

LEGISLATIVE ASSEMBLY OF ALBERTA

Bill 256
Free Trade Transition Commission Act

Title: **Thursday, May 19, 1988 2:30 p.m.**
 Date: 88/05/19

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

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

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

Amen.

head: **NOTICES OF MOTIONS**

MR. WEISS: Mr. Speaker, I'd like to give a notice of a Motion that I'd subsequently ask all hon. members to consent to dealing with today. If I may read the motion into the record:

Be it resolved that the Assembly urge all members to participate with Albertans in the sixth annual celebration of Canada's Fitweek, May 20 to 29, 1988.

head: **INTRODUCTION OF BILLS**

Bill 20

Oil and Gas Conservation Amendment Act, 1988

DR. WEBBER: Mr. Speaker, I'd like to introduce Bill 20, the Oil and Gas Conservation Amendment Act, 1988.

The Bill clarifies definitions of bitumin and an entity called a holding for regulatory reasons, clarifies timing of funding to meet certain concerns raised by the Auditor General, ensures that certain hearings are held when requested and not automatically and unnecessarily, and eliminates the regulation-making power related to drilling deposits.

[Leave granted; Bill 20 read a first time]

Bill 35

**Occupational Health and Safety
 Amendment Act, 1988**

MR. DINNING: Mr. Speaker, I beg leave to move the introduction for first reading of Bill 35, the Occupational Health and Safety Amendment Act, 1988.

This Bill adopts an important new workplace hazardous materials information system, as well as a tenfold increase in the fines for violations under the Occupational Health and Safety Act.

[Leave granted; Bill 35 read a first time]

MR. SPEAKER: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I request leave to introduce Bill 256, being the Free Trade Transition Commission Act.

This Bill would establish a commission comprised of government, industry, and labour to assist those people in Alberta whose employment and businesses will be affected adversely by the bilateral Canada/U. S. free trade agreement to make the transition to new employment and new business opportunities, provided that agreement is implemented.

Thank you very much.

[Leave granted; Bill 256 read a first time]

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. DOWNEY: Mr. Speaker, it gives me pleasure this afternoon to introduce to you and through you to members of the Assembly, 17 attentive grades 6 and 7 students from the school at Botha, very close to the geographic centre of Stettler constituency and certainly very close to my emotional heart. They're accompanied by their teacher Mr. Bob Erickson. I would ask them to rise in their places in the public gallery and accept the warm welcome of the House.

DR. CASSIN: Mr. Speaker, it's my privilege today to introduce to you and through you, some 84 very energetic students from the W. O. Mitchell elementary school in my constituency of Calgary-North West, along with their teachers and parents. The teachers are Mr. John Rooke, Mrs. Sharon Braun, and Mrs. Bonnie Spooner; the parents Mrs. Pat Rooke, Mrs. Leone Thomas, Mrs. Sandra Heming, Mrs. Brenda Robinson, and Mrs. Marlene Spiess. They are in both the public and members' galleries. I'd ask that they now rise and receive the customary welcome of the House.

MR. STEVENS: Mr. Speaker, I'm pleased today to introduce to you and through you to the members of the Assembly, Mr. Varavudh Suteethorn, senior geologist from the Thailand department of mineral resources, Bangkok, Thailand. He is known as Mo to his friends, and he's in Canada under a program funded by the Canadian International Development Agency. He has spent two months at the Royal Ontario Museum and is now here studying the Alberta Tyrrell museum cataloguing system, doing library research, learning fieldwork techniques, gaining information on the museum's audiovisual systems, and working at the Devil's Coulee dinosaur nesting/egg site in southern Alberta.

Mr. Suteethorn is accompanied by Terry Willock from communications and by Dr. Emlyn Koster, the director of Alberta's Tyrrell Museum of Palaeontology. Would they please rise in the members' gallery and receive the warm welcome of the Assembly.

MR. PIQUETTE: Mr. Speaker, today I'm very pleased to introduce to you and through you to all members of the Assembly, 25 enthusiastic, keen grade 6 students from the beautiful little community of Dapp, Alberta, located a few miles north of Westlock. Students and parents are anxious to have the school buildings branch of the Department of Education fund the school division of Westlock to renovate and build a new school for the growing community, a project I wholeheartedly

support. Accompanying the students are teacher Dave Lent and parents Mrs. Klein and Mrs. Dechaine. Would they please rise and receive the customary warm welcome from this Assembly.

MR. SPEAKER: Red Deer-South.

MR. OLDRING: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to the Members of the Legislative Assembly, three guests and friends from the city of Red Deer. They're seated in the members' gallery, and I would ask that as I call their names, they would rise and receive the warm reception of this Assembly: Eileen Shultz, Heather Lee, and Irene Womacks.

head:ORAL QUESTION PERIOD

Community Crime Prevention

MS BARRETT: Mr. Speaker, yesterday in the Assembly the opposition leader raised with the Solicitor General the fact that crime and particularly violent crime has continued to increase and, in fact, outpaces the rate of growth in the general population, while his department's funding is not keeping pace with either. Given the fact that violent crime in Alberta is up 21 percent over the last six years while the population was up 6 percent, and sexual assaults are up 51 percent in that same period of time, I wonder if the minister is now prepared to state in the House for the record whether or not it is his contention that Alberta streets are safe or safer than they've ever been.

MR. ROSTAD: Mr. Speaker, I have no problem categorically saying that the streets of Alberta are very, very safe.

MS BARRETT: Well, Mr. Speaker, it seems to me that the targets of a lot of violent crime happen to be women in this province, and I don't think that the Solicitor General would agree that they ought to be prisoners in their own homes. Given the statistics that I've just mentioned to him, is he now prepared to commit more money right away to all the municipal policing programs to enhance the community policing that's so obviously necessary?

MR. ROSTAD: Mr. Speaker, there is no way that the women of Alberta have to be prisoners of their own home because of the fear of crime or the consequences of that crime. The police departments have all got squads or educational programs that are used to address the particular instances of crime that the hon. member refers to. As well, there are many, many programs throughout the community that the female portion of our community can utilize to prepare themselves to offset any of these risks as they may exist.

MS BARRETT: Mr. Speaker, what the minister has basically just said is that women have to enroll in judo classes. I think that's a serious mistake on the part of the minister. I want to know if the minister is prepared to put some more money into community policing programs or other programs to make the streets safe.

MR. ROSTAD: Mr. Speaker, I can speak for myself, maybe not so eloquently at times but I don't need people to put words in my mouth. At no time did I make reference to females' having to take judo classes or enroll themselves. That is an outrage in

the mouth of the hon. member across.

The police departments in this province are of two kinds. One is the RCMP, and if they don't have a contract with a particular municipality because of the size of that municipality, they are under provincial policing contracts. Last year our funding to the RCMP increased 6 percent, far higher than inflation, far higher than the alleged rate of increase in crime, which is not factual. The other type of policing force is the municipal police force that is not only contracted if it's RCMP but is a police force that is hired and operated by a police commission by that municipality. I will again use Edmonton as an example, because we're located here. The Police Commission, which has appointed and elected members, prepares a budget, the municipality okays the budget, the province of Alberta contributes \$10 million to that budget, and they determine the level of policing they wish in the city of Edmonton. I think they're doing an adequate job.

MS BARRETT: Easy for him to say after the budget was cut last year and the year before.

Mr. Speaker, if the minister is not prepared to come up with more money to help out the municipalities, which under the circumstances are doing an admirable job, what other programs is he willing to offer Albertans to make real his fantasy, to make real Alberta streets' being safe?

MR. ROSTAD: Mr. Speaker, I don't have to have a fantasy. It's reality. There are a number of agencies throughout this province as well as in the city of Edmonton that are voluntary, where people are acting on a community effort to prevent crime. There's block watch, Neighbourhood Watch, Range Patrol, numerous other ones. I think it's an affront to the people of Alberta to try and raise up that there is a problem with crime. At no time would I ever endorse the level of crime that there is here, but the police forces are doing an adequate job in trying to overcome this. It's now part of the communities' problem to work with the police department to overcome it, and they're doing a good job.

MR. TAYLOR: Mr. Speaker, this is a supplementary to the minister adjoining in charge of women's issues. Does she agree with the rather amazing statement by the Solicitor General earlier in this question that women do not have to take extra care and extra precautions in the centres of our major cities?

MS McCOY: Mr. Speaker, perhaps the Solicitor General would care to comment, since I think he was just misquoted.

MR. ROSTAD: Mr. Speaker, if I may, I know that the hon. member sometimes has problems hearing through that plant, but at no time did I say that women have to take these extra precautions. It's wise for them to take it because of the level of crime. I think he should read *Hansard*, and he'll see that there was no such quote.

MR. DOWNEY: Mr. Speaker, supplementary to the Solicitor General. I wonder if he would comment on the fact that the statistics may very well recognize, rather than an increased level of crime, perhaps instead a tendency to better enforcement and more successful prosecutions.

MR. ROSTAD: Mr. Speaker, I thank the member for the question. I don't have such statistics that I can do that. I just do

know that the RCMP and the number of municipal police forces in Alberta are doing an extremely good job of policing our province.

MS BARRETT: Mr. Speaker, I'd like to designate this question to the Member for Edmonton-Strathcona.

Daishowa Pulp Mill

MR. WRIGHT: Mr. Speaker, my question is to the Deputy Premier and concerns the stay of prosecution entered against the Daishowa Canada Co. Ltd. which became public yesterday. In April of this year a Mr. Wylynko laid an information against Daishowa Canada Co. Ltd. for commencing the construction of a plant on the banks of the Peace River for the manufacture of pulp and paper, as we I think know, without the permits required by the Clean Air Act and Clean Water Act. Photographs in my possession show just how extensive the site preparation then was. On May 11 the Crown filed a stay of prosecution which became public yesterday. The reason given by one R. H. Davie, director of general prosecutions in the Attorney General's department was:

A prerequisite of any public prosecution is an investigation by the appropriate enforcement agency. Unless this step has been taken, the charge will be withdrawn.

My question to the Deputy Premier is: since the enforcement agency, in this case the Department of the Environment, is the very agency that has been turning a blind eye to Daishowa's very public actions, where is the fairness and logic in this case as expressed by Mr. Davie?

MR. RUSSELL: Mr. Speaker, I'd like to refer that question to the Acting Attorney General.

MR. ROSTAD: Mr. Speaker, the stay of execution -- pardon me; of prosecution... It was going through my mind something about a benign dictator.

But it was a stay of prosecution, and it was entered because there was not the evidence brought forward. As I recall in the letter that the hon. Member for Edmonton-Strathcona mentions, there was a letter by Mr. Wylynko asking for a notice to cease, and there were some pictures provided, but those pictures indicated nothing other than that there was a river and there were some trees. You need some specificity of the alleged culprit before you can lay an information and have it prosecuted.

In this particular instance there is a procedure under which you go through to lay that information. You bring forward your evidence in environment matters to a section of the Department of the Environment. They will investigate it to gather the information and material for you. You can lay that and bring it to the RCMP if you so wish, and they will assist you. That information then goes to the Crown prosecutor's office. That office is divided into two sections, with the chief Crown prosecutor for the north of Alberta located in Edmonton, the chief Crown in Calgary taking care of the southern part. They then look through the evidence from a legal perspective and see whether there's enough evidence to prosecute. In this province as in most other provinces the prosecutions are public prosecutions and not private prosecutions. In this instance there wasn't enough evidence. It was stayed.

MR. WRIGHT: Mr. Speaker, the group concerned tried all of that and got nowhere, and Mr. Wylynko laid a private prosecu-

tion. Mr. Davie in his...

MR. SPEAKER: Hon. member, the question. We're not going to get into these extended supplementaries today after yesterday's exchange. Now to the supplementary.

MR. WRIGHT: My question is this. Mr. Davie went on to say:

If you believe that an offence has been committed, and wish to lodge a formal complaint, you may do so.

Will the Acting Attorney General be good enough to inform Mr. Davie, who describes himself as Queen's counsel, that there is no more formal a complaint than a sworn information?

MR. ROSTAD: There is, Mr. Speaker, a more formal complaint than the information itself. That is the information together with some evidence, some evidence that can be used in the court to prosecute this particular case. In this instance there wasn't that evidence. Mr. Davie also in his letter, which I'd be more than happy to file with the Assembly, spelled out the procedure that there is to in fact take the investigation. That procedure has not been taken by Mr. Wylynko. The stay of proceedings exists for one year. Upon production of evidence that can be used to prosecute the case, the case can be brought back immediately. I would suggest Mr. Wylynko bring forward his evidence.

