farm operations. A group of farmers and I sat around one night. We were talking about how many new jobs would be created

for the youth unemployed in this province if only farmers could make their living on the farm as they would like to do. We would probably not have to look very much further in terms of unemployment if we simply addressed the very important agricultural sector in this province.

The programs we have announced so far, because of the fact that we have not addressed the pricing formula in terms of farming income ... We seem to have lots of money for the oil and gas sectors. We have approximately \$800 million of grants for subsidizing drilling operations in this province. But if we only spent a quarter of that amount of dollars in terms of guaranteeing at least some type of parity pricing for agricultural products, every dollar in farmers' pockets would be spent at home, which would have a multiplier effect in terms of small businesses in rural Alberta, which would be expanding, instead of what's happening now, contracting and facing bankruptcies in this province.

A lot of our grants, a lot of our moneys which are going to the oil and gas sector at this time are not even related to job creation. A lot of this money is not being spent at home in rural Alberta or even in urban Alberta. A lot of that money is being exported elsewhere. If we put the kind of priorities in terms of whatever money we have available down on the farm or down in rural Alberta, the multiplier effect in terms of the provincial economy would be fantastic.

The New Democrats' commitment would be to shift the emphasis of fund investment away from the unimaginative saving approach and view the fund as a development tool instead. Our new approach is so different that we feel the fund should have a new name, and that's why we call it the Alberta development fund. I would invite the minister in charge of economic development to look at that plan advocated by the Alberta New Democrats. The ADF would be divided into two divisions which would pursue three essential goals: increasing Alberta's ownership of the economy, the expansion of the province's indigenous enterprise and, as a result, promotion of meaningful diversification.

The sale of debentures issued by ACT and all private corporations as well as all short-term money market securities and convertible bonds would provide a pool of \$2.6 billion for division one. That money could be used to invest in agribusiness. Some of the forestry products — in my constituency, for example, there is a company looking at using poplar to generate power to produce charcoal and even in terms of providing cattle feed for a feedlot operation. Where is that money going to be coming from in terms of getting some of these very worthwhile economic development projects under way? We might be having to look in terms of equity investment in some of these economic diversifications in Alberta.

In terms of these small business loans, the Member for Bow Valley indicated that even some of his constituents are saying that 9 percent is still fairly high, and we completely agree with that. Right now 9 percent is a lot higher for small businesses than what large corporations are borrowing their money for on the open market in terms of sales of debentures or shares. What we're saying is that if we're really interested in making sure that small businesses have a distinct advantage or at least have a possibility of surviving in this tough economy, they need to have a greater break in terms of the interest rates that should be made available to them. The money we talked about, \$6 billion, could be reinvested in the Alberta economy by simply telling our Crown corporations to go and borrow their money outside

of Alberta on the open market. We could have approximately \$3 billion available for small business at 6 percent, which would still give a return to the Alberta heritage fund and benefits to the employment picture of Alberta. In terms of the agricultural sector, this is where we would be taking our money in terms of providing a pool of money at 6 percent for the agricultural economy.

So I would advise the minister of economic development to start looking at diversifying the use of the Alberta heritage money to make sure we put people back to work. You know, the rainy day has come, but what I'm hearing from the government, for example, to me really sounds more like interest shielding than making good, positive use of the heritage money to put Alberta people back to work again.

In finalizing my arguments in terms of the ministry in charge of economic development, I see that the whole area of where this government is going to is lacking in imagination. He cites figures that manufacturing has increased in Alberta, but I think that if you also look at where the manufacturing has increased in Alberta, it has been almost totally in the oil and gas sector, and that sector is down. We have failed.

For example, we have allowed meat packing plants to close across the province, eliminating approximately 16,000 jobs in the last eight years. Where was the economic leadership? Where is the economic leadership now to make sure we modernize the meat packing industry in this province? Are we going to allow the Gainers plant, which is an outdated plant — I made a tour of that plant four years ago. It's not economical in terms of what's available in modern plants across North America. It's been overhauled, but it's still an old, two-storey, very inefficient plant. I notice they are getting \$21 million from the Saskatchewan government to open a bacon plant there. Where is the economic leadership here in Alberta, to make sure that the jobs we had and should have in the meat processing industry in terms of creating international markets for agricultural products, that we aggressively address the diversification of agricultural products — all we seem to be doing in this province is killing the animal, hanging it on the hook, and then inviting people from our own province or outside of our province to buy it. Why don't we start looking at the Californian and some of the European Common Market approaches to the diversification of their local economy and their provincial and state governments? We have failed to address this in a very imaginative way.

So the most important tool for economic diversification in Alberta really has not been tapped. I challenge the Conservatives to address this issue in Alberta not simply in a piecemeal kind of thing of saying that we're doing better than anybody else. Because let's put it this way: unless we are imaginative in this very competitive world, we are going to be left behind very, very quickly. We must work from the strengths that made Alberta great in the past, which were agriculture, number one ... It's not enough to simply say during the election campaign that agriculture is a number one priority. I look at the estimates, for example, from the Department of Agriculture. If we look at the actual money which is going into farmers' pockets from the province of Alberta, it's only about a quarter of the total budget, while the province is saying that we have put agriculture as the number one priority.

Let's address the whole small business sector and the agricultural sector, because that is where jobs are going to be created in the future and where the unemployed youth are going to have to find jobs in the future.

Thank you very much.

MR. MITCHELL: Mr. Chairman, I have a few points I'd like to make to the minister of economic development. Before I begin, I would like to make a general comment about the nature of the material we've received. I think it's lacking in summaries. If the Provincial Treasurer were here — perhaps the minister of economic development could take this back to him. It is difficult for me to understand why it is that we would not have summaries at the government level on things such as salaries this year over last year added up for every department. It's come to a point where we have to go through each department and add those things up ourselves. It seems to me to be proper budget format that we would be given those summaries so that we could analyze this material more effectively. Of course, it could be meant to confuse.

I would like to make a couple of general points. One is the question of management or perhaps the question of lack of management that I see reflected in this particular set of estimates for this department, as I've seen them more generally in this government over the last several weeks of debate and throughout my analysis of the budget documents. I've heard on numerous occasions the minister say in defence of programs that "We spend more money on this program than any other province or government in the country." It seems to me that that's a fundamentally incorrect way of approaching strong management. I don't want to hear and the people of my riding, the people of this province, don't want to hear that this government spends more money than any other government on a given program. Anybody can write a cheque. What they want to hear is that this government is spending less money more effectively.

It's an attitude that I think was evident as well in the opening remarks to the last Committee of Supply debate by the Minister of Advanced Education, who reminisced about his association with \$1 billion budgets. It seems to me that that is something we should not be proud of and that absolute expenditure is not something we should be focussing on. Quite the contrary: we should be very, very determined and very bloody-minded about spending less money more effectively in this province in every way we possibly can. So I was in a sense not surprised but certainly disappointed when I saw in this department's estimates further evidence of that kind of attitude.

I looked at the Alberta Opportunity Company. The hon. Member for Edmonton Highlands has mentioned this, and my party has mentioned it before as well: the \$6 million to implement \$23 million in Alberta Opportunity Company loans. But it's broader than that: 98 people to manage a portfolio of \$133 million. If one were to review the private sector administration of loan portfolios, I think you would see that that is extremely excessive and probably bears little relationship to the cost benefit and effectiveness of that program.

I'm also struck by the fact that much was made in this government about the reduction in the number of departments from 30 to 25 and that that would in some way represent a consolidation of administration and costs. One of the departments that is affected is the Department of Economic Development and Trade, and I notice that despite the fact that we now have only one minister in that area, we still have two deputy ministers and two deputy ministers' offices therefore. I know they're both overlooking this room. I'm sure they could be gainfully employed somewhere else in this government. But the fact of the matter is that it doesn't

reflect the consolidation of costs. I look at the department of public works, where there is something in the order of 2,100 employees. One deputy minister is able to manage that number of employees. In this department with a total of 230 employees we're required to have two deputy ministers. I'm concerned that that represents weak management, not the strong management that's required to seek out cost savings and make the tough decisions about finding and realizing them.