MR. WRIGHT: Mr. Speaker, the Acting Attorney General doesn't seem to be understanding my question, which relates to the jurisdiction to enter a stay on a private prosecution. In fact, Mr. Lack, of standards and approvals, Department of the Environment, told the informant the matter had been thoroughly investigated...

MR. SPEAKER: Right; now let's get to the question. Come on.

MR. WRIGHT: It was stayed ostensibly for not having been investigated. Will the Acting Attorney General be good enough to see whether, the ostensible basis of the stay having collapsed, Mr. Davie QC will stay his stay?

MR. ROSTAD: Mr. Speaker, I think we're going around in a circle here, because I'm not aware of Mr. Lack's alleged advice to Mr. Wylynko that in fact it had been investigated. But the Attorney General does not have evidence from Mr. Wylynko or from the Department of the Environment that would allow a prosecution to be taken against Daishowa for the alleged offence.

Perhaps the Minister of the Environment would like to supplement that.

MR. SPEAKER: Final supplementary, Strathcona.

MR. WRIGHT: It's too bad the Deputy Premier didn't pass on the letter, Mr. Speaker.

MR. SPEAKER: Hon. member, let's get to the question, please.

MR. WRIGHT: Very well, Mr. Speaker. Can we have an assurance from the Acting Attorney General that henceforth prosecutions laid by private citizens in this province will not be stayed unless they are frivolous or an abuse of process, which is the basis of this jurisdiction, and certainly not where they

merely tend to embarrass the government?

MR. ROSTAD: Mr. Speaker, with due respect, that's offensive. This particular information was not stayed because it was embarrassing to the government or that it was a cover-up. Mr. Wylynko, whom the member is obviously fronting for, has not brought forward any evidence. It's clear in Mr. Davie's letter. The Crown prosecutor is awaiting that evidence. The action will be commenced immediately upon production of that evidence. There's none forthcoming.

MR. SPEAKER: Very briefly, Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. In the delicate matter where the government has a conflict of interest such as this, it makes sense that the matter be referred to an outside counsel who is independent rather than to the Attorney General's department itself. I wonder whether or not the Acting Attorney General would agree to have this matter reviewed by an independent counsel.

MR. ROSTAD: Mr. Speaker, again I find that surprising from a member who has quite high esteem within the Bench and the Bar of this province. The Crown is not part of the government. The Crown represents the Queen, who happens to still be the head of this country.

MR. SPEAKER: Next question, Westlock-Sturgeon.

Farm Foreclosures

MR. TAYLOR: Mr. Speaker, my question is roughly related. It's on the government taking on the attitude that they are above the law. It's to the associate minister.

MR. SPEAKER: Which associate minister?

MR. TAYLOR: The Associate Minister of Agriculture. I'm sorry; I didn't know there was more than one.

The associate minister, Mr. Speaker, and her federal cousins over the last two years have presided over the greatest number of foreclosures and removal of farmers from the land since the Scottish clearances. What was most amazing was that the minister made a statement on Tuesday, May 17, page 1096 in *Hansard* that: "My understanding is that the Crown is exempt under the personal covenant," and consequently that the Attorney General is looking into it at the present time. Now, my question to the associate minister. Has she checked with the Attorney General to find whether her statement was in error?

MRS. CRIPPS: Mr. Speaker, the member will note that the Attorney General is not in the House, so I'll take that question as notice.

MR. TAYLOR: Mr. Speaker, he was in the House then and for a while since.

MR. SPEAKER: Supplementary question.

MR. TAYLOR: All right, Mr. Speaker; I'm just trying to ask the question. What are you heckling for?

MR. SPEAKER: Thank you, hon. member. [interjection] Or-

der. The Chair is not heckling; the Chair is following the discussion of the House yesterday. Now that you're on the supplementary question, you get to the question rather than have all the extraneous matter.

MR. TAYLOR: Okay, Mr. Speaker.

Is the associate minister aware that in every decided case since the 1930s where the Crown has tried to collect on a personal covenant, they have been unsuccessful? Is she aware of that? Since the 1930s they have not been able to collect under the personal covenant.

MRS. CRIPPS: Mr. Speaker, I'd appreciate proof of the statement that the hon. member makes.

MR. TAYLOR: Mr. Speaker, supplementary to the associate minister. Is she aware of how many quitclaims have been obtained from farmers in this province through the argument by ADC that they can indeed sue under the personal covenant?

MRS. CRIPPS: You know, Mr. Speaker, the hon. member comes in here and uses \$25 words and asks two-bit questions. I'm not belittling the seriousness of the situation in agriculture, but I am saying that the member comes in and he makes allegations, and when we ask him for evidence, he says he can get the evidence and gets the story in the paper, but to date we haven't got the evidence.

You know, he's making a case for treating borrowers through ADC who do not make payments differently and far better than borrowers who do make their payments. Maybe I could just give a couple of examples of the kinds of loans he's talking about. This one was approved in September of 1982 for \$183,000. The arrears to date are \$93,000. The payments made by the borrower are \$978. Now, the member is saying that we should just let them go on farming, and the people who are making their payments should pay for it.

MR. TAYLOR: The minister herself has admitted -- my understanding is that the Crown is exempt under the personal covenant. All I'm trying to get at, Mr. Speaker, is that she obviously believes in an error. Will she take a minute and find out the fact that you cannot collect under a personal covenant, even though you're the Crown or the representative of the Queen?

MRS. CRIPPS: Mr. Speaker, I can assure the hon. member that ADC is not doing anything that is illegal.

MR. WRIGHT: Mr. Speaker, can I ask the Associate Minister of Agriculture under what policy the government seeks to set itself higher than other lenders when it comes to collecting money back from the farmer?

MRS. CRIPPS: Mr. Speaker, the only time ADC uses the Crown prerogative is in cases where the borrower has diverted ADC assets for their own personal use.

MR. SPEAKER: Thank you.
Supplementary, Little Bow.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Could the minister indicate when this issue will be reviewed by her and also the Attorney General? And when can we expect a report to the Assembly?

MRS. CRIPPS: Shortly.

Taxation System

MR. R. SPEAKER: Mr. Speaker, my question is to the Provincial Treasurer, and it is with regards to what I believe is apparent discrimination in terms of corporate tax on Alberta resource companies. I refer to an article in a magazine called *Report on Business*, that I'm sure all of the members of this Assembly have had access to. In there it indicates that the 10 most profitable companies in Canada that paid the most income tax in 1986 include four of our resource companies in this province. At the same time, of the 10 most profitable companies in Canada that paid no corporate income tax for 1986, only two were from Alberta; the rest are located in Ontario and Quebec, central Canada. They paid no tax. My question to the minister. Is the minister aware of this apparent discrimination?

MR. JOHNSTON: Mr. Speaker, I can't say that I'm aware of the particular example that has been given by the Member for Little Bow, but I'm aware of certain distortions which do take place within the tax system which appear at least on the prima facie review of the data to give certain advantages to some companies because of, for example, their geographical location. However, the general principle by which all governments operate -- and certainly it's the principle that the federal government will state to be their position -- is that there should not be and is not in the tax system any form of discrimination or advantage which would be as a result of types of income, demographic characteristics or, for that matter, geography. Essentially what they're saying is that the tax system should be neutral. However, we all know that there are certain variations in that neutrality which do in fact impact on the tax paid by certain corporations, particularly those in Alberta.

MR. R. SPEAKER: To the minister. Is the minister prepared to take this matter into consideration and study it in greater depth and possibly make policy recommendations to the federal Minister of Finance?

MR. JOHNSTON: Well, Mr. Speaker, it is, I guess, a matter of note that we should say that Mr. Wilson, the federal Finance minister, has put in the current legislation a section which is attempting to avoid this kind of discrimination, the section which provides for tax avoidance sections, assuming that giving more powers to the tax collector, in this case the central government, to get around some of the tax avoidance questions... But unfortunately, it becomes much more difficult than that, as you well know -- as we saw in the case from my colleague from Edmonton-Kingsway -- in that in fact when you start moving from the reported data on income to the effective tax, you have to make a significant jump from income to taxable income. It is this calculation of taxable income that causes us some trouble. For example, such things as losses incurred in previous years can be offset against current income to arrive at a zero taxable income. Or in the case of depreciation, for example, the calculation for depreciation for income tax purposes is far different from that for income purposes. So it's not an easy calculation.

I must say, Mr. Speaker, that many academics and those people who are fascinated by this area of taxation have spent a lot of time trying to determine what, in fact, has happened. I think it is safe to say that generally speaking the policy on tax neutrality does prevail. However, accepting the suggestion from

the Member for Little Bow, I will draw it to the attention of the Minister of Finance in the next meeting, which I think will take place sometime in June, and ask him for an explanation, if you could give me the specific article you're referring to.

MR. R. SPEAKER: Mr. Speaker, final supplementary to the minister. Could the minister indicate whether this type of policy has had any effect on our corporate tax policy in the province of Alberta? In other words, have we as Albertans had to compensate for the extra taxation here in the province?

MR. JOHNSTON: Yes, I suppose, Mr. Speaker. Under the equalization calculations, where in fact all the income earned by the province is thrown into a calculation -- and under this 29 variable complex formula we decide whether or not we participate in equalization from the central government. Obviously, one of the major items in terms of measurement of the capacity or the ability of a province to be profitable or a have province is, in fact, corporate tax earned. So if there were some way by which we could ensure that more equality was built in... In the case of deferrals in other parts of the country, where it would then reduce the average collection on corporate taxation, for example, and they would therefore benefit under equalization, that would be to the disadvantage of this province. But at this point Alberta is not at that position, that very close position, as being a have or have-not province. In fact, we are still a have province, even as a result of the 1986 disastrous energy pricing changes, and as a result it wouldn't probably make all that much difference.

I should note that, for example, one of the difficult problems that companies in Alberta did face was on the PGRT. Now, that tax would be deducted in calculating income, but as we well know, under the Liberal policy that was not deductible for taxable income calculations. Therefore, that would be an adverse impact on the economic success of corporations head offed here in Alberta.

MR. SPEAKER: Edmonton-Kingsway, followed by
Westlock-Sturgeon.

MR. McEACHERN: Thank you, Mr. Speaker. Would the Treasurer also, when he is talking to his federal counterpart, recommend that the government review the proportions of taxes paid by corporations versus personal taxes? As we pointed out, in this province they are rather discriminatory here. I should think the same thing is true at the federal level, and perhaps that's at the root of our problem.

MR. JOHNSTON: Again, Mr. Speaker, the member and I have had this debate for some time. It is my view that those kinds of comparisons, unless you are absolutely sure of your methodology and the data base you're using, probably wouldn't generate much. But in using the numbers given to us by the Member for Edmonton-Kingsway, we have in fact done our own calculation, that showed that in the case of personal income taxes, they, in fact, were below the effective rate of corporate taxes -- and using the same data which you provided. Again, you're into the difficulty here of comparing data, of comparing the data base, what is included, what is not included, in arriving at the various factors.

In the case of the comparison between corporations and personal income taxes, we found that the royalty tax credit, for example, which is administered through the corporate tax system,

was not included as income in the corporation's hands for this comparison. Obviously, that would throw it out dramatically because the royalty tax credit is an important incentive to the corporations and is delivered through the corporate tax system.

MR. SPEAKER: Thank you.

MR. TAYLOR: Mr. Speaker, a supplementary to the minister. In this issue of reference between the eastern and western companies, is the minister able to share with the House whether his studies can tell us whether or not the new federal tax, the ad valorem tax or sales tax, will help or -- if you'll pardon the expression, Mr. Speaker, a \$25 word -- exacerbate the difference that'll exist between the two sides?

MR. JOHNSTON: Well, Mr. Speaker, that's a reasonable observation, I must say. It's very useful to hear that the member is at least thinking about the possibility of down the road having some other tax imposed which would distort the way in which tax is collected in various regions of Canada. That's a reasonable question. It's one which has obviously vexed us from time to time as we examine what will happen with the value-added tax being imposed, wherein you're shifting from an income tax to a consumption tax. Now, if that did happen in other parts of the country, it may be assumed, where the value-added tax was being opposed, that people would reduce the corporate tax proportionally, shifting from corporate taxation onto consumption. Now, if that happened and we didn't have value-added tax here, obviously there'd be some disadvantage for corporations head offed in Alberta.