When I look at costs, I can see a number that I think are questionable. Supplies and services: I'm not exactly certain what that involves. It seems to me that it involves administration. It involves things that do not have a direct effect in achieving the objectives of a department such as the department of economic development. Supplies and services are up 30 percent this year over last year. If we're going to increase costs in this department, I believe they should be increased in ways that get to the objective, not in ways that create more bureaucracy and more administration. That would be my concern with that kind of increase.

Salaries in vote 2: I notice that there is a negligible increase in man-years. In fact, I think there is a slight increase in number of positions. Salaries have gone up 7.8 percent. In this economy with the number of people who are unemployed and the number of people whose salaries have in fact decreased, I would ask that the minister justify this 7.8 percent in salaries.

Just a question of information on the cost side: there is a subtotal of investments, \$21.9 million. I haven't been able to find what the specifics of those investments might be. Perhaps you could clarify that for us. I would also be interested in knowing what the human resources division is in departmental support services. Try as I might, in every other department in this government I haven't been able to find a human resources division. I'm intrigued by the name. I wonder if it's something that was developed at a Berkeley group therapy session.

AN HON. MEMBER: Most of these have one.

MR. MITCHELL: Not companies that allow the managers to manage.

Second, measurement: there is a management principle that says, "If you can't measure it, you can't manage it." I've been enticed by the fact that the Alberta Opportunity Company did announce the number of jobs it created by its program and announced the number of jobs that were sustained by its program. That's great. I also congratulate the minister in giving us those statistics with respect to the SBEC program. That's great. I think more of that is needed, particularly in this department and particularly in a number of specific areas where it would be easy to measure things like jobs created, private-sector investment levels encouraged, economic spinoffs — and there are economic formulae that can distinguish those spinoffs. I note the program's industrial development, trade development, and small business.

I think it's important that if you're going to measure a program you have to have criteria and objectives set out for that program to achieve. I would like to think that your department has those criteria and those objectives for programs such as industrial development, trade development, and small business. I wonder if the minister could inform the House what those objectives are and then begin in the future at least to measure success against those objectives. My fear is that we have some ethereal programs that are

not focussed and may not be achieving what it is that they should be set out to achieve. I know that you can't manage for results if you don't have an objective toward which you can manage.

The question of diversification: I am on about cutting costs in this government. If you look at the list of departments' operating costs, there is literally no department that has a significant decrease; almost no departments have a significant decrease in operating costs. The only department that appears to have it is the Energy department, and in fact that reduction is not due to operating cost reductions but it's due to the reduced requirement for subsidies to the ethylene industry in this province this year. I'm concerned that one of the only departments that has any kind of drop in its budget overall is this department. This is the only department that really has a focus, if any department in this government does at all, on economic diversification. Never before in this province's history have we required a focus and an emphasis on economic diversification like we require it now. So yes, I'm concerned when I see a reduction in operating costs and a reduction in total costs in this department overall, and at the same time I see a 7.8 percent increase in certain salaries and a 30 percent increase in supply and services. I wonder what the focus of this department has become.

When I look at diversification and I say to myself, "This is the department that has that responsibility," I have to ask certain questions on behalf of my constituents and the people in this province as to what initiatives and why certain initiatives and important areas are being missed. I'm talking about, first, the financial industry. The financial industry is absolutely critical to the diversification and strong economic development of any provincial, regional economy. It's a wonderful vehicle for that for two reasons. First of all, it's a good vehicle because it is intrinsically diversification, and once upon a time we had a thriving financial industry. Secondly, it's important because it fuels private-sector initiative in broadening an economic base, because there's capital that's available in this economy, through the private sector and financial institutions, to invest in other business enterprises.

It's not just the CCB, the Northland Bank, and other financial institutions we're talking about these days. It's Dial Mortgage, Tower Mortgage, Ram mortgage, and Fidelity Trust. It's one-third of the credit unions, into which we're putting another \$30 million this year. It's Financial Trustco, a fine financial institution that has left this province to go east. It can go on and on. There are in fact very, very few financial institutions indigenous to Alberta that are thriving without any kind of government assistance. That, to me, is an appalling observation.

Let me consider a couple of things. I'm concerned particularly about that observation because it represents a number of missed opportunities, a number of creative possibilities that have been overlooked by this government, I believe, because it's obsessed with oil and agriculture, both of which are extremely important but which have been overlooked. I put that responsibility, in large part, on the economic development department, and I hope that can be redressed, because it's the economic development department that should be looking toward these kinds of creative opportunities.

The Heritage Savings Trust Fund is money that could be managed in Alberta by Alberta private-sector financial institutions. That creates jobs and stimulates the financial industry. It's managed in London, England, it's managed in Montreal, and it's managed by the government.

Both Vencap and PWA shares were issues by this government. Alberta financial institutions distributed BCRIC shares in B.C., they distributed Saskatchewan bonds in Saskatchewan, and they distribute Canada savings bonds every year across this country. They were never allowed to distribute PWA and Vencap shares in this province. That creates jobs.

International banking: an obvious idea. Went to Montreal; went to B.C., because B.C. fought tooth and nail to get it. We didn't even ask. Or if we did, perhaps the minister can inform us why we didn't get it.

The Provincial Treasurer this afternoon was quite evasive about responsibility for the financial industry. I think, therefore, it may be that the responsibility lies even more strongly with the minister of economic development. Could he inform the House as to what steps he's taking, what kind of budgetary commitment he has to that industry to see that we begin to develop a longer term, positive environment for the financial industry to develop? I use this as an illustration because I believe that's a very obvious industry that we've missed. If we're missing that industry, then we're missing many, many others, and I'm concerned about that.

Gainers: the need to promote a meat processing industry in this province was mentioned earlier. I ask what this department is doing to focus on that kind of industry, which has an advantage in Alberta because of our agricultural structure. While I think it's important that the government be careful that it doesn't pick winners, I'd like to use as an illustration the Gainers' plant that is going to be built in North Battleford. It's going to create 600 jobs there; it's going to take a one-time investment of about \$15 million. We don't even look at that; we don't consider that. All of a sudden private-sector free enterprise starts at the edge of energy and at the edge of agriculture, yet we've put in the order of \$50 million into the ethylene feedstock subsidy program. Could the minister please reconcile those differences?

The buy Alberta policy: again, an idea for creating economic development in Alberta and not exporting jobs and so on. We've been through that in the House. My concern was that when I asked the minister of economic development in the House about his responsibility for that particular area, he deferred it to the minister of supply and services. I believe that was deferring it to a bureaucratic process. We have a tendering process, and it's easy for that thing to progress. I would like to see that this department has budgeted a commitment to organizing in this government those kinds of economic development opportunities that may fall by the way simply because of an oversight or an ongoing program of tendering to whatever company might be available to do it a little bit more cheaply, despite other consequences that are involved or even if it is done more cheaply.

Finally, the government has made much about its commitment to small business. If there is a commitment here, I encourage it; I think it's essential. If we're going to create a broadly based, diversified economy, I think we have to start with a multitude of small creative ideas and build them up. My concern here is that the SBEC program has been touted as a program for small business. In fact, I believe it's a program for medium business. If I can use your own statistics, hon. minister, I would like to point out that you said that \$60 million has been invested by SBECs; great. Two hundred and sixteen companies have had that investment. That's an average of \$272,000 per company. Those

are not small businesses; those are in fact medium to large businesses, depending on how you define it.

It's interesting to note, and I would like to congratulate you on achieving one thing with your small business equity program: your commitment to ensuring that all the money goes into Alberta-based companies. I read the criteria from the small business equity program. I wish the hon. Treasurer were here, because he would find this interesting with respect to the Alberta stock savings plan. A recipient small business under the small business equity corporation program must have no more than 100 full-time employees — great — and must pay at least 75 percent of its wages and salaries related to operations in Alberta.

The argument for not increasing the Alberta stock savings plan criteria from 25 percent of wages higher than that was that it would hamper the flow of capital between and amongst provinces. How is it that you have been successful in overcoming that problem with respect to the federal government's position on it when the Provincial Treasurer has argued so adamantly that he can't overcome that problem? In fact, it's a defence of why the Alberta stock savings plan had been sending money out of this province so effectively.

I believe that with the small business loans programs the heart is probably in the right place. I'm concerned with the way it again doesn't represent much of a commitment to small business. We don't have much of a commitment in the small business equity program; we don't have a lot of commitment, as I see, in other programs. You can add them up here. In fact, the small business loans program is really buying down interest rates. Interest rates are dropping. It may be that the commitment will be very, very small. Would the minister and his department consider perhaps revising his commitment in that respect?

We'd like to see greater evidence of commitment in this budget to small business and to diversification in a true sense. I emphasize my concern with management and my concern that costs are increasing in places that perhaps they shouldn't be. At least we require a defence of those increases. Yet overall the costs are decreasing in a department that may be the single most important department in this government at this time, at a time when economic development other than agriculture and energy are so desperately needed to stabilize this economy and to stabilize employment in this province.

MR. CHAIRMAN: The Chair would remind members that the rules of the Assembly apply in committee in terms of process. Would members kindly make their comments through the Chair and not use terms such as "you"?

MR. FISCHER: Mr. Chairman, I would like to compliment our minister and congratulate him on taking on his new portfolio. Certainly it's a very important one to this government. It's especially important to our rural areas out there. I also would like to make note of our deputy minister, Clarence Roth. He came out tonight to hear some of the things that we have to say. I had the opportunity last year to go to Winnipeg with Clarence and meet with some of the officials of Cargill Grain to encourage them to put some dollars into their grain handling system here in Alberta. Certainly Clarence is a very knowledgeable man when it comes to meeting with the officials of the Canadian Wheat Board. He seems to know everyone around that country, and I was very impressed with our trip and think that we did some good. Certainly you never know when you start

out, but that's the direction that I really want to see us develop more. We have to encourage our people to come here.

I would like to ask a question of the minister on how our port container system is working. It was set up by your predecessor, Hugh Planche. Certainly that is very important to the industry here in Alberta because it helps put us on equal footing with some of our other competitors as far as freight rates go. We have not heard very much on that recently; at least I haven't. Because we are a landlocked province, that's got to be a very big boost to our industry.

I would like to comment a little bit on the small business loan program. This 9 percent is going to be a real boost to the small business people in my area. I'm sure that it's going to help. I would guess that 75 percent or more of our small business people would be going to use this program. I am a little bit concerned that we might run out of funding for them, because I think it's going to get used an awful lot. It's an excellent program, and it's going to help us out there.

The other thing that I'm a little bit concerned about is the definition of small business. We have had small business at \$5 million in sales. When we come to machine agencies, which is one of the businesses that has been having an awful lot of trouble, most of those people go over the \$5 million in sales, and their net profits are very, very small. I think that possibly the definition of a small business could be changed so that it is based a little bit closer to the reality of what they're really making in that area. If you were in a grocery store and were doing \$5 million worth of business, your net profits would certainly be a lot more than if you're taking a \$100,000 or \$150,000 piece of equipment. It doesn't take very many of those in order to go over the \$5 million bracket. I would like to encourage us to look in and, if we could, do something about that. Certainly the machine agencies have been getting thinner and thinner through the country, and that transfers a lot of the expenses right back to our farm people. We can't really stand that any more. We have to travel so far to get parts and repairs and to see these people.

I would also like to see us and your department do everything we can with the free trade negotiations with the U.S. It is certainly awfully important to us in the agriculture area. The free trade issue is a very delicate one; it's going to make some major changes. Whether we like it or not, I guess we are at the mercy of the U.S. simply because they are 10 times bigger than us and have 10 times more bargaining power. We do have to encourage our people to get out and away from the U.S. in our trading as well. I would like to see us diversify and encourage more to get out in the Pacific Rim and not be quite so vulnerable to the U.S. market.

We have discussed a lot about the meat industry and what is happening to us here in Alberta, and it seems like there's something the matter when we cannot process our own products here in Alberta. I have talked to people that have beef, for instance, that have made agreements to ship beef over to the Pacific Rim. If they're going to do that, they send it down to the U.S. and get it slaughtered and get the U.S. grading system stamped on their meat, and then they have a better chance of exporting it. That has been a very restrictive regulation that I think has to be looked at. We talk about having the best grading system here in Canada, and I'm not doubting that, but what good is it if no one else knows it? I think that should be looked

at and something done about it so we can remove these restrictions and enhance our trade.

One statement was made by the Member for Athabasca-Lac La Biche on following the EEC method in our meat industry. I feel that we can't increase our production any more. That is the problem. When we watch what they have done over there — they are dumping their beef on everybody's market right across the world, and we certainly don't want that. I think there are other methods that are better than that.

With that, I think I'll sit down. Thank you.

MR. SIGURDSON: Mr. Chairman, I will try and keep my comments to three areas that I've titled "free trade," "what trade," and "potential trade." In the first part, I'm wondering about free trade. Conspicuous by its absence in the minister's opening comments was any notation about free trade. Given that this government has been so pro free trade with the United States, I find it strange that you wouldn't have mentioned that. I'm wondering what role the minister has in developing the Alberta policy with regard to free trade. As you know, some of us on this side of the House think that it's not going to work; it's not going to be the panacea that you hope for. We wonder just who is going to be responsible for the development of the policy so that should we get to the point of having corporate farming and multinational corporations coming across the Canada/U.S. border into Alberta taking the Canadian profits out, we know just where to hang the blame. So what role do you have in developing the Alberta policy on free trade?

Also, Mr. Chairman, we're wondering if the minister has any role in the trade discussions, or is that now solely the responsibility of the Premier? That's another question. We also wonder how the free trade negotiations that are going on are going to affect our attempts to increase our international trade, specifically with the Pacific Rim countries. We have to have some kind of response about that.

With this government being so fully in favour of free trade with the U.S., surely there must have been some economic impact studies conducted, and we're curious to find out what those results might be and why they have not been released. If this is such a wonderful idea, something that's going to take us into the next century — or leave us out of the next century, whatever the case may be — what are the results, and why have they not been released? Given that this government is so pro free trade, what about programs like the Alberta Opportunity Company and the Alberta stock savings plan? Are they not considered by the Americans to be unfair subsidies of our industry? While we're promoting them so readily, would that not be the type of program that would have to be cancelled or re-examined should we get into free trade with the Americans?

Under "what trade," we notice that the trade development budget has gone up some 14.7 percent, which is an amount of some \$800,000; it's gone from \$5.7 million to \$6.5 million. We wonder what exactly are we trying to do with that extra amount of money. Is it for the purpose of the September trip to Hawaii that the government has invited some 30 members of the housing and building manufacturers to accompany them along on? Incidentally, while we're there, I wonder just what kind of housing and manufacturing sales we have in Alberta that we can possibly offer to people who live in Hawaii. Mr. Chairman, I'm wondering what markets have been identified in Hawaii. Why are we going there in September? Is it a nice time of the year to go to Hawaii, lie on the beach, and get out of Alberta?

What markets have been identified, or is this \$800,000 increase just to go to Hawaii with an increased number of folk and have a good time? The Minister of Tourism says no; I'll get to the Minister of Tourism when that time comes up. Wrong area, right?