Well, we're sort of tilting a bit at windmills here, in the sense of what's going to happen and what may happen in the future. But nonetheless in terms of the implications for value-added tax certainly the element that the member raises with respect to the shifting between consumption and income tax and as well the one he raised in the session in the summer of '87 with respect to transportation differentials are part of the significant kinds of problems which we in western Canada, certainly in Alberta, are examining in the context of the possibility of a value-added tax being imposed.

MR. SPEAKER: Member for Wainwright, followed by Athabasca-Lac La Biche, Calgary-Buffalo, Stony Plain, Calgary-Mountain View, Red Deer-North, Edmonton-Calder, if there is time.

Oil and Gas Rights on Military Reserve

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of Energy, concerning the oil and gas exploration and development of the Wainwright military reserve. Last fall the minister indicated his intention to negotiate with the federal government to make available to the petroleum industry for competitive bidding the oil and gas rights of the reserve. Could the minister update us on these results?

DR. WEBBER: Mr. Speaker, we are indeed pleased that we are opening up for development such a large and previously unexplored and undeveloped area of the province. In fact, yesterday we had the first land sale of a parcel called parcel A in the Wainwright military range, and that parcel brought in a total of \$8.5 million. That was an average of \$895 per hectare, which is over four times the provincial average this year to date. Apart

from the Wainwright sale yesterday, there were other tracts of land in the province up for sale as well which brought in \$27 million, for a total of \$35 million, which is the largest land sale this year to date. These two parcels at Wainwright represent one-sixth of that entire reserve. We look forward to further offerings in the months and weeks ahead.

MR. FISCHER: Thank you. I know that we have valuable things in the Wainwright constituency.

Could the minister advise us on the status of the negotiations with the federal government?

DR. WEBBER: Well, Mr. Speaker, as the hon. member knows, we entered negotiations with the federal government some time ago, about a year and a half ago, for access. The access agreement is now being finalized. I have to say that the federal government, the Department of National Defence, have been very co-operative in arriving at the terms of access, which will enable the industry to operate on the reserve. Ultimately, up to over 88 percent of the reserve area will be accessible. Through the Department of Energy, we briefed the industry on the conditions of access some weeks ago, and I think that the high bids by the industry show that those conditions would permit successful operation on the reserve.

MR. FISCHER: Supplementary. In the access department can the minister give us confirmation that the operation of the camp will not be interrupted during this development?

DR. WEBBER: Well, Mr. Speaker, there are certain times when the industry would not be able to have access, during the springtime when they have the main concentration of their operations. It was my understanding that drilling would be able to begin on July 1 of this year for the successful bidders.

There will be subsequent sales as well, I might add. The next land sale in that area would be another parcel on June 1, for the three remaining parcels within that block A. Of the five parcels, we sold two yesterday, three more on June 1, and then in the fall we will begin seismic work on a new section called block B. Hon. members might recall that last year we did the seismic work at cost as government because the federal government only allowed one operator to go out there. We would be following up and doing the same thing again this year, and block B would probably go on sale early next year.

MR. TAYLOR: Mr. Speaker, a supplementary to the minister. It's such a shame to sell for cash, as it plays into the hands of the wealthy companies and the foreign companies. Could the minister give any assurances to the House that some of the subsequent sales will be on a net royalty basis so that the small Alberta companies could get a chance to get in on this bonanza?

DR. WEBBER: No, Mr. Speaker. The sales will proceed on the basis of land sales the way they operate throughout the province.

MR. SPEAKER: Member for Athabasca-Lac La Biche, followed by Calgary-Buffalo.

Northern Alberta Tourism

MR. PIQUETTE: Thank you very much, Mr. Speaker. To the Minister of Recreation and Parks. This government's promise

to make tourism an important diversification tool for Albertans is empty rhetoric for northern Alberta, because the provincial government has created or funded very few new provincial and historical parks in northeastern Alberta, where history and 75 percent of Alberta's sandy beaches are located. Even his federal counterpart, Tom McMillan, was thunderstruck recently that Alberta has only 1.17 percent of its land reserved for provincial parks -- well behind other provinces. Will the minister please explain to the people of northern Alberta why there has been no new provincial park set aside and developed in the Lakeland region near Lac La Biche even though it has been identified since 1980 as a prime recreation area for tourism development?

MR. WEISS: Well, Mr. Speaker, I find the question very interesting, although not very informative. I've had the opportunity during estimates and as recently as the discussion with regards to the capital savings division of the Heritage Savings Trust Fund to explain to the hon. member in detail as to dollar value. To the specifics: I've asked and extended an invitation to the hon. member to attend an opening coming up the following weekend at Long Lake Provincial Park in his constituency, some \$4 million expended. The list goes on and on and on. Mr. Speaker, I don't think I should take the time of the Assembly to go once again into detail, but I'd ask the hon. member to read *Hansard*.

MR. PIQUETTE: Mr. Speaker, that's not good enough. I have copies of editorials and letters from northern Albertans who are really tired and fed up with the government's inaction on this whole issue. Will the deputy minister please explain to all Albertans interested in tourism development why in the last two years there has been a one-third reduction in provincial funding for culture, tourism, the Recreation and Parks budget, if tourism is such an important government priority?

MR. SPEAKER: It's not the deputy minister; it's the Deputy Premier.

MR. PIQUETTE: The Deputy Premier.

MR. SPEAKER: Supplementary question.

MR. PIQUETTE: I guess the Deputy Premier is shell shocked.

A comparison, Mr. Speaker, of capital expenditure on tourism facilities in northern and southern Alberta shows that a dramatic imbalance exists. For example, northern Alberta has only received \$62.65 million worth of government money for interpretive centres and provincial parks, whereas southern Alberta, with less population, has received \$421 million of government spending. Now, if the deputy minister is so interested in tourism development, how can he explain that his caucus has recently turned down a request from the Minister of Recreation and Parks and a resolution introduced during the Alberta heritage trust fund hearing to create a \$75 million Alberta North recreation development fund for the development of northern parks and interpretive centres in northern Alberta?

MR. WEISS: Mr. Speaker, perhaps I could try and answer the question. In view of the fact that the hon. member referred to the "deputy minister," I think and assume that he meant the Deputy Premier.

But when he relates to the tourism and to the lack of response, I once again will emphasize what I've said before:

that I, too, am a realist, and I assume that all hon. members here are when they make practical decisions. The decision was made that the economic realities of the day just do not permit such a venture, but it doesn't mean that the project is shelved.

But I'd also like to again refer to: what does the word "tourism" mean? The word tourism takes on different meaning and connotation in different areas. If one were to take up the total dollar allocation we've spent in the north, I'm sure he'd find it would more than equal other expenditures that relate to the southern part of the province: such things as some \$500 million in transportation corridors and network systems, which means that the people have the accessibility and the opportunity to travel to other areas as well. But specifically as it relates to the expenditures and to the overall percentage of parks in relation to the federal system and to the lack of them in northern Alberta: if, once again, the hon. member would read *Hansard*, he would find clearly and emphatically that we stack up with and against any province in Canada.

MR. PIQUETTE: Well, Mr. Speaker, this is again empty rhetoric, because it doesn't really stack up when you look at the statistics. Will the Minister of Recreation and Parks please explain what has happened to his promise to northern Albertans that he would make the development of a Lakeland, Alberta North concept park development a high personal priority during his term of office?

MR. WEISS: Well, Mr. Speaker, I'd love to answer it with this: I didn't realize the term of my office was over at this time.

MR. SPEAKER: Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. To the Minister of Transportation and Utilities. Could the minister please indicate what plans he has to pave Highway 55 between Lac La Biche and Cold Lake, thereby enhancing the tourist potential of that region of the province.

MR. ADAIR: Highway 55, Mr. Speaker, has one section on it that was not paved. The negotiations with the individuals in the area have been completed, and that project is slated to go in the very near future.

MR. SPEAKER: Member for Calgary-Buffalo, followed by Stony Plain.

Proposed Edmonton Police Inquiry

MR. CHUMIR: Thank you, Mr. Speaker. This is to the Solicitor General. The administration of justice is under a dark cloud as a result of a provincial court judge's finding of a police cover-up and the recent stay of proceedings of assault charges against the four Edmonton police officers involved. It's clear that we must have a public inquiry which thoroughly investigates this whole matter. Now, the Solicitor General has indicated that he does not intend to take any action directly. I'm wondering whether the Solicitor General could tell us why he has not directed the Law Enforcement Appeal Board to investigate this matter under section 33(8)(b) of the Police Act, since the board is headed by a judge who has the expertise to conduct a proper inquiry in such a matter.

MR. ROSTAD: Mr. Speaker, I think we should maybe correct

some of the preamble. I don't think there's been a finding of cover-up; there's been a suspicion that there might be some cover-up.

The powers of the Law Enforcement Appeal Board under the present Police Act prevent an inquiry being taken by them, because if you have a finding of criminal -- well, it imputes that there's been a criminal offence -- it then directs that that be turned over to the Attorney General. It's already been there and stayed, so you'd be going in a circle.

If the matter is going to be investigated, I think it should be investigated under the Public Inquiries Act. As I've always stated in this House, the policing in Edmonton is a responsibility of the Edmonton Police Commission. They have exactly the same powers under the Public Inquiries Act as the Solicitor General has. I've been in conversation with the head of the Police Commission, Mr. John Butler, and he is presently looking at all the legalities of instigating such an inquiry. I would imagine that if that inquiry came forth, it would be chaired by a justice of the Queen's Bench.

MR. SPEAKER: Supplementary question.

MR. CHUMIR: Well, thank you, Mr. Speaker. In fact, a provincial judge has found that these police officers were involved in a cover-up, in the judgment that I have in my hands here. So it sounds like he's been going around in circles.

MR. SPEAKER: With due respect, hon. member, who's been going around in circles? [interjection] The Chair is a bit concerned that one had mentioned a provincial judge, and I thought the implication was back there. Please continue.

MR. CHUMIR: It sound the like the minister is going around in circles.

An investigation needs the full-time and concentrated attention of someone such as a judge. I'm wondering whether the minister is satisfied that in fact the Police Commission would be a suitable body to conduct an investigation on this basis or whether or not his present delay in acting is based on the view that the Police Commission...

MR. SPEAKER: Thank you, hon. member. The question was asked. We're not going on at great length, thank you.

Reply?

MR. ROSTAD: Mr. Speaker, there hasn't been a delay. We have been consulting with the Police Commission. I believe the hon. member is aware of his brother Liberal who is the mayor of this city, who has indicated that he, too, as the chief municipal officer, would like to see a public inquiry conducted by the Edmonton Police Commission. The Police Commission, if the hon. member was listening, would not conduct the inquiry. It would be conducted by an independent commissioner, in likelihood a justice of the Queen's Bench.

MR. CHUMIR: Well, it's hard to find the jurisdiction in the Police Act, and I'm wondering, in light of the uncertainties in this area, why the Solicitor General simply doesn't ask the cabinet to convene a full public inquiry under the Public Inquiries Act so we can have certainty and avoid the jurisdictional dispute and mess that has surrounded the Principal Group affair.

MR. SPEAKER: The time for question period has expired.

Might we have unanimous consent to complete this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.
Solicitor General.

MR. ROSTAD: I don't see the jurisdictional dispute. We've met with the Edmonton city Police Commission. We've been discussing the procedures that could be taken, and I've already indicated that the mayor says that he would like to have the inquiry run by the Edmonton Police Commission, chaired by a judge -- public, under the Public Inquiries Act. I don't know you can get more open.

I'd also like to declare that what jurisdictional dispute there might be going on, as was alluded to in terms of the Principal affair -- I don't think there's any jurisdictional dispute there.

MR. CHUMIR: Well, we've just had court action. Mr. Cormie has just been in court.

Now, I wonder if the minister could simply confirm to us that if there is no inquiry by a judge under the jurisdiction or aegis of the Police Commission -- whether he will undertake to have his government appoint a full public inquiry under the Public Inquiries Act, so that we know we're going to have a full investigation.

MR. SPEAKER: Thank you. Let's go.

MR. ROSTAD: I have the utmost confidence in the Edmonton Police Commission that if they conduct a public inquiry, which is in their jurisdiction, it will be chaired by a judge of the Queen's Bench court.

MR. SPEAKER: Thank you very much.

Additional supplementary, Edmonton-Strathcona.

MR. WRIGHT: But will the Solicitor General not agree, Mr. Speaker, that a public inquiry conducted by the Edmonton Police Commission does not have the powers of an inquiry under the Public Inquiries Act, which powers are necessary for a proper investigation? Unless the government, of course, steps in.

MR. ROSTAD: No, Mr. Speaker, I wouldn't agree with that, because the Edmonton Police Commission has the powers under the Public Inquiries Act that the Solicitor General would have under the Public Inquiries Act. It would be the same. It's their jurisdiction. I'm quite certain that they will find in the forthcoming days that that will be the declaration of the Police Commission.

MR. SPEAKER: Thank you.

MR. SPEAKER: Yesterday a point of order was raised by the Member for Red Deer-North with respect to comments in an exchange between the Member for Edmonton-Strathcona and the Minister of Culture and Multiculturalism. The Chair held the discussion over till today. Having examined the Blues on the exchange on that point of order with respect to the word "il-

legal, " as raised by the Member for Red Deer-North, the Chair finds that the Member for Edmonton-Strathcona is not guilty of using unparliamentary language in this instance. The word "illegal" was used in a context describing a process of administration as provided for in a legal provision; it was not used to describe an individual or the behaviour of another member.

head:ORDERS OF THE DAY

MR. SPEAKER: Might we revert briefly to the Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

head:INTRODUCTION OF SPECIAL GUESTS

(reversion)

MR. PASHAK: Mr. Speaker, this is one of those rare occasions when I have the privilege to introduce to you and through you to the members of the Assembly, a group of students from the Forest Lawn area of the city of Calgary, from Sir Wilfrid Laurier junior high school. They're sitting in the public gallery. I wish to assure you, Mr. Speaker, that having met in some of the classes with these students, they all have a keen interest in matters parliamentary. They are accompanied today by their teachers John Wyndham, Tony Barile, Marilyn Dallman, and Werner Mailandt. I'd ask that they rise and receive the usual warm welcome of the House.

MR. SHABEN: Mr. Speaker, it's also a pleasure for me today to be able to introduce a group of grade 6 students from St. Andrews school from High Prairie and the constituency of Lesser Slave Lake. They are accompanied today by their teachers Rick McCarthy and Carol Lowery, and also parents Mrs. Gisele Hebert, Mrs. Dene Pierce, and Mrs. Arlene Laboucan, as well as bus driver Ken Cardinal. St. Andrews school has a proud reputation, and the students are an outstanding example of Alberta's young people who are going to lead Alberta in the future. I'd like them all to rise and receive the recognition of the members of the Assembly.

MR. SPEAKER: The Chair apologizes for varying procedure slightly. Earlier today the Minister of Recreation and Parks gave notice of motion under Standing Order 40. Do we have unanimous consent to have this matter dealt with?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.
Mr. Minister.

MR. WEISS: Well, thank you. In spite of the colour, Mr. Speaker, I'll try and put my best foot forward again. All members have received the notice of motion, and I'd like to read it into the record again.

Be it resolved that the Assembly urge all members to participate with Albertans in the sixth annual celebration of Canada's Fitweek, May 20 to 29, 1988.

Mr. Speaker, it is my sincere hope that you and all my associates in the Assembly will not only jump in with both feet in support of this great event but will actively promote the celebration in your communities. The objectives of Canada's Fitweek are worthy of a commitment from every Albertan. To facilitate this commitment, I'm pleased to present to you and through you, Mr. Speaker, in view of their absence, to our Premier, the Hon. Don Getty, and to the Leader of the Opposition, Mr. Ray Martin, a Fitweek's sweatshirt along with a sneaker pin. I have them here, Mr. Speaker, and I'd ask the pages to see that you receive them, sir.

A Fitweek information package has been prepared for all my colleagues and has been delivered to their offices. I am happy to remind all hon. members of the MLA challenge: for every pound lost during Fitweek by MLAs, I will donate \$1 personally to the Alberta Special Olympics.

AN HON. MEMBER: Five dollars.

MR. WEISS: Please don't overhear the remarks; it was \$1. Scales will be available in the rotunda today between 3: 30 and 4: 30 p. m. for the weigh-in and on Friday, May 27, from 11 a. m. to noon for the weigh-out. I would encourage all of you to get involved.

Mr. Speaker, I'm extremely proud, as Minister of Alberta Recreation and Parks, to move this motion today.

MR. R. SPEAKER: Mr. Speaker, I'd like to add a few remarks of support for the resolution, and I certainly do. The only amendment I would like to suggest to the minister is with regards to the challenge that is offered, that the minister has offered to donate \$1 to the Alberta Special Olympics for those people who lose weight. I'd suggest to the minister that for those who want to act rather fat and sassy around the Legislature and gain weight, they, in turn, should have a \$2 per pound penalty placed upon them and they, in turn, make that contribution to the minister to give to the appropriate agency.

MR. SPEAKER: Is this an amendment?

AN HON. MEMBER: An agreed amendment.

MR. SPEAKER: Is this an agreed amendment?

MR. R. SPEAKER: Mr. Speaker, I move that as an amendment to the resolution.

MR. SPEAKER: Would you be so good as to write it out? Thank you. We'll take it as a two-pound penalty.

[Motion as amended carried]

head:WRITTEN QUESTIONS

MR. YOUNG: Mr. Speaker, I move that written questions 185, 189, and 193 stand and retain their places on the Order Paper.

[Motion carried]

178. Rev. Roberts asked the government the following question:

From the date of the commissioning of the Premier's Commission on Future Health Care for Albertans, and in the in-

stance of individual commissioners from the effective date of their individual appointments to the commission until and including March 31, 1988,

- (1) what were the total costs incurred by the commission and what were the costs incurred in each of the areas of
 - (a) per diems and other fees paid to the commissioners,
 - (b) fees paid to persons other than the commissioners,
 - (c) salaries, wages, and employee benefits where such are instead of or in addition to payments identified in clauses (a) and (b),
 - (d) supplies and services,
 - (e) purchase of fixed assets, and
 - (f) other costs;
- (2) what was the rate of per diem paid to the chairman of the commission at the time of his commission and at March 31, 1988; and
- (3) noted individually in each instance, what were the per diem rates paid to the other commissioners at the time of their commission and at March 31, 1988?

MR. JOHNSTON: Mr. Speaker, I'm going to file a response to Question 178.

191. Mr. Mitchell asked the government the following question:

Why did the government offer a \$500,000 contract to Weigl Educational Publishers of Regina, Saskatchewan, in August 1987, for the publication of a textbook on career and life management for Alberta students rather than to an Alberta publisher; what other companies submitted tenders for this contract, and what were the details of those tenders?

MRS. BETKOWSKI: I would like to file an interim response to Question 191, Mr. Speaker.

head: **MOTIONS FOR RETURNS**

MR. YOUNG: Mr. Speaker, I move that motions for returns 184, 190, and 192 stand and retain their places on the Order Paper.

[Motion carried]

182. On behalf of Mr. Wright, Mr. McEachern moved that an order of the Assembly do issue for a return showing copies of all

- (1) agreements to lease and
 - (2) memoranda of intention to lease
- office space let by Olympia & York Developments Ltd. and any of its wholly or partly owned subsidiaries entered into by the Crown in right of Alberta or any agent acting for the Crown in right of Alberta where an expenditure of public money was made or likely will be made as a consequence of the agreement or memorandum and where the agreement was entered into or the memorandum signed between January 1, 1985, and March 31, 1988.

[Debate adjourned May 12]

MR. McEACHERN: Mr. Speaker, I'm not sure at what stage the debate was last time. I do believe I made some introductory

remarks to this and that someone else was about to stand up and start speaking as the Assembly was adjourned. So I believe I have spoken briefly to this motion and therefore if I speak again, that would adjourn debate. So perhaps in that view I would sit down.

MR. SPEAKER: Thanks. That is correct. Well, the Chair has already recognized the member, so...

SOME HON. MEMBERS: Question. [interjections]

MR. SPEAKER: Just a tad, here.

MS BARRETT: Yeah, yeah.

MR. SPEAKER: I beg your pardon, hon. member?

MS BARRETT: I said "yeah, yeah."

MR. SPEAKER: Perhaps the hon. member would give some thought to withdrawing the remark, because the Chair was in the process of having a discussion with Edmonton-Kingsway, with whom the matter really was involved, and was indeed taking the position that this was a question with respect to order. Therefore there was, in the opinion of the Chair, no need for any other comment to be introduced to the House.

MS BARRETT: If it's a point of order, Mr. Speaker, no, I won't withdraw the comments. Quite frankly, I find it disturbing... [interjections] Just a minute; you'll hear. [interjections] No. You know what the problem is? The CAs can't keep up. So just cool it.

Mr. Speaker, my objection is that, you know, when you mentioned the fact that he rose just to basically acknowledge that he had finished speaking, your comment was: well, maybe now I have to call the question, because maybe now I have to interpret that it's too late. I think that's unfair under the circumstances, given that after 5:30 two days ago the 5:30 time had elapsed. No motion to stop the clock had been made, and yet division and a vote was permitted to be called after 5:30. Now, I don't mind being lenient with the rules, but I think it has to be both ways, Mr. Speaker.

MR. SPEAKER: Well, with due respect, hon. member, perhaps your sound system is not working very well. The Chair has said in the last five minutes that the Chair was responding to Edmonton-Kingsway about the matter for clarification, and the Chair was now about to recognize another member in the House. If under that circumstance the member feels she cannot withdraw the jeering remarks, then I guess that's the difficulty for that hon. member.

The Chair now goes ahead and recognizes Edmonton-Strathcona.

MR. WRIGHT: Mr. Speaker, on a small point of order here, I was standing up on the basis that the hon. Member for Edmonton-Kingsway had finished. He was on his feet, and if that is so, fine. [interjection] Fine. All right.

MR. SPEAKER: Another member has been recognized.

MR. WRIGHT: Thank you, Mr. Speaker.

This, Mr. Speaker, is a motion for return of the documents

that either are leases or agreements to these or memoranda of intention to lease the office space let by Olympia & York Developments and so on, as it says in the Order Paper. Of course, the importance of it is that we understand that a great deal of space has been contracted for by the government in the centre of Edmonton, yet we don't know the terms on which it has happened, except to the extent that some ministers have vouchsafed those terms. I am perfectly willing to believe that everything's on the up-and-up, that it's a good deal for everyone concerned -- perfectly willing to believe that. But surely the government can allay any lurking suspicions that anyone might have, reasonably or unreasonably, by disclosing the documents.

Now, to say that this then puts Olympia & York, or whoever it is who is the landlord or the proposed landlord, at a commercial disadvantage to others is to put the cart before the horse. Because surely that is one of the things to be expected when a landlord deals with the government. Dealing with the government, the landlord will know that he has to deal with some openness, since it's not simply the money of the tenant, a single tenant who knows how much he is spending. This is not the government's money; it's the people's money, and the people are entitled to know how much on their behalf the government has contracted for. We don't know those details. We don't know the intermediaries. We don't know the details of the transaction as to such things as commissions or when payments are due or even what the square footage is; whether there are any accelerated payments, whether there are stepped-up payments. I'm not certain we know the term of the leases. We know very little of the details about it, yet it is a massive development, Mr. Speaker. The per-square-foot rents are rumoured to be in the region of \$20 a square foot rising to \$35 a square foot. These are just the rumours I've heard. I hate to deal in rumours, but what else can you deal in unless you see the documents?

[Mr. Deputy Speaker in the Chair]

The more the government resists disclosure of these documents, the more people reasonably entertain dark suspicions, the more reasonably they entertain the suspicion that there is perhaps some kind of trade-off here, or a payoff or something, that will not stand the scrutiny of the light of day. I won't go into the well-known facts about who the agent was and what his political connection was with the government. That, of course, fuels speculation. So I simply ask that hon. members vote for this motion so the air can be cleared.

This is not a political matter, Mr. Speaker, unless the members on the other side want to turn it into one by refusing the return, refusing disclosure of the facts. It is simply ordinary business of the Legislature to make sure public business is conducted publicly. Now, there are some kinds of public business that cannot be conducted publicly, such as child welfare matters or maintenance matters or ordinary social allowance matters or medical matters and so on. There are all those matters covered by the oath of secrecy that a public servant takes. But those are individual matters between the citizen and the government, or often not really between the government and the citizen at all but citizens amongst each other, that the public servants have knowledge of because of their duties. Somehow the government tries to squeeze into that mold a matter such as this, which is mere commercial business which we have every right to know. There is nothing personal or private or dealing with anyone's private business here at all.