Finally, on potential trade, one of the areas we talked of during the campaign was something that we called YouthStart, which is a program of business development specifically aimed at people between the ages of 18 and 24. We talked of offering a program where young people in that age bracket would be able to apply for a grant. We had suggested a \$4,000 grant, up to \$8,000 if it was a partnership, to be applied to those people who fall into that age category so that they could use it in small business start-up. Mr. Chairman, the program was introduced in Manitoba. It seems to be an effective program there. There have been some 71 business created that have varying degrees of success, and the average cost to government is some \$5,700 each: not a terribly large amount of money when you consider what those people are putting back into the community. We have a number of folk in that age group that are underemployed or unemployed. We know that in that age group the unemployment rate is approximately 50 percent higher than the overall rate. We're looking at somewhere around the neighbourhood of an 18 percent unemployment rate in that area. This would be a program that may assist them.

Having asked any number of questions and offered something that I hope the minister and his department would consider that would assist young people, I'll take my seat.

MR. DOWNEY: I have just a few brief comments to make. In opening I'd like to commend the government and the minister for restraint in achieving a budget cut of 5.2 percent in this department. At the same time, significant long-term commitments have been made to small business development, as shown in vote 2. Carefully monitoring the expenditures in this department has allowed this government to target and free up funds to the agriculture and energy sectors, where they are most sorely needed.

I was a little surprised at the comments of the hon. Member for Athabasca-Lac La Biche, who no doubt represents a large rural constituency, criticizing this government about the timing of bringing in the small business term assistance program. I would think that this government has its priorities clear and straight in bringing the agriculture one in first, and I would certainly hope that his colleagues in the opposition would support and assist us with speedy passage of both these initiatives.

In the area of diversification, Mr. Chairman, I'd like to talk specifically about one thing we could possibly do in the Stettler constituency. I would like to see this government assist where it could in the establishment of a commercial greenhouse operation to be heated from the wastewater coming out of the Battle River generating station. I am presently researching similar operations in the province. I believe there is a tremendous opportunity to replace imported fruits and vegetables with homegrown ones. At Battle River there would be environmental benefits as well. By cooling the water before it enters the cooling pond, the ecological environment of that cooling pond could be greatly enhanced.

Mr. Chairman, I would like to conclude by saying that I do enjoy the informal atmosphere of this committee, and I would like to remark on something I saw the last time the committee sat, something I thought I'd never see, when the Leader of the Opposition crossed to our side of the

House. It appeared that our House leader had no place for him, so he sent him right back.

Thank you, Mr. Chairman.

MR. GIBEAULT: Mr. Chairman, there are a few items I'd like to add to this debate on the estimates for the department of economic development. First off, I'd like to say that in my constituency as well, as some other members have already mentioned, there are a number of industrious people who, because of the disastrous economic situation that is facing so many of us now, are looking at trying to set up their own businesses rather than sitting at home being unemployed, since there seems to be little effort in terms of job creation on the part of the government here. I would like to add my voice to others who have urged the government to act with haste to get their small business fixed rate financing plan on line. I know a number of small businesspeople in my constituency who are planning to take advantage of that, and they are looking forward to that being available very soon. The more delay that occurs, the more suffering that will be involved among people in my constituency.

Secondly, I'd like to ask the minister if in his reply he would indicate if the small business development and trade development programs of the economic development department would apply to workers' co-operatives in addition to small businesses and larger businesses. In my constituency, and I suspect elsewhere around the province, there are indeed people who are not completely motivated by profit but rather would like to work together, having people work in co-operation, running the business and making decisions co-operatively. They would like to take advantage of the kind of assistance that is available through those programs. I'd like it if the minister could assure us that workers' co-operatives will also be able to avail themselves of those particular assistance efforts.

As well, we've talked a little bit about the international trade area. I think one of the things that we always have to keep in mind in terms of trade — the government is always promoting trade, and to a certain degree I think we can see benefits in that. I guess the concern on this side of the House, in any event, is that trade be fair. We find that many of the policies, or shall we say lack of policies, lack of guidance on the part of the government in terms of what we might call fair trade, is of some concern to us. We had some discussion in recent weeks on the question of whether or not it is fair to be trading with some of the world's worst, undemocratic regimes. We talked specifically about South Africa, and I was pleased that the government finally came around to doing what most civilized countries, and even jurisdictions in our country, have done already; that is, to boycott the handling of the products of apartheid.

We are also still looking at this province having substantial trade relations with South Africa in terms of sulphur exports. We're looking as well at still handling substantial trade links with Chile, one of the most brutal dictatorships on the face of the world. We're handling their liquor in our liquor stores and their fruit in our grocery stores. I would like to know from the minister if there are any ethical guidelines of any sort that govern the department's promotion of trade. Let's have trade, but let's have fair trade. Let's not trade in human suffering.

Mr. Chairman, my last comment in the debate here this evening is to talk about the area of international assistance. In this area I would actually commend the government for showing some leadership. As perhaps some members in the

Assembly know, Alberta is one of the few provinces in this country that has an international assistance element, and we can be somewhat proud of that. To me it's a little bit unfortunate — I realize the economic circumstances of the province — that we're looking in that area at an increase of something like .1 percent. I would mention to the minister that although these are difficult economic times, in looking at page 98, we know that the minister's salary is going up 5.6 percent. I would suggest with respect that the needs of the people in developing countries have at least as much pressing impact as yours, sir.

While that is a commendable program and I'm glad to see the government is continuing to support it at a very marginal increase at that, I would ask if the minister could assure us that he will be taking under advisement the concerns of agencies like the Canadian Council for International Cooperation, the umbrella organization for nongovernment organizations who are the principal intermediary agencies for applying Alberta's international assistance in developing countries. Is the minister looking at taking their advice, which they have given to the federal government as well; that is, to prohibit assistance to regimes that are suffering under various dictatorships and, in particular, El Salvador?

Thank you, Mr. Chairman.

MR. WRIGHT: Mr. Chairman, I too add my appreciation on behalf of many Alberta citizens for the fair-minded way in which the government has given matching grants to those who wish to assist Third World countries, the regimes of which are not always popular in some circles. I'm referring especially to the Farmers for Peace movement, who have done good work in Nicaragua helping their brethren there to farm under very difficult conditions.

Mr. Chairman, I wish to add a question to those that the Member for Edmonton Belmont posed. We know the horror tales that have circulated about the impact of free trade on Canadian industries, horror tales which I tend to believe have a certain amount of truth in them. But who am I to judge that, since I have no special knowledge? In pushing the concept of free trade, as this government is doing, I presume that impact studies have been made or at least have been acquired by the government. We haven't heard about them. Horror tales have been advanced, as we all know. Mr. Hurtig, for example, has claimed that the department has a number of impact studies on free trade that predict the demise of four major industries in the province. Perhaps the minister can give us some assurances, or the opposite, in that connection, since it seems to fall under the rubric of his department.

Mr. Chairman, I have only one other point to make, but it's an important one. Diversification seems to be part of the mandate of this department, and we applaud the efforts in this direction as betokened in the estimates. For example, in vote 4 there is more than \$20 million set aside for expansion or consolidation of the Sturdi-Wood Ltd. project for help in the timber industry.

There is one area of diversification in Alberta, though, that we believe is crying out for attention, and that is the area of coal. It's admitted that this is not something that a Conservative government can do easily, because it believes in market forces. If market forces were going to diversify the economy, they would be doing it without government help. So diversification and conservatism are awkward bed-fellows. We agree on that, yet it is part of the aim of the government, so something should be done. I'm posing the

area of coal to the minister as being part of the diversification drive and not part of the energy industry per se.