I see that the Minister of Public Works, Supply and Services is amused by all of this. Well, he may find it amusing, but I suggest in all seriousness that it is a shame an hon. member should find it amusing that a commitment for the expenditure of millions upon millions of public money extending over many years cannot be disclosed to the people of Alberta who, through their representatives in this Legislature, wish to know it. So, Mr. Speaker, I urge hon. members, on the grounds of ordinary decent, fair, and open administration -- the sort of thing that by their oath of office they are obliged to do -- to vote for this particular return.

MR. HAWKESWORTH: Mr. Speaker, I would be not amazed any longer but quite saddened, I guess, to think that this government is afraid to allow this information to be made public. You know, if you look at the real estate market in this city as it existed a year or so ago: a glut of office development. We see even today in the newspapers of this city discussion about a market for office and commercial space that's quite depressed. In the middle of this -- it was more so especially a year and a half ago with the glut, a high vacancy rate -- at that time there was a decision by the federal government to proceed with the Canada Place development, which would add a considerable number of square feet into the Edmonton market. In the middle of that, Mr. Speaker, Olympia & York announced they were going to build an office building in the middle of downtown Edmonton. Now, when you see a decision like that, it's obvious they're not going to do it on speculation, because it's too depressed a market to do it in any kind of speculative manner. So it was no surprise, I guess, at that point to find out that they had a preleased tenant to go into that space.

Well, who do we find that tenant is? We find it's the Minister of Public Works, Supply and Services. On behalf of some government departments, he's leased this space just about the time the announcement is made that this office development is going ahead. Well, then the question is: why is he doing it? For a tenant to prelease space, it has to be a certain minimum amount if it's going to be enough to convince the developer to build in a glutted market. It would have to be at least \$17 a square foot. The Member for Edmonton-Strathcona says it's probably closer to \$20. Well, just as a minimum, \$17 a square foot would be necessary for a developer to proceed with that. Then we find out that the man who negotiated all of this happened to be a former co-chairman of the Premier's campaign committee, which raises all kinds of other speculation about how this deal got signed. Really, was it done on the basis of a business arrangement, or was it done as a way of saying thank you to one of his friends and using public money to do so?

Maybe the real reason why this government doesn't want to let this information out is because the truth hurts. We wouldn't want to see the truth come out if it's going to hurt. Maybe that's the reason why this government is not prepared to make available agreements to lease or memoranda of intention to lease office space in this particular development. Because how else would this developer proceed, unless he had that kind of undertaking in which the government would make a commitment for some very high rents indeed? Well, the minister knows what rental rates are like in a glutted office market. They're nowhere near the kind of dollar amounts that would convince a developer to proceed with new construction. He knows that. I know that. Members in the government know that. Members in the private sector know that. Here's this government that's so big on the private sector. Huh? The private sector is very angry about...

MR. ISLEY: Point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: Point of order, Minister of Public Works, Supply and Services.

MR. ISLEY: Mr. Speaker, I'm quoting Standing Order 23(c), "persists in needless repetition." I don't know about the rest of the members of this House, but I've heard this speech at least four times. [interjections]

MR. DEPUTY SPEAKER: Order please. If hon. members would wait until they're recognized, it would be much easier for the Chair and other members.

Edmonton-Meadowlark.

MR. MITCHELL: It may be repetition, Mr. Speaker, but it is not needless repetition. We require an answer to this particular motion for a return, an answer in the positive. It is important that this kind of document receive public review. I believe we should be repeating this request until we finally get an answer.

MR. DEPUTY SPEAKER: Edmonton-Kingsway, on the point of order.

MR. McEACHERN: Yes. Thank you, Mr. Speaker. Some of the points may have been repeated, but there are a number of important points connected with not only this particular request but the idea behind it, namely the idea that any contract the government enters into with any company is using taxpayers' dollars. That debate has taken place here to some extent, but it has not been finished, I assure you. I see no reason, Mr. Speaker, why a motion of this type, if it's not going to be acceded to by the government, shouldn't engender a certain amount of debate.

MR. DEPUTY SPEAKER: With regard to the point of order, the operative part of the motion under discussion is that the Assembly do order a return showing copies of, as indicated in Motion for a Return 182, subs (1) and (2). The Chair would request the hon. Member for Calgary-Mountain View perhaps to contain his arguments to the reasons why the government should comply with the motion before us.

MR. HAWKESWORTH: Thank you, Mr. Speaker. It may be futile to continue to press the point, but it's certainly not needless. Could it be the minister is starting to feel a little bit uncomfortable having to hear these arguments again? Actually, he wouldn't have had to hear them more than once, in fact would never have had to hear them at all, if last session, a year ago, when a similar motion was placed on the Order Paper, he had agreed to bring forward the information requested.

MR. DEPUTY SPEAKER: Excuse me, hon. member. The point of order has been dealt with. Perhaps we can come back to the motion for a return.

MR. HAWKESWORTH: I appreciate your comments, Mr. Speaker. I'll just say -- and this will be an argument this minister will hear again, because it is something the private sector out there is quite concerned about, quite upset about -- I'm surprised, you know, that a government that's so gung ho in their rhetoric about being in support of the private sector and on and on and on... They talk about the market; we should let the market prevail. Here we have a government that, contrary to

whatever the market might tell them, in fact enters into leases for offices which require new construction when, in fact, there's a glut in the market, and they pay fabulous and greatly inflated rents and leases instead of using the market to reduce the cost to the taxpayer. Out there in a glutted real estate market, Mr. Speaker, there are a lot of good office rents which are available to this government, a few of which, a small tiny number of which, they've signed in recent days. The minister will know that the effective rates of those rents are probably a quarter to a fifth of what the costs to the government and the taxpayer are for the lease arrangements they've entered into with Olympia & York.

So much for the private sector; so much for the free market. When it comes to this government helping out one of the Premier's former campaign co-chairmen, the sky's the limit. That seems to be the only conclusion we can reach. I wish members opposite actually were more concerned and supportive of the market. It might in this instance certainly save the taxpayers of Alberta a considerable amount of money. But anyway, they say one thing and do others. That's about par for the course. This isn't the only time when they say one thing in rhetoric in this place and turn around and do something else. I think it's because of that that they're not willing to put the matter straight, to table copies of these agreements to lease and copies of memoranda of intention to lease. I think it would be quite obvious that the taxpayer is paying millions. My best estimate is somewhere in excess of \$6 million a year over and above what they would have to pay or could be able to pay for similar office accommodation if they were to sign equivalent leases with existing landlords in existing office buildings.

You know, when you think of what \$6 million a year would buy in this day and age, the kinds of needs that are brought forward to every one of us in this Assembly in our ridings and our constituencies, there are all kinds of them that we've raised in this Assembly in just the last few days, where there are Albertans going without and some support from this provincial government would be very, very helpful. But no, they end up providing lots of money to help out the business dealings of friends of the government at great expense to the taxpayers, with no thought of the future, without any thought of what their priorities are, without any sense of trusteeship or stewardship or saving money on behalf of the people of this province.

[Mr. Hyland in the Chair]

It seems to me understandable, I guess, in a roundabout way, why they would be too embarrassed and ashamed to bring into the light the information that's been requested in Motion for a Return 182. And I suppose the minister will have a red face until this debate is over. He'll probably have a red face anytime he meets members of the development industry in Edmonton who are quite concerned about what this government is doing in the way of building in a glutted real estate market. He'll have a red face again, because we'll be back, Mr. Speaker. If this motion for a return is turned down this time, it'll be back. We'll bring it back. It may be an irritant to the government; they may not like it. But I'm convinced, I'm certain, that some day this information will become a matter of public record. And even at that point the minister, whether he's minister here or a private citizen, will have a red face too. I'm convinced of it, because I'm sure in his heart of hearts he's embarrassed and ashamed at the way this thing has been implemented, what it means for the people of Alberta.

Perhaps he's just the instrument the Premier turned this over to to get it fixed, sorted out, implemented. But really, I'm convinced that eventually truth will prevail. Information like this will be made public, if not today, if not in this session, maybe next year, maybe next session; if not by this government, I'm convinced by a future government. And when we see this kind of thing being implemented by the government, the change is going to come a lot more quickly than this group here might wish.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I simply want to emphasize that there is no legitimate reason for this government not revealing this information as requested by the Member for Edmonton-Kingsway. It involves the expenditure of public moneys, public moneys which need not be spent to the degree this involves. This particular project for housing a great number of Alberta public servants could have been done in other ways that would have saved Albertans money. More than that, it bestows upon a single Albertan, who has particularly close relationships with this government, a particularly important financial advantage.

[Mr. Musgreave in the Chair]

For both those reasons this information should be revealed to this Legislature, should be revealed publicly. There is only one reason why this government will not do it. Both those reasons involve profound political embarrassment for this government, and the fact that they will not do it simply underlines their reluctance to experience that embarrassment and reflects to anybody who has been following this issue that, in fact, this particular tendering process, or lack of it, has not been followed properly.

It would be a particularly severe problem -- and it is in and of itself in the abstract, in the absolute context within which it falls in the parliamentary democracy -- but it is mitigated to some extent, because what this kind of activity indicates to Albertans, to people concerned with the political process in this province, is that this is a very, very tired government. A tired government begins to hide, it begins to reduce its accessibility, it becomes afraid of the facts. This particular instance clearly indicates that that is what has become of this government. It should be ashamed of itself, and we shouldn't have to stand here and demand that this kind of information be revealed time and time again.

SOME HON. MEMBERS: Question.

MR. ACTING DEPUTY SPEAKER: The question has been... Oh, the Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you. Yes, we've had this motion on the Order Paper for some time, and the government doesn't seem to think they should release the information.

I noticed today, and also the other day, that no one really read the motion into the record, so I would like to take a moment to do that. This is Motion 182, a motion for a return asking that

an order of the Assembly do issue for a return showing copies of all

- (1) agreements to lease and
- (2) memoranda of intention to lease

office space let by Olympia & York Developments Ltd. and any of its wholly or partly owned subsidiaries entered into by the Crown in right of Alberta or any agent acting for the Crown in right of Alberta where an expenditure of public money was made or likely will be made as a consequence of the agreement or memorandum and where the agreement was entered into or the memorandum signed between January 1, 1985, and March 31, 1988.

I just want anybody that's reading the debate on this motion to know exactly what the motion was, to see how innocuous and how reasonable it was, and that the government turned it down anyway. The government doesn't seem to believe that the people of Alberta have a right to answers to such a straightforward and simple question: a request for information about what's going on with the taxpayers' dollars.

My colleague from Mountain View went through the details about how in the downtown area there's a lot of empty office space and yet the government enters into this agreement to spend taxpayers' dollars to build more office space, bypassing the space available and the businessmen involved with that. And I can tell the government that they're not particularly happy. So if the Minister of Public Works, Supply and Services is not releasing the information because he knows he's goofed in terms of some of the attitudes of some of the businesspeople in the city of Edmonton, then I guess I can understand his embarrassment. But I still think he'd be best to get it over with and admit, confess up to what he's done, let people know where he stands and what's happening and get it behind him, rather than prolong the problem. I think it's fairly clear that the government has goofed. I guess maybe he just doesn't want to admit that that's the case and doesn't want to explain the whys and wherefores of it.

Of course, it leads to the speculation on the part of most people in this province who have their eyes open and know what goes on in the world they live in that probably there is some skulduggery involved, that probably they're playing favourites with some people for particular reasons. If they're not, then I don't understand why they're not releasing the facts and figures on this.

But underlying the particular case is a fundamental argument about the right for the taxpayers to know what's happening with their...

MR. ISLEY: Mr. Speaker, I wonder if the hon. Member for Edmonton-Kingsway would entertain a question.

MR. McEACHERN: All right

MR. ISLEY: To the hon. Member for Edmonton-Kingsway. Would you like to see the 700 people currently working on that project unemployed?

MR. McEACHERN: What a tough question. What an incredibly shallow question. Irrelevant. That's not what we're talking about here. Mr. Speaker, did we say, "Stop the project"? No. The question is irrelevant. It's not whether 700 people are working or not. That's a very important question. Thank you for giving me some fuel. As a matter of fact, the number of people who work in this province is of prime concern to us, as you know. We ask questions about it quite a lot. When the unemployment figures come in, we ask a lot of questions. Of course it's important that the people of Alberta be working, and if this project will create jobs, then that aspect of it is fine. But that doesn't mean that you should be able to spend taxpayers'

money in secret and then not tell us how much you've spent, how much the jobs are costing, how many jobs we are getting for what dollars. The minister likes to brag about how many people are working...

MR. ISLEY: Point of order, Mr. Speaker. I think I'm on section 23(i), something about imputing false motives on another member. To this point in time I haven't spent one taxpayer dollar on this project. [interjections]

MR. HAWKESWORTH: Point of order, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: Order please. The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. On a point of order.

There is no way that we know that. That's why we're asking for the information. And it's not right for the minister to stand up and make those kinds of allegations if he's not prepared to provide the information. Then we can judge if what he's saying is correct or not. But he's saying he hasn't spent any money. Fine. That's why he should be producing these leases, so we would have that information.

MR. ACTING DEPUTY SPEAKER: Member for Cardston.

MR. ADY: On a point of order, Mr. Speaker. The hon. member indicated that the government or the minister was engaged in skulduggery and favouritism in some fashion. I think that's unparliamentary and really shouldn't be allowed.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Kingsway, would you like to please continue the debate.

MR. McEACHERN: Yes. Thank you, Mr. Speaker.

I didn't say he was; I said he may be. And that's exactly why we want the information: so we can clear it up.

I really don't understand the minister interrupting, but that's okay by me. All he does is add fuel to the fire. He's obviously on the defensive on this. At least it's better than not getting into it, like most of you who sit there and silently let this government do some of the most incredible things with the taxpayers' dollars, as if it wasn't any of your concern. What the heck were you elected for? [interjection] In any case, it seems to me that if nobody else is going to ask these questions, then the opposition has to. So that's why we're here, that's why we're asking, and if the minister doesn't like it, well, that's tough. The fact is that we've got a right to ask these questions, and he should be providing the answers rather than standing up and making inane comments that don't fit.

But this particular example is just one example of the number of times when this government has refused to give us information. The Premier was asked a question the other day, and I thought he made one of the most ridiculous points. Yet everybody here -- that is, on the government side -- thought it was wonderful. He tried to claim that somehow if the information were released, it would harm the companies involved. Now, that is totally ridiculous. Once a tender has been let and some deal has been made and the taxpayers are the ones that are paying for it, they have the right to know. And if the company entered into it thinking that somehow it was going to be held

secret, then I say that we have the right to wonder if there wasn't some skulduggery involved.

So if any company is going to make a deal with the government, they've got to know that eventually it's going to be made public. I mean, what do you think the public accounts record does? The supplement to the public accounts lists, over about 300 pages, all the dollars paid by this government to particular companies. The problem with that, Mr. Speaker -- and we need to do that; we need to keep on doing that -- is that we don't see those figures for a year or two years down the road, depending on sort of when the expenditure was made, because the public accounts are always a year or a year and a half to two years behind the actual expenditures that are going on. So the fact that it's recorded at some point down the road doesn't allow us as an Assembly now -- and that's why we have budgets, of course, separate from public accounts -- to analyze, scrutinize, debate, and decide whether or not an expenditure planned for right now or in the near future was a good idea. Now, I ask you: how can we scrutinize and debate this lease if we don't know what's in it?

The government has a penchant for giving out information through orders in council and press releases: sort of half the information, sort of saying what they want to say about the various projects and bragging about them, and then sort of assuming that that's good enough for this Assembly. Well, that's just not the case. We should be able to get the contract, the hard facts of exactly what the deal is. We should be able to get a copy of the terms of that contract. It should be known in this Assembly and, therefore, should be available to all the taxpayers of this province as a result of that.

So the Premier trying to suggest that somehow public knowledge is harmful is really sheer nonsense. I mean, if you're talking about a contract in which you have several companies bidding, okay, that's fine. You don't need to release all those details and all the arguments and discussions that went on to deciding who would get the contract, unless there's some particular reason in some particular contract that perhaps that should be made public in some kind of inquiry or something. Nonetheless, the final deal that's made, when you get down to choosing the one company and signing on the bottom line on behalf of the taxpayers of this province -- there's no reason in the world that the taxpayers of the province shouldn't be informed, and informed properly and accurately, not through some press release that brags about what a wonderful deal it's going to be. We need something harder and faster and better than that.

If the particular expenditure isn't covered in the budget then the government should have the courtesy to bring that information in here in some other form so that we would know. I think of all the government warrants, as this probably will one day be released in a government warrant so that you can delay longer telling us what it was and letting us scrutinize or debate the terms of it. That's not the way the government should handle the taxpayers' dollars.

There's a parallel, of course, with this procedure and with the lottery fund. Of course, that's where you've gone to the height of irresponsibility in terms of the taxpayers' dollars. The lottery funds will be spent, and then later we'll get to scrutinize them. They should be brought before the Assembly in the same way that this should be brought before the Assembly: before the funds are spent. The lack of preapproval by this Assembly is not made up for by accounting for it somewhere down the road a year to two years later. There's no reason why the government should be able to keep a contract like this secret.

I guess I asked a minute ago why we don't hear from the backbenchers on this kind of issue. It would seem to me that they should have concerns. If they don't have concerns, then I guess that's fine: sit there in silence. But we do have concerns, and I think we have the right to say that

So, Mr. Speaker, if the government's going to hand out this money without public scrutiny, then I think we have the right to ask for it. I think the minister is totally wrong to sit there and stonewall his way through, red-faced and embarrassed and talking about jobs. I know that jobs are important, but they're not the key here. We're not talking about the jobs. We're talking about how the government handles the taxpayers' dollars.

SOME HON. MEMBERS: Question.

MR. ACTING DEPUTY SPEAKER: The question has been called on Motion for a Return 182. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. ACTING DEPUTY SPEAKER: The motion is defeated.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Barrett	Hawkesworth	Speaker, R.
Chumir	McEachern	Taylor
Ewasiuk	Pashak	Wright
Gibeault	Piquette	

Against the motion:

Ady	Elzinga	Payne
Anderson	Fischer	Pengelly
Bogle	Fjordbotten	Reid
Bradley	Heron	Rostad
Brassard	Hyland	Schumacher
Campbell	Isley	Shaben
Cassin	Johnston	Shrake
Cherry	Kowalski	Sparrow
Clegg	McCoy	Stevens
Cripps	Mirosh	Stewart
Day	Moore, M.	Trynchy
Dinning	Moore, R.	Weiss
Downey	Nelson	West
Drobot	Oldring	Young
Elliott		

Totals	Ayes - 11	Noes -- 43
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[Motion lost]

MR. YOUNG: Mr. Speaker, in view of the hour, I move that the Assembly call it 4:30 for purposes of the Standing Orders.

MR. ACTING DEPUTY SPEAKER: It's been moved by the

Government House Leader that we call it 4:30. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Opposed? Carried.

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

Bill 207
Alberta Plus Corporation Act

MR. GIBEAULT: Mr. Speaker, I'm pleased to stand today and move second reading of Bill 207, the Alberta Plus Corporation Act, which is standing on the Order Paper under my name.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, what we're talking about here through the Alberta Plus corporation is the idea of a resource investment agency that will accomplish some very important public and social objectives for the people of the province of Alberta. It's our belief, and we hold this strongly, that investments of public money must recover a solid return to the taxpayers. And that's really one of the deficiencies or the weaknesses that we have in Alberta at the present moment that by having such a large and predominant control and involvement of our oil resources in this province, the public objectives of the people of this province sometimes are not being properly met. In particular, if we do not want to face another energy crisis in the 1990s, we've got to get some of the nonconventional projects back on track.

MR. STEVENS: What you did with the national energy program.

MR. GIBEAULT: I think that if we have a vision of a self-sufficient energy future in our country, we've got to look at this as a national question in which all Canadians recognize the value to our country -- not only to the province of Alberta, Mr. Speaker, but to the country at large -- of a stable and viable national oil industry.

So there are several elements of Bill 207 which are significant. One, we've indicated the need for a guaranteed price for the product we produce here in this province. One of the big failures we've had in the industry, as everybody knows in this Assembly, is the fluctuation of the world oil price for the main product that fuels our economy here. As long as we allow that totally free-flowing market control of the price where stock traders and so on can manipulate it up and down and all over the place, it's extremely difficult for people in the industry, for the government, for the entire province here -- for our country, really -- to develop a proper pricing policy for oil and to develop the kinds of plans that are based on revenues that come out of oil development.

So we're talking about the whole question of some sort of minimum price for the product that belongs to the people of Alberta, Mr. Speaker. We're also talking here about the need for public equity involvement in order to get the tar sands and the heavy oil projects going. These are massive investments that are required. But we need to have them if we want to have the

kind of energy self-reliance that all Albertans and all Canadians want to have into the '90s, because I don't have to tell anyone in the room here that the conventional oil reserves of this province are depleting. At some point in time, and it may be some years down the road -- and we can be thankful for that -- those resources are going to be gone, those easily accessible pools of conventional oil. So we've got to be planning for the future and we need to have in place an investment agency.

We're proposing the Alberta Plus Corporation Act for this purpose, that will be able to work in co-operation with private-sector entities, organizations that have experience in petrochemicals and the oil fields, to get projects in place in a way that maximizes the public benefit and return of our resources as Albertans.

I want to make a couple of general points here. Everyone in this room knows that with the volatility in oil pricing the effect on our economy has been disastrous. We've had tremendous provincial budget deficits that have been a direct result of the volatility of the oil prices in the world, of which we have no control in a direct sense. But in Alberta and in Canada as a nation, if we have the political will, we could exert some control over our own national markets.

I want to just mention for the information of members the impact this kind of so-called free market, wide-open pricing regime has had on the province of Alberta, really. Even the Canadian Petroleum Association, the organization for the major oil companies, stated that some 3,000 jobs had already been lost in the industry when the oil prices were in a downturn. The Independent Petroleum Association of Canada estimated that their members were going to be cutting back budgets for exploration and development by \$1.5 billion; many of their member companies had instituted hiring freezes, and many more were looking at layoffs.

So really, all the way around we know that an unregulated market for such an important commodity as oil, which I think we should look at, and which we do look at, Mr. Speaker, in the same way as we do other utilities -- I mean, we don't allow the price of water to fluctuate from \$1 to \$10 a litre and back and forth and up and down; we don't allow the price of milk to fluctuate like that; we don't allow telecommunication services to fluctuate like that. Why is it that we're allowing in this country, in our own national markets the price of oil to fluctuate with such devastating consequences to the economy of our province in particular and for the oil self-sufficiency prospects of the country as a whole? It just doesn't make sense, Mr. Speaker.

Now, there haven't been any direct studies that I am aware of in Alberta on the connection between oil price drops and unemployment, but I want to share with the members of the House a study that was done in Texas for the State Senate by Southern Methodist University. Their conclusions, after studying this issue, were that for every drop of \$1 U. S. in the price of world oil, the state of Texas lost 25,000 jobs -- 25,000 jobs for every dollar in the price of oil.

Now, straight comparisons to such a study are probably not valid, but to assess just how serious things in Alberta could be, we could compare the province to Texas, which has a population of 12 million, and extrapolate the numbers and come out with some ballpark figure that for every drop in the price of oil of \$1 U.S., in the province of Alberta we're losing somewhere in the neighbourhood of 4,000 jobs. Mr. Speaker, 4,000 jobs means 4,000 families that are not spending the kind of money that the service industry in this province depends on: the tourism industry, the supply industry, grocers, food and cloth-

ing, furniture -- you name it. All the service industries that depend on people having stable, well-paying jobs are all jeopardized every time the price of oil on the world market goes up and down. And it seems that we have not yet been able to bring ourselves to regulate that, at least in our own national markets, for the benefit of our provincial economy and for our national goals of energy self-sufficiency.

So it would seem to me, Mr. Speaker, that we really need a mechanism, as we're proposing here in the Alberta Plus Corporation Act, that would provide that kind of stability and that kind of mechanism for ensuring public equity in the resource development that is so critical to the future of our province and our country. This kind of mechanism that we propose would give stability to the industry. It would enhance the jobs that are so important in our provincial economy. It would stabilize provincial government revenues, and we've seen the volatility of that in the last couple of years. It would encourage small Canadian producers, and it would help develop nonconventional reserves that will keep Alberta's energy industry viable and healthy into the next century.