With coal we have tremendous potential for the creation of jobs in the province if we are to aim for Canadian self-sufficiency in coal. Our coal, of course, has a much lower sulphur content than the coal that's imported from the United States by Ontario Hydro for use in its power plants. I thought I had the proportion; it's something like one-fifth of the proportion of sulphur. Its caloric content is similar, which is all that matters when it comes to the sheer production of electricity, of course. But since huge costs are incurred by the sulphur emissions that produce acid rain, which we have to face, our question is: what efforts are being made by the government of Alberta to persuade the users of large quantities of imported coal in Ontario to turn to our cleaner burning coal?

Of course, it costs much more to carry the coal from Alberta to Ontario than from Pennsylvania to Ontario. Again, surely we can draw down on what we are told is some \$50 billion of goodwill that we have in the bank to make some kind of arrangement for Canadian self-sufficiency there, which will be of a great advantage to us. We're not just talking about a theoretical advantage in terms of the economy and the money it generates. Mr. Chairman, I am told that the United Mine Workers have estimated that 10,000 to 32,000 new jobs could be created if western Canadian mines were to produce an additional 20 million tonnes of coal, the amount currently imported by Quebec and Ontario Hydro.

Wearing his hat as the minister in charge of diversification, Mr. Chairman, I wonder if this minister would care to comment on the efforts that the government is making in respect of expanding the coal industry.

MR. R. SPEAKER: Mr. Chairman, I wish the minister the best in his new responsibilities. My comments are in terms of one of the statements in the white paper that came before the Legislature prior to this last election, *Proposals for an Industrial and Science Strategy for Albertans 1985 to 1990*. In the latter pages there is a very interesting comment that I've read. It says:

Perhaps the major benefit [and they're referring to this paper] is that specific decisions are less "ad hoc" and are made in a more integrated and co-ordinated manner.

Mr. Chairman, to the minister. When I listened to his comments here tonight — and the minister is not new to the Assembly — I didn't get the impression that there was this integrated and co-ordinated plan being made available to Albertans; we were talking about ad hoc programs again. The performance of the government brought about these kinds of benefits but in terms of where we go from today ahead, I didn't note in those remarks — and maybe that wasn't the purpose of the minister's remarks to us here in this Legislature. In terms of questions in light of that statement I would raise two things. First of all, on page 42 of this document the authors — and I believe the minister was one of the co-authors of this document — set out seven questions which are very important to developing an industrial and science strategy for Albertans. Are those questions going to be answered, and are they the frame of reference that the government will use in developing its economic strategy in the province of Alberta? Have these been accepted by the Premier of the province? Is this document to be used as the base for economic policy in the province of Alberta?

Following that, on pages 56 to about 60, Mr. Chairman, the government and this white paper attempt to develop the

answers of the then Conservative government as to how the government would proceed in economic and science strategy. To the minister. Are these policies outlined in the white paper going to be implemented? Will they be used as the guidelines for the current government, or is this document going to be placed on the shelf with an adequate amount of dust placed on it and forgotten in the next few years, as a number of documents are that are developed by government?

Mr. Chairman, I'd be very interested in that, because if this document is not the document, then what are the ground rules, and what type of an economic plan has the government got? I'm not talking about a controlled economic plan or a controlled economy in the province of Alberta. I'll wait until the New Democratic Party places theirs before the Legislature, because I've seen nothing in that area up to this point in time. I've heard a lot of talk about a great economic plan that's needed and how we're going to design and control the lives of individuals in the province of Alberta, but not a document presented either in this Legislature. I'm not anxious to see one either. Don't rush out and find a dusty old document that's the heritage of our Saskatchewan earlier... [interjections] ... Creators of a thought.

Mr. Chairman, to the minister. I'd be very interested in that because for us to debate economic strategy, we must know what the ground rules of the government are at the present time.

The more specific question I have for the minister is under vote 1.2.3. I noticed a new allotment of \$985,000 towards a trade task force, and I'd be very interested in what that task force will do, who is involved, and when that expenditure will take place.

MR. CHAIRMAN: As members know, in question period, questions cannot be put to ministers on matters for which they have no responsibility. However, in Committee of Supply a member can speak as often as he wants, so I would think that the question put to the minister by the Member for Little Bow is probably in order, because he will simply reword it to the point where it will be in order.

MR. JONSON: Mr. Chairman, I'd like to make a few comments and pose a couple of questions. I'd like to return for the moment to the Alberta Opportunity Company. I note that somewhat earlier in the debate this evening reference was made to the administrative costs of the Alberta Opportunity Company seeming to be somewhat high. However, on that particular point, one of the commitments of the government sometime ago in establishing an agency such as the Alberta Opportunity Company, and one that has been followed up on, was to show determination to serve all regions of the province, not just one or two major centres within the province. I think that commitment has been followed through on, and if there is some significance in the cost there, that is perhaps related to the very significant effort to have the Alberta Opportunity Company centred in and serving the regions of the province.

I must pay tribute to what I view as a very competent staff working for the Alberta Opportunity Company, one that's certainly improved in quality and expertise over the years. It's also my understanding that the administrative costs of the Alberta Opportunity Company are not in any way excessive to the costs of such an operation in other provinces and other places where they have a similar agency, such as Ontario.

Mr. Chairman, I would also like to comment on the reference to the deficit of the Alberta Opportunity Company, and I would ask that the minister in his remarks comment on the significance of this. It's my understanding that the overall portfolio of the Alberta Opportunity Company is performing rather well, and the deficit is not that significant when compared to the total amount of money that has been provided in assistance to small business across the province over the years. I was recently in conversation with some of the people working for the Alberta Opportunity Company. They tell me that business is very good. There's a great deal of interest, a great deal of business coming forward from all areas of Alberta's economy, be it tourism, manufacturing, or the retail trades. This is an area which is very active, and a great deal of good work and good support is being provided through the Alberta Opportunity Company at this particular point in time.

Mr. Chairman, the small business loan program that has been proposed, the details of which we shall soon know, is, if anything, something that is attracting more than that for agriculture. People are very interested and supportive of this type of move on the part of the government, and it's something that the minister and this department are certainly to be commended for. I would, however, like to pose a question. What will be the impact and the relationship between the program I've just mentioned and the Alberta Opportunity Company? What new directions are anticipated for the Alberta Opportunity Company in this new situation?

I have some brief comments and questions on other parts of this department's estimates. I wonder if the minister could be a little more specific and bring us up to date on the work that's being done in the area of international trade, in promoting exports. Something that I would just like to put in is: what effort is made to get Alberta businessmen involved in the import business? I know that it's our overall priority to expand our export trade, but there's also the opportunity for Alberta businesses to become involved in the import brokerage business. It does not have to be something in which we have to import the people to do that, and I think there are some opportunities for local business in that regard as well.

The Member for Wainwright posed the question regarding progress in terms of the container port development. I would like to support the request for information in regard to that item.

Also, I notice that there is no budget entry in terms of grain handling and storage facilities. Perhaps it's unusual, Mr. Chairman, to ask a question about something in which there is no expenditure of money, but there have certainly been commitments and a great deal of activity in that area. I wonder if the minister could update us in terms of the situation with respect to Alberta Terminals and the Prince Rupert terminal: how that's functioning, the rate of utilization, and so forth.

Mr. Chairman, there was some reference in the earlier debate to a form of grant program for young people who may be wanting to exhibit their initiative in establishing new businesses. I think we have to admit that we need to back up a little bit from that particular type of suggestion. In our educational system, in some of the new initiatives that are being taken in terms of curriculum development, we need to put a great deal more emphasis on promoting and fostering in the view of our students the possibility of being managers and owners of businesses, not always looking at their future careers from an employee point of view. We need to form new links and working relationships with

industry to provide young people with this experience and this type of expert advice before we perhaps launch into some type of grant program.