Now, just before I go into some of the features that would be forthcoming upon the passing of Bill 207, the Alberta Plus Corporation Act, I want to make a couple of references briefly to a few specific clauses. If members of the House will direct themselves to section 3(2), regarding the composition of the board of directors of the Alberta Plus corporation, you will notice that it's significantly different than most clauses relating to the boards of provincial agencies, commissions, committees, and so on that are established by the government. Because whereas the government likes to put in clauses to the effect that members of the board will be appointed by the Lieutenant Governor in Council, period -- that's what I would refer to as the common patronage clause that's in so many Acts in the Legislative Assembly that have been passed by this government that provides strictly an open-ended provision for the government to appoint good friends of theirs -- what we're suggesting here under the Alberta Plus Corporation Act is; that the cabinet and ministers get recommendations from groups representing different sectors of the population and the economy to make sure that we have a healthy balance there and to make sure people have some legitimate representational basis for being on the board of the corporation and can make some positive contribution to it.

I'd also like to bring members' attention to section 8(1), which outlines the objects of the corporation, which are

- (a) to co-ordinate and manage the implementation of projects to develop oil sands and heavy oil deposits in Alberta, and
- (b) to participate in any stage of such projects

and to section 9, which would provide the authority for the initial capitalization or investment of \$1.5 billion to come from the Alberta Heritage Savings Trust Fund.

So what we're looking at here, Mr. Speaker, is using the trust fund resources, which have largely come from conventional oil, and putting them into the Alberta Plus Corporation Act which will take a strong, aggressive, and co-operative approach with other players in the industry to develop those harder to get at and more costly to develop oil reserves in the tar sands and heavy oil areas.

Now, in terms of the features that this approach will yield, Mr. Speaker, we can look at several. I've already mentioned the fact that the Bill provides for the establishment of the initial equity of some \$1.5 billion. It also provides for the appointment or engagement of co-operative interests with private-sector operators for the various projects that would be undertaken. Be-

cause, Mr. Speaker, we recognize that the private sector does have a lot of involvement in the history of the development of the energy industry in the province, and we think that that's valuable and that's something that should be more properly harnessed and encouraged in co-operation with the public sector to maximize the benefits for the people of this province. Because we have a little different approach; we don't believe in simply having all kinds of tax holidays and royalty breaks and so on and having most of the benefit of the resource development in the province go to a very few people in this province. We think it ought to be done in such a manner that most of that benefit comes to the people who own this resource: the people of this province.

You'll notice as well that we provide in Bill 207 that an important part of this proposal would be that Alberta Plus would provide for equity participation in investments. We think this is important, because as the province acquires more in the way of construction and management expertise, we'll be able to have a greater influence as well on important social policies: native employment in the industry; environmental protection, which has not been as good as it could have been, Mr. Speaker, in many cases; pension management; labour policy; worker participation in the development of our oil industry; and so on.

You'll notice as well that the Bill provides for negotiating a price structure for each project, because we know, Mr. Speaker, that the costs vary substantially. Some projects are much more expensive than others to develop these very valuable resources, and this provides for this. We're looking at pricing regimes for these different projects that will return prices to the project over its lifetime that are sufficient to ensure that participants -- all of them: the public and the private participants -- receive a reasonable guaranteed rate of return on their equity, providing that the project is managed efficiently. And a review mechanism will be established to ensure ongoing fairness to equity investors and to the public.

In addition, we're proposing that we provide for a blending mechanism, special prices on the projects, with the price being paid, if it's above the conventional price, through an agreement to have supplementary costs levied on all oil consumed across the country. Because, Mr. Speaker, we know that a lot of the benefit of the oil industry in Alberta has benefited Canadians across this land. And we think it's only fair. When oil prices were high, many eastern Canadians benefited from that by paying lower than market price. When prices are below the world level or when the world level price is below the cost of production and the cost that would generate a fair return to the people of Alberta, who own this resource, consumers across the country ought to be willing to pay a higher price in order that there's a stability in the industry and a stability for provincial programs that are dependent on the revenues that come from the industry.

We're providing as well in this Act the opportunity for providing widespread public investment in the industry, Mr. Speaker, because if we have some stability, some fixed pricing in return rates that people can count on and can plan on, we are certain that citizens, workers, their pension funds and other investment mechanisms will be very attracted to participate in these kinds of development projects. We're providing here, of course, that if and when international prices rise and the increased economic rents are generated, all of those increased economic rents are returned to the people of Alberta and are not skimmed off or sent outside the country.

So I think there are many provisions in Bill 207, Mr. Speaker, that would be a tremendous asset to the industry of the

province, provide additional stability to it, provide for co-operative ventures on development of these important resources. And I think in providing that stability, it would provide a much better opportunity for us to move forward, as we know we must, in greater diversification efforts. Because even with the tar sands and with the heavy oil deposits, those two eventually will be running out. I'm sure everyone in the Assembly recognizes the pressing need to diversify the economy into secondary and tertiary sectors, but it's going to be increasingly and very, very much more difficult to do that, Mr. Speaker, if we continue with this up and down in the industry and nobody knows from one day to the next the price of oil. How can you make planning decisions and investment decisions and get contracts with your employees for a year or longer when you don't know what the revenue picture is going to be? Who can operate like that? It's a very unstable environment, and I would suggest that passage of Bill 207 by the members of the Assembly today giving it second reading would be a step forward to seeing that enhancement, that stability, that revitalization of the industry come to pass.

Now, I know, Mr. Speaker, that other members want to make comments on this important Bill, so I will look forward to their comments. Thank you.

MR. DEPUTY SPEAKER: I believe the hon. Member for Cardston caught the Chair's eye.

MR. ADY: Thank you, Mr. Speaker. I'd like to spend a few minutes and give some comments on Bill 207, the Alberta Plus Corporation Act.

Mr. Speaker, what we have in this Bill is the creation of another Crown corporation. When I first looked at this Bill, I had a little trouble figuring out just where the NDs were coming from on this. But after a little while it all became clear that it's another backdoor approach to a floor price and regulation, the very thing that they like so well, to regulate the economy in some fashion, just sure that it's all going to work out and that someone's going to pay the bill. But unfortunately, that's not the way the system works.

The other thing I'd like to comment on is that I was really glad to hear the hon. member finally clear this government of any fault in the unemployment rate that took place in this province during the downturn, because he said that for every dollar of decline per barrel of oil, it amounted to 25,000 people unemployed. Well, we had a decline from \$35 a barrel down to \$10, so if you extrapolate that, we should have had even more unemployed people. So actually, the government did a pretty good job through that downturn, if we're going to use his arithmetic.

I'd just like to say a few words about what this Bill is putting forward. It says that it's

- (a) to co-ordinate and manage the implementation of projects to develop oil sands and heavy oil deposits... and
- (b) to participate in any stage of such projects.

An all-encompassing Act That means that this new corporation, which would be a Crown corporation, would move in and take over where the private sector has been functioning quite well. All the way from discovery to research to processing to production: they would have the whole ball of wax. A move by government, in that case, to try to do something that the private sector has spent years and years learning how to do and could do far better than a government bureaucracy.

But then we come to the next crunch of this thing -- the hon.

member didn't make much of this -- and that's where the money comes from. All of a sudden the heritage fund looms high on their horizon. They want to take \$1.5 billion out of the heritage fund, a fund that was set aside for Albertans for difficult times, a fund that's presently acting as an asset to this province today in an effort to diversify this province. He wants to take more than half of the liquid assets of that fund and put them into this arm's-length Crown corporation. I think we've got something in excess of \$2.2 billion in liquid assets in the fund today, and if we take \$1.5 billion, that doesn't leave very much. I wonder what that would do to Alberta's credit rating worldwide, if all of a sudden we decided we were going to take that kind of funding and put it out there for a so-called board of directors to administer without the government having direct input.

Well, that fund has been contributing a sizable portion of the income to our general revenue, revenue that we've had to rely on in recent years because of the economic downturn in western Canada. Obviously that fund, the Heritage Savings Trust Fund, bothers the opposition. They can't stand that fund to be there without somebody spending it. It's part of the nomenclature of NDP to spend whatever's around, and they want to get their hands on it and spend that money: "We want to pass this sum, this great, vast sum of money" -- \$1.5 billion, Mr. Speaker, is more than I've got on me today. They want to take this vast sum and turn it over to an unelected body that has no accountability to the electorate, only to those who appointed them. The worst that could happen to them is that they may not get reappointed if they make some poor decisions. They're not required to face up to economic reality that might prevail in the province; their main purpose is to develop the oil sands. Well, perhaps the government's direction at some given time may not be to develop oil sands. Perhaps it would not be to our best interest at some time in the future to develop oil sands. But they could merrily go on their way because that's their mandate and they have \$1.5 billion out of the heritage trust fund to move right along in that direction.

Let's talk a little bit more about some of the other things that are in that Act. It says that there would be from 15 to 20 members on the board of directors and that this board of directors would meet at least six times a year, and in his generosity he's going to pay their expenses. Here we have a board of directors that's going to manage the biggest resource that we have in this province, and he's going to do it with volunteers. I wonder if he's going to be able to get good, resourceful, knowledgeable people if he just pays their bus fare to the office. I hardly think so. But then you have to think a little bit on how they think. Of course, I left out the vast bureaucracy that would obviously be created. And by the time they get that bureaucracy created, maybe there wouldn't be anything left for the board of directors to do. Maybe six meetings a year would run that multibillion-dollar industry that we have in northern Alberta.

Well, let's talk a little bit about the size of the resource. In the oil sands and the heavy oil reserves we presently have 1.7 trillion barrels of oil today. Three hundred billion barrels of that is recoverable with today's technology, but hopefully that will continue to improve, and our recoverable numbers will improve as the years go by and as research progresses. I might add that that oil in place is five times the amount that's in Saudi Arabia, and of course Saudi Arabia is considered to be the leader in the industry. They're the ones that have got all the oil; they're the ones that can turn off the tap and put Canada at risk, can put the United States at risk. But in actual fact, Canada has the reserves; Alberta has the reserves. We actually are the ones that

are in the driver's seat as this technology grows and improves. I'm sure we all realize that that vast reserve of heavy oil may very well hold the future for Alberta and, in fact, for Canada for a secure supply of energy in the future. We know that conventional oil production will shrink by two-thirds over the next 20 years, and that decline must be made up from the heavy oil sands in northern Alberta. Today we have about 4 billion barrels of conventional oil that can be recovered, and we know that if all of Canada put a call on us, it wouldn't take long to deplete that. Then we would be into developing those resources in a much faster way. Well, this is the size of the resource that this Bill would move to an unelected body that has no accountability to the electorate or to the electorate via the cabinet.

Let's look at what is already going on with co-operation between free enterprise and government. Bill 207 calls for a research component. Well, how about AOSTRA, the Alberta Oil Sands Technology and Research Authority? This authority has done an outstanding job of leading out with research in co-operation with private companies. Those initiatives have certainly contributed to the significant decline in the price of heavy oil production, and it has done an excellent job of transferring that technology to the private sector, those people who are on the front line producing the product. They certainly have had some input into bringing the price down to about \$15 per barrel. I remember when -- it's not all that long ago -- the price of oil in heavy oil production approached \$30. So the technology has been significant, and I think AOSTRA has done more than an acceptable job in that area.

Again, we've had some input from the private sector. They come along with a scheme or a project that they think has some viability. They work with AOSTRA. Both of them put some money in, and pretty soon, after a pilot project and a process that takes place, we've got some new technology that works. The cost of production is reduced, and all of a sudden somebody is making that terrible word called profit. Well, Bill 207 would replace AOSTRA. We don't need it anymore because that's an all-encompassing Bill. They're going to do everything in there that has to do with the production of heavy oil from the oil sands.

Then we move on to the Alberta Oil Sands Equity. This group manages the government's interests in Syncrude and in the OSLO group and any investment that the Alberta government has in that industry, and to my knowledge, they've done an excellent job. When they see a window of opportunity for the government to come in on a viable business circumstance and they can use the equity from the government the government has moved to give it. This is the arm that they have used to keep control of that equity funding that might be provided in such organizations as Syncrude. I might mention, Mr. Speaker, that Syncrude returned to this province something like \$33.6 million in profit from their investment last year.

Then I think we should see what else this Bill would replace. I look at the Energy Resources Conservation Board. This group is to ensure that the resources develop in a safe, orderly manner that avoids waste, controls pollution, and provides a sense of fairness and balance between the public, government and industry. Have they really done so badly that Bill 207 all of a sudden can go up there in their little conglomerate, the Alberta Plus corporation, and they'll take care of all of that now because they're an all-encompassing group; they're a Crown corporation? They don't need the ERCB coming around and trying to make sure that the communities are protected or that the workers are protected or that there is no pollution. They can take care of

it all because pretty soon we'll have a bureaucracy there that could take care of the world. Well, Bill 207 would replace them to function in that sphere.