I'd like to finally commend the department for its international assistance program and the matching of moneys raised within the province. That has certainly been an inspiration and something that has brought out a phenomenal amount of effort from the citizens of the province in certain international assistance efforts.

In concluding my remarks, Mr. Chairman, in listening to the debate this evening, there's been a great deal of reference to the importance of small business. I think that is certainly shown in the government's overall commitment to this area. There's also been a great deal of reference to diversification, but there seems to be a lack of appreciation of the fact that the government's policy and direction is one of providing every possible effort in the area of co-ordination and support to small business and not one of taking over and owning small business. I think that is the way it must go, the way we must keep things free for the initiative and drive of small business to be shown. I hope this will long continue.

MR. YOUNIE: Mr. Chairman, one comment on the whole area of the international trade negotiations and a thought that came to mind as others were discussing it. It seems that one of the concerns of Americans is rules within Canada and various provinces of Canada that give some benefit to Canadian economic enterprise or industries. I wonder what would be this minister's or indeed this government's attitude if that American demand for ending of those kinds of programs extended to Canadian-content rules within the CFL, which would in fact allow us to have CFL teams that have only American players on them. It seems to me that gives an unfair advantage to Canadians within the football league. Hopefully that won't become a problem in the future. We'll see; it's hard to say.

[Mr. Hyland in the Chair]

In terms of government support for small business, I'd like to make a couple of points. I'm glad to see the Minister of Education here as well, because one stems from my experiences as a teacher marking departmental examinations. We have discussed already in this session the value of the Alberta government considering buying from Alberta businesses first. As a teacher who went down to the Leg. Annex to mark papers in previous years, I started putting marks on forms, and much to my consternation I noticed that on the bottom of those forms were the words "Printed in USA." I found it incredible to believe that there wasn't a single printer anywhere in Alberta who could print up those forms on which we made our various scribbles concerning students' work. I would like to see a little more effort placed through the Department of Education and through the department of economic development. Perhaps the minister could speak to the Minister of Education and see if she would bring some pressure to bear in that field. Therefore, printers in Alberta wouldn't have to rely on more frequent elections so that New Democratic candidates would come to them to get their pamphlets printed. [interjections] I'm sure she'll check it out in *Hansard*. I know she is a very dedicated minister.

Also in terms of small business, just one quick comment on the small business loan program with fixed interest rate. I would merely point out the fact that banks like the Canadian

Imperial Bank of Commerce got to be giant multinational loan institutions loaning money out at 5 and 6 percent. So I don't see where our recommended figure of 6 percent was unworkable. Also, we recommended that instead of the government paying some other banking institution to lend the money out, we would in fact like to see the government loan that money out directly to farmers and thereby collect that 6 percent interest rather than allowing a bank to collect the interest and paying them a little bit on top of it. Certainly voters I talked to during the election said, "My gosh, that makes good economic sense and would certainly help out both the farmers and the Alberta government." So I would like to see the minister perhaps consider that as an alternative to just another way of giving the banks more money than they need. Although I'm sure they would tell us there's no such thing as more money than they need, I would like to see us make a stab at that.

[Mr. Gogo in the Chair]

I would like to discuss something that is not anywhere in the estimates for this department, and although I'm glad that it's not there, I fear that maybe for the sake of bookkeeping accuracy it should be there rather than in other departments. That is the whole area of water resource development as a possible future economic development method or industry within the province through export of water from Alberta to other countries, specifically the United States. In doing that, I think it's worth looking at past government statements and, in fact, one that was in the Conservative government's white paper on the economy not too long ago, saying:

Current policy involves maximizing the potential use of water within the major basin in which it originates ... The water management policy considers within-basin water transfer not inter-basin transfer.

But when you consider that according to the government we're dealing with only two major water basins in the province, therefore, by the government's definition, transferring water from the North Saskatchewan River to the Oldman River would not amount to interbasin transfer but merely within-basin allocation. So I'm skeptical that they are not considering it, especially in light of a previous memo detailing the Premier's desire to see economic development in terms of water allocation and eventual sale and the need for creating a climate of public acceptance for the whole idea of using Alberta's water and exporting that water as a method of economic development.

Although I see that it is not in this, I would like to ask this minister, and indeed any other minister who might be concerned, to bring back an assurance that we will never see the sale and transport of water out of the country as a method of economic development, that not just in the foreseeable future but under any possible scenario, we will not have to see water from Alberta being sold as a resource that way. There are too many other impacts besides the economic impact that I would get into under budget estimates for other departments.

A sort of comparison that I might make to illustrate why I'm concerned even though I'm told frequently that the government is not considering it is that of living next door to somebody who starts building a structure near my property. When he digs a foundation that looks like a house foundation, I ask him about the house, and he says, "No, actually I'm not going to build a house; I'm going to build a barn." Later he starts framing it in, and sure enough it

has gables and what looks like a place for a chimney and so on. I ask him again, and he says, "No, it's not really a house, regardless of what it looks like." Then when he comes in and does the plumbing, indeed there's a shower, a bathtub, and hot and cold running water. I comment again, and he says, "No, I'm not building a house; I'm really building a barn." As the structure continues going up, I have to conclude, regardless of his protestations that it's a barn, once he finally does in fact put the roof and the front doors on and moves in, that it must indeed be a house he's built. I see this very process coming along when I look at water resource management within the province. Although the government keeps saying they're not building it, it seems to be going along that way, so I become quite concerned. I would like some assurance that my concerns are unfounded and that this will indeed never happen.

In terms of forestry, I would compliment the government on looking into and planning new forest industries, especially the Millar Western plant. I have some concerns about that in terms of the impact that kind of forestry might have on the environment. My concern would be that I don't see anything within the department's estimates that would include some kind of study of the environmental impact. So if the minister could point out either what part of his estimates that would be found under or what other department might be considering looking into the environmental impact and related matters, I would certainly appreciate that information.

Thank you, Mr. Chairman.

MR. McEACHERN: Mr. Chairman, I want to start by saying that I think the small business long-term loan program has great potential, as I said once before in this House. But I find it hard to find very many dollars in this budget that would indicate that the \$15 million they promised in another section is actually coming forward. I see only \$945,000 in vote 3.5 on page 105. Perhaps the minister could enlighten us as to just what is happening with that.

A couple of other points while I'm talking about the small business loan. It would seem that the government will bring forward a Bill in the near future, and I have to say that if that Bill doesn't have any more information in it than the Bill on the long-term loans to farmers, we are not going to be very much wiser as to exactly what they are up to. I guess we'll have to wait and see the loan applications for specific people to know the details on just how that's going to work. I'm afraid the loan applications and the program may be all worked out before small businesses get a chance to see it. I know the people in the 124th Street Business Association are certainly concerned about the terms of it. I know they would be glad to talk to the minister. They're concerned about what the terms will be, how it will work, and how they apply. They're certainly anxious to get on with it.

I find it a bit strange that the government would go ahead with something as extraordinary as the Alberta stock savings plan applications before the Bill is ever passed or even presented to the House. It seems to me that something that would be much more ordinary and much easier to handle and cause much less kerfuffle than the ASSP has caused could be brought forward more quickly for discussion, at least, and to have some input from the small businesses of the province.

In comparing it to the farm loan, the two are supposedly being set up in very much the same manner, and I find the difference in terms of prospects to be quite great. I think the small business long-term loan program has quite

a chance of success and of being very useful in creating jobs, because small businesses will help to diversify the economy. In some cases they will at least be successful in getting into products that are salable and that they can make a profit on, so we will see increased economic activity.

I have to say that although the same kinds of terms seem to apply to the farm loans, unless the farmers have some price prospects, the farmers that need the loans aren't going to get them. I have checked that thought out with a banker I happen to know who is in fact very high up in the banking industry with the Bank of Montreal. He felt that somehow the government would have to come up with some reason why the bankers — and the government does seem to want to go with the banks rather than the credit unions or use heritage trust fund money through the Treasury Branches and credit unions — would want to lend money to farmers. There may be some kind of guarantee of 85 percent of the loan. I don't know that the same thing would be necessary with the small business loans. It may in fact go ahead reasonably well.

I would like to reiterate the point made by the Member for Edmonton Glengarry that it would make more sense to use some of the heritage trust fund money through the Treasury Branches and credit unions than to give the banks the chance to loan out the money and then pay the banks for doing that, plus they can collect the interest rate. It would seem to me a very economic and wise use of heritage trust fund moneys compared to loaning it, say, to other provinces for utilities when those utility companies can borrow on the open market. Our proposal for changing the heritage trust fund into the Alberta development fund and the small business loans division of that proposal is one that we again offer to you to take a look at.

I briefly mentioned the Alberta stock savings plan. I just want to ask the minister — I know it doesn't come under this particular budget, but I looked at the small business equity corporations budget. Perhaps you could enlighten me on some of the numbers, but it seems to me that those two programs are somewhat similar and related. Perhaps the Member for Edmonton Meadowlark was right when he said that SBECs tend to cater to medium-sized companies and the ASSP to small businesses, but they do have some similarities. In spite of the fact that you said the SBECs were fairly successful, if I read this budget right — if I'm not reading it right you can enlighten me; I'm looking at page 105 — the drop in grants or financial assistance under that program seems to go down from \$25.9 million to \$8.9 million for this year. Is that saying that this program is starting to wind up, that you're not putting the money into it? If so, is that because it was not particularly successful or because you think that going to even smaller businesses is a better idea than staying with that particular program? Perhaps you would comment on that for me.

I realize that the ASSP program is not directly under your department, but since it's sort of related to small businesses, perhaps it would be worth mentioning. In question period the Treasurer has been defending the idea that we would have a certain amount of Alberta content in that program. I think an idea that might make it easier to have a higher Alberta content in that program would be to change the tax credit arrangement that you're trying to make with the federal government — because they're the ones that have restricted it and said that you can only have 25 percent Alberta content — from a tax credit system not collected by Ottawa to a rebate paid directly by the Alberta government. It would take away the control of the Minister of Finance

of Canada from saying that you can only have 25 percent Alberta content. In fact if the SBEC had a higher Alberta content, then we should find some way, if we're going to go ahead with the ASSP, to have a higher Alberta content.

A couple of other points. On the overall permanent full-time position numbers, we look at 253 positions, yet the man-year authorizations is 330.4. That's a rather large discrepancy. I'm wondering why. Who are the other people? Are they consultants, part-time people that have no benefits, temporary contracts? Why is there such a discrepancy there? It's 23.4 percent of the man-year authorizations that are in some way not being designated to permanent and full-time employees of the Alberta government in this department. That is quite high, and I wonder if the minister would be able to comment on that.

I would like to make one other point. There don't seem to be any plans, although you have a myriad of programs, for encouraging the development of co-ops. My colleague from Edmonton Mill Woods mentioned workers' co-ops. The rest of the world, particularly European countries like Spain, are very involved in encouraging workers' co-ops. You can sometimes save companies that are going bankrupt by encouraging workers to form co-ops and perhaps helping them to finance the taking over of the company. You can get them involved in making sure that the company is productive. Of course, new businesses can be started and new co-ops can be formed if we would just change our rules a little bit and make it easier and encourage them rather than sort of discourage them as we tend to now. It's done in other provinces, P.E.I. being a notable province where co-ops are fairly common. In fact, this government really should do something about that. It would shed their sort of anti co-op bias. I don't mean to put that onto all members necessarily, but I do recall a few years back some rather unkind comments about co-ops by a certain Associate Minister of Agriculture who is still sitting in this Assembly. So perhaps the government would like to look into that and think a little bit about moving in that direction.

Another thing that you need to think about very seriously when you're thinking about small businesses is this whole business of whether a low minimum wage is helpful or not helpful in terms of the economy. I don't think there's very much doubt that people can't live on \$3.85 an hour. If you look at your economy and think in terms of whether you want the supply-side economic theory to supposedly get the economy rolling again or you need some demand-side economic theory — that is, put some money in the hands of ordinary people — then you might consider that raising the minimum wage would not be such a hardship. People would then have money in their hands. They would go out and buy goods and services from the retailers, who would then buy from the wholesalers, who would buy from the manufacturers, and we would stimulate the economy in that manner. I'm not just suggesting you suddenly slap a high minimum wage on everybody, but surely we do need to build some kind of sliding scale into that lower end of the income for the working poor and for the poor people of this province so that it's always worth while for them to get out and work a little bit and earn some more money.

We tend to think of incentives at the lower end of the income scale as being negative. If you don't work we're going to cut you off your unemployment insurance and you'll starve: that's the incentive to get out and work. Those kinds of incentives don't really work in a society that is becoming as highly technical as ours with so many jobs being lost through technological change. When people

are down, you've got to give them some incentive for moving up. You certainly don't do it by having such a low social assistance that you pay people that are unemployed or by having a low minimum wage and then putting a 100 percent tax on initiatives. If they go out and earn a dollar when they're on either unemployment insurance or welfare, people have a dollar taken off their income for every dollar they earn, and there is no incentive there then to get them moving. So that whole area has to be looked at very carefully when you're talking small business.

Finally, I can't help but agree with some comments made by the Member for Little Bow and one or two of my colleagues. There doesn't seem to be much of an overall strategy. It seems to be pretty much ad hoc, sort of jumping from one thing to another, stopgap measures, not very many of them long-term. Small business loans which are 10 years are perhaps the best long-term program you've got.

MR. CHUMIR: Mr. Chairman, I . . .

MR. CHAIRMAN: Order please. The Chair may not be infallible, but it is benevolent. The hon. member will have to speak from his place, and the committee will wait while he assumes his place.

MR. CHUMIR: My apologies, Mr. Chairman. The rules are, obviously, not as flexible as I had anticipated. My chance for glory. [some applause] Thank you. No more applause?

I rise merely to make a few cameo comments, Mr. Chairman. However, I've been asked by my hon. friend the Member for Edmonton Meadowlark to repeat some of the comments he made earlier now that the Provincial Treasurer has deigned to make his cameo appearance and now to disappear. We've been asked to request more information. It's academic now; the Provincial Treasurer has honoured me by departing in the middle of my opening comments.

I would like to comment briefly on the question of diversification, which the hon. minister referred to in his opening comments in this particular debate. He noted that our manufacturing capacity had grown from 4 percent of Canadian manufacturing in 1971 to 6.2 percent in 1985, which if I'm not mistaken represents no more than our percentage increase in population and is significantly less than the percentage the Alberta population constitutes of the total Canadian population. As has been noted earlier, if the increase in manufacturing over this period is not mainly reflected by manufacturing which is related to our main oil and gas industry. I would be absolutely astonished.

However, the most significant aspect of diversification that we may detect over the last 10 or 15 years is not what we have done but the industries that we have diversified out of. As a matter of fact, it appears that we have diversified out of a number of industries in which we have natural advantages. We appear to have diversified out of flour. I can't remember how long it is since I've seen a flour mill. There used to be flour mills all over this province. I understand that we've diversified out of production of some of our grain oils.

Welcome back, Mr. Minister. I'll have more to say later, not too much later though.

We have diversified to a very large extent. We have diversified out of meat packing. A very large number of meat packing plants have left this province, and all of these when we've enjoyed the tremendous prosperity and great

amounts of money that we have had in the heritage fund. Where was our government when this was happening? If I'm not mistaken, I recall reading last fall where the hon. Premier was commenting on the fact that a lot of our meat industry had disappeared to Quebec, not as a result of natural advantages that they have but as a result of subsidies which they have provided, and he indicated that if some steps were not taken in co-operation between the federal and Quebec governments, we would see some action in that regard to protect our meat industry. We have seen nothing yet, and we are still waiting.

Let me not forget the diversification out of our financial industry, which the Member for Edmonton Meadowlark has reminded us of many, many times. That has been another of the economic wonders of the last 10 or 15 years: no provincial finance industry.

I'd like to move on to speak about the question of management, because, as I have noted before, the government would like to have the people of this province understand that they have been wonderful managers. It is significantly important that we do get value for money from our programs, because when you spend money on one program, you take from another. We can't afford everything, and our programs should be the best that we can develop. In the past, the government has had tremendous largess and has spent money as if it has been a sweepstakes winner. With a \$2.5 billion deficit we can't afford loose management, yet we see it in almost every government program that is presented to this House.

Let me talk a little bit about the philosophy and some of the criteria that government business assistance programs should be expected to satisfy before they are implemented. One criterion which would justify government providing assistance to business and individuals and companies in the community would be that the assistance creates business activity and thereby creates much-needed jobs; that's one reason. A second rationale would be that in a time of economic distress such as we have now in this province in the agriculture and oil and gas industries, some form of government intervention is required on a massive scale in order to maintain the infrastructure of the industry and to avoid tremendous dislocation. A third possibility and one that I think should be applied in more limited circumstances is that occasionally assistance for companies and individuals in need may be justified, not to simply save an industry but because it is considered to be in the public interest nonetheless.

What criterion should not be applied is that we give money and financial assistance to those businesses or individuals who do not create work and do not in some way need it.

My concern at this moment is with the small business term assistance plan. My concern is that we are in fact not satisfying any of those criteria that I referred to earlier but in fact are satisfying the fourth criterion, which we should not be satisfying, and that is of giving provincial money to those who don't need it in many instances and to those who will not be creating jobs. Let me ask the minister this: can a businessperson, for example, who is at this time paying 12 percent on a \$150,000 loan at the bank take that \$150,000 loan without demonstrating any financial need and refinance that loan under the small business term program at 9 percent, save 3 percent on \$150,000, bank the \$4,500 in interest savings, say thank you to the government, and not create any jobs?

I would like to get the answer to that because, on the basis of the criteria that have been announced before this

House, it appears to me that that is possible and that that may happen on a very large scale under this program. I applaud that aspect of the program which will satisfy those criteria that I have referred to, but to the extent that what I have referred to and the example I have referred to is possible, we have nothing more than a giveaway, which we cannot afford in this province at this time.

Talking about giveaways and lack of hard, commonsense business management on the part of the government, let me refer once again to the Alberta stock savings plan, in which, as we have seen, prospectuses were filed by corporations who were going to get the grant of provincial money in order to create jobs, not only in other provinces but for water slide projects in Redondo Beach, California, no less. We heard from the hon. Provincial Treasurer, when the hon. Provincial Treasurer was responding to the critique on this matter — he would have us understand that the reason why we do not have more stringent constraints is that there's some constitutional limitation: the Constitution of Canada precludes the province of Alberta stating that if we're going to give provincial money, we're going to give it in order to create jobs here and not in Redondo Beach or other provinces.

That's going to be news to those ministers who administer programs in this province which do that very thing. The small business equity program is one of them. The grants and assistance to the oil upgrader and to the Syncrude project, all of the recent loans that have been announced: they are all being given to assist business and jobs in this province. So let us not hear any more about constitutional limitations in this regard, because there are none. There may be, as was suggested by the previous speaker, a limitation administratively if the provincial government wishes to have it administered pursuant to the federal income tax legislation. But if we're only going to be able to get a deal in which only 25 percent of wages are paid in this province and no guarantee that the moneys or any portion of them will be spent in this province, why enter into or develop a program which lacks any tangible benefits to this province? So I would hope, Mr. Chairman, that the Alberta stock savings plan is rectified and no longer contains these deficiencies to which I refer.

MR. CHAIRMAN: Order please. I hesitate to interrupt the hon. member, but the minister of economic development is proposing his estimates to this House. The hon. member continues to refer to a Bill that has yet to be introduced to this House and which is the responsibility of another minister. I would ask the hon. member if he would restrict his comments to the responsibilities of the minister of economic development.

MR. CHUMIR: I have the pleasure, Mr. Chairman, of just having concluded my comments anyway. The timing was perfect, and I thank the minister. There was a great symbiosis between us.

In moving back at this very timely point to the small business term assistance plan, I would ask the minister whether he would assure this House that in that plan there will be terms and conditions which ensure that this province will get some value or satisfy some valid social goal with our money and that it will not represent in large part a giveaway program of scarce resources.

Finally, Mr. Chairman, I would like to just raise some questions with respect to the farm stabilization loan program which has been announced. As I understand the program,

the situation is that the loans will be made through a banking institution and that the ultimate responsibility for the loans will be the provincial government. It seems to me that what we have is a situation in which one party is making the decision with respect to the loan and another party is bearing the financial burden. This seems to be a potential formula for disaster, where the party making the business decision does not have the ultimate responsibility or bear the loss.

What I would like to know is: what happens in the event of default on a loan which has been guaranteed by the provincial government? Are there any conditions or criteria which protect the provincial government in the event a bank becomes a little spooky and calls the loan? Does the provincial government have any controls, or is a bank in the very happy situation that at its whim it can call the loan and get the provincial government to pony up \$150,000 at any time? If so, what happens if economic conditions don't improve, as has been projected by the provincial government, and we end up with a tremendous number of farmers in serious economic distress and we have banks calling in these loans? Do we then have a situation in which the provincial government is itself directly the creditor of many thousands of farmers in this province? What happens under those circumstances? Is the provincial government then realistically expected to go in and foreclose against those farmers?

This doesn't sound to me, Mr. Chairman, to be a situation which holds a tremendous amount of successful promise for this province. It sounds to me like a situation which is going to end, whatever provincial government is in power at that particular point in time, in a very significant mess. I would appreciate hearing from the hon. minister how and why I am mistaken in my perception of how this program may operate and get us into problems down the line. Has the government considered some options as to the mechanics of this program? Why was this particularly unpromising option, which is so fraught with circumstantial likelihood of difficulties in the future, chosen?

Thank you.

MR. FOX: Mr. Chairman, I have just a couple of questions to ask of the minister. I hope he can provide me with some information on these matters and, if not, perhaps he could tell me where I could get the information. They're questions that come from people in the constituency, one of them concerning the loaning practices of the Alberta Opportunity Company.

I'm wondering if it's possible to get a loans profile from the various offices, more specifically the office in St. Paul. A prominent businessman in my community expressed concern that perhaps the company tended to lend money closer to home rather than give fair consideration to applications that came from outside of their more immediate area. I'd certainly appreciate any information or enlightenment that he could cast on that for me.

Another one that I believe would fall under the jurisdiction of the Department of Economic Development and Trade concerns a line that is drawn along the North Saskatchewan River for the purposes of tax incentives as far as development projects go. Projects that go ahead on the north side of the North Saskatchewan River receive benefits, mostly federal but I think perhaps provincial as well. It's felt by businesses and communities on the south side of the river, which are in the Vegreville constituency, that it's an unfair advantage given to some businesses on the north side.

I'd sure appreciate any information I could get on that from the minister, Mr. Chairman. Perhaps once the information is forthcoming, we could look at that program and see if it couldn't be updated to be fair to businesspeople in our constituency as well.

MR. CRAWFORD: Mr. Chairman, I move the committee rise, report progress, and ask leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

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

MR. SPEAKER: Having heard the report and the request for leave to sit again, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, tomorrow the Assembly will be once again in Committee of Supply for the estimates of the Department of Technology, Research and Telecommunications.

[At 10:35 p.m., on motion, the House adjourned to Friday at 10 a.m.]