The Department of Energy of our government is responsible for the overall policy and management of our resources. Bill 207 gives all of that to the Plus corporation.

Let's take a look at what the private sector is really doing, as an example, and let's see if they're really doing so badly. I don't think they are. Syncrude, for instance: they've been in existence for some 24 years. They have a \$4 billion project, and it's in production. They presently produce about 10 percent of the oil that Canada produces. They've been in business a long time. Now, they've brought the production cost down to below \$15 a barrel, and as I mentioned earlier, it was nearly double that not that many years ago. Last year they produced in excess of 50 million barrels of oil. Shortly, with their expansion, they'll be at 57 million barrels. They employ 4,500 people directly, a total of 16,000 people on an indirect basis, Mr. Speaker. That's a significant contribution to the economy of Alberta and the economy of Canada. Annually they spend \$10 million on research, and that, along with the contribution of AOSTRA, has brought about the degree of efficiency that we presently have in oil sands production.

Well, what we have here is a Bill that is designed to duplicate everything that's already out there and everything that seems to be working pretty well. Look at where we've come in the production of heavy oil. We've come a long ways. I can't be convinced that we would do a better job by providing this arm's-length Crown corporation to come in and replace private enterprise, the ERCB, AOSTRA, the Alberta Oil Sands Equity group, the cabinet, Treasury. All of those would really not have very much of an effect on the Alberta Plus group because they would be nearly autonomous. And I think the key to this whole thing is that it would be wrong for our government to set up any type of an organization that would remove direct government involvement and accountability for the development and production of such a vast resource as we have in the oil sands in northern Alberta. Based on that, I certainly hope that all members will move to defeat this Bill.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Speaker. I rise to support Bill 207. I'd like to comment in passing on some of the remarks made by the Member for Cardston. I'd like to say that I agree with many of the facts as he presented them, but I'm in substantial disagreement with his interpretation of those facts.

When the previous speaker spoke, my colleague from Edmonton-Mill Woods, making some remarks on the Bill, the Member for Banff-Cochrane interjected a little note to the effect that all we really want is another national energy program. That might be a good place in which to begin this debate, because nothing could be further from the truth.

Mr. Speaker, the national energy program was a major package of decisions assembled as a policy at a particular point in time. It came down as a result of a budget speech that was presented in the House of Commons. It involved new legislation as well as amendments to existing legislation, and it also included a number of policy positions. The New Democratic Party agreed with some of those policies, and it disagreed with many of them. We're on the record to that effect, and I just want to

assure all hon. members that I intend to set the record of that situation straight and bring it before the Assembly. We'll table a report shortly to that effect, because there's a claim constantly made by members opposite that it was the New Democrats and the Liberal Party that brought the NEP forward. Well, as I say, nothing is further from the truth. But in looking at the national energy program, one can see a very prominent weakness that we do not want to see reflected and is not in fact reflected in Bill 207. Essentially the national energy program developed out of consultations that went on just between the two levels of government, between the Alberta government and the federal government, and the industry was left out in the cold. They never had a voice or say in those decisions, and that's one of the reasons why the national energy program failed so miserably.

This Act, of course, if you read it, Mr. Speaker, calls for extensive consultation. It's not for government to take control of these projects, not by any means at all. It's only to act to help companies that seek out government, that request support to in effect kick-start major projects, such as the Husky upgrader, or at least to look at that, and if the government can play a role that's acceptable to industry, that's what in fact it would do. It doesn't have that broad sort of bureaucratic sweep of the brush that the Member for Cardston tried to paint.

I might point out with respect to the national energy program that it was preceded by intensive bargaining -- bargaining that took place without industry participation -- between the Alberta government and the Clark government, and I think members of the Legislature who were here at that time will recall that.

MRS. CRIPPS: On a point of order, Mr. Speaker. That's not true.

MR. PASHAK: Well, Mr. Speaker, I will attempt to set that record straight in the future, and I will do that by way of tabling a report to that effect.

I think the role of the Liberal Party during that whole period was reprehensible and disgraceful. They did take a bare-knuckled approach to the province of Alberta. I think members opposite might be surprised to find that when we actually go into the records of the debates in the House of Commons, we'll find many speakers from the New Democratic Party, such as Ian Waddell, who spoke out against certain critical sections of the national energy program, particularly those sections that transferred activity out of the western Canada sedimentary basin to offshore and that kind of activity, took drilling activity out of the province of Alberta. Partly the problems of that period of time, and I think members can recall, part of that whole bare-knuckled approach of the Liberals -- it wasn't just the national energy program. If they think back, it was also the constitutional issues and...

MR. DEPUTY SPEAKER: Excuse me, hon. member.

MR. PASHAK: Do you want me to get back to the Bill?

MR. DEPUTY SPEAKER: The Chair is having some difficulty relating the comments to the Bill before the House. Perhaps the hon. member could come back to 207?

MR. PASHAK: Thank you very much, Mr. Speaker. I think they are related because what we're really looking at here is the way in which government can get involved with the private sector to bring about a greater good for the whole society. If it's

not done carefully and cautiously, taking into account all sectors of society, then you get the kind of disaster that was represented by the national energy program. What we're suggesting in this Bill, Mr. Speaker, is that there is a role for the government to play, that governments have to be cautious, and that they can't steamroller over the concerns of a particular industry or segment of society. Consultation means that you sit down, and you're patient. You may have to give a little to take a little.

In any event, I would like to look at the role of the Alberta Plus corporation in some little greater detail. Obviously, I think there's no need for a corporation such as this to get into the conventional sector, but we have to be cautious here because many of the bigger companies are not so concerned any longer about exploration. Sure, they're into development of reserves, but their interests are where the larger reserves of oil are to be found, such as in the tar sands and in the heavy oil deposits and offshore and that sort of thing. There is a need, I recognize, to bolster the conventional sector. At other times, I've made comments as to how that might be done, through royalty holidays, for example, for outpost wells and genuine wildcat wells, but where we see the Alberta Plus corporation essentially acting is with projects such as the OSLO project, the Husky Oil upgrader.

I agree with the Member for Cardston, who suggested that that really is the long-term future for the province of Alberta. In the bitumen sands we have five times the reserves that they do in Saudi Arabia. It's there that I think we must look for the future. We have to find ways of encouraging, supporting major companies to get into those areas and develop the tar sands, develop the research capacity that would make recovery of those oils economically feasible and justifiable.

We do have to worry, I think, about the long-term security of supply needs of Canadians. At the moment we seem to be relying on offshore oil. We're reluctant as a nation, reluctant as a province to get involved in these projects. And when we do, in the past we've often been counterproductive. We make all kinds of grants and assistance available to the industry with no real return to Albertans, and one could make a case that all that cash injection does is just lead to flurries of activity that are not productive. So what we would like to see on this side of the House, Mr. Speaker, is a situation in which if Albertans do and if they're called upon to make money available to support these projects in partnership and in consultation with oil companies, at least we'd get some reasonable return on that investment. If we're putting it up, we should get a return.

Now, when we talk about taking money out of the heritage trust fund, it's not to squander it. There's already money from that fund that's invested in certain ways. We're just talking about making sure that we invest that money in ways that would stimulate economic activity here in the province of Alberta. Surely there is no member of this Assembly that would disagree with using heritage trust fund dollars for that purpose.

Mr. Speaker, we see this fund and this proposed Bill as having a clear net benefit to all citizens of Alberta, and I'd like to just go back to section 8 of the Bill for a moment, because the principle of the Bill is embodied in that section. It says:

- (1) The objects of the Corporation are
 - (a) to co-ordinate and manage the implementation of projects to develop oil sands and heavy oil deposits in Alberta.

The Member for Cardston just referred to that statement. He didn't go further down in the Bill and look at section (3), which reads:

In pursuit of its objects, the Corporation shall, wherever practicable, participate by joint venture and arrange for the man-

agement of a project to be the responsibility of a private sector participant.

It clearly doesn't call for government to direct, control, establish large bureaucracies, as the member was... [interjections]

But in any event, Mr. Speaker, I think all members of the Assembly would recognize the worthwhileness of this Bill, and I fail to see how they could avoid supporting it

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Stony Plain.

MR. HERON: Thank you, Mr. Speaker. When I first read through Bill 207, I thought, well, it's just some more irrelevant, poorly constructed nonsense and that I would sit like the Member for Edmonton-Strathcona does most often and just check my eyelids for holes. But no, I thought, that's not appropriate either, because when one thinks of checking your eyelids for holes, you think of sleep, and then you'd think of waking up from a terrible dream. Bill 207 is in fact a terrible dream.

I see in it a bunch of poorly constructed ideological nonsense which has no relevance to the financial world whatsoever. This terrible dream, Mr. Speaker, would take me to looking at Alberta Plus corporation, and I can just see it in a few short weeks. If there was ever a socialist government in this province and they ever implemented such a Bill and it ever impacted upon the oil industry, you could see this becoming not Alberta Plus corporation but Alberta "pus" corporation, because it would relate so much infection in the system.

Really, Mr. Speaker, you know, we listened to the hon. Member for Edmonton-Mill Woods describe this Bill, and he went through and used such words as "control," "regulate," and buried all the costs of this with inefficiency. There was not one word about efficient allocation of resources, minimized taxpayer expense. No. Just the negative words that we would expect out of such a proposal.

We can go through the 22 sections of this Bill, and just flipping through them, we say that... The appointment of the board. Well, the hon. Member for Cardston pointed out that there was no mention of remuneration to run a corporation of some \$1.5 billion. I might suggest that politicians are subject to pressure in the appointment of boards. I happen to agree that corporate boards are far more independent of political motivation than those made by a cabinet, but I've checked his remarks in here in section 3. I wonder, when he says here that he would solicit recommendations from groups representing different sectors of the population.

My bad dream would take me so far as to think that one of the first candidates would be Mr. Werlin. After all, you know, it follows. They accept financial donations; they walk the picket lines with their buddy. I imagine he would be one of the first candidates appointed. Or perhaps to get some great expertise in the oil industry, you would appoint someone from the National Fanners Union, again a great economic adviser and buddy to the New Democratic Party. I just wonder how quickly it would take to build up this huge bureaucracy.

What absolute nonsense when you look at section 6 and say that this board should meet at least 6 times a year.

Can you imagine? A \$ 1.5 billion corporation and you're writing a serious piece of legislation to be considered by the Alberta people, and you say: you should meet at least 6 times a year.

I just can't believe the airy-fairy thought process that went into talking about

two thirds of the members of the Board constitutes a quorum.

Then we get into one small reference for a mission statement. Section 8:

to co-ordinate and manage the implementation of projects to develop oil sands.

Now, isn't that a marvelous mission statement? Oh, yes, I can read on to section 2, as the hon. Member for Calgary-Forest Lawn suggested, but even taking section 8 -- you know, we get all the way through to section 8: how to create a board, how to spend the money. Now we're into one small section on the mission statement or mandate of the company, and then we get into the crux of it: how to access \$1.5 billion from the heritage fund. No mention of the return on this money to the heritage fund, no mention of the risk parameters you want to set on the investment, no mention of the objectives of the corporation or the payback to the Heritage Savings Trust Fund; just some straight declaration on how to access this money for "participation in projects."

Then we go on. Not only is it good enough to access \$1.5 billion, but we give them a piece of plastic essentially:

borrow any sums of money required for the investment fund.

Can you imagine? It isn't difficult now to see why there isn't a single NDP government in Canada. In fact, you know, it's perfectly understandable for me how this ideological concept could be carried through to be nothing more than an opposition member in all the parliaments of Canada.

But I think it's important that we acknowledge when they did get control of the rates; when they did get control, what happened? Well, Mr. Speaker, were the same thought processes used in implementing the BCRIC in British Columbia, where we had a social worker who promised everything without any regard for where the money was coming from? No, Mr. Speaker. That same social worker in no time destroyed the small independent logger, and I think we see that kind of logic appearing over and over in Bill 207. What about Manitoba? Well, we're going to create these large corporations. No respect for the taxpayer. Go ahead and create a board, access the money, and what happens? You have a million people who today are facing the dismal future of being \$8 billion-plus in debt.

Let me turn and go through this, since time is moving on, to look at section 14, and we talk about the corporation setting aside "revenues." Here we get into some concept of financial management. It actually acknowledges that if the company has funds surplus to its immediate requirements, it can invest any portion of the money not presently required. It does acknowledge the need to be passive until such time as the money is required.

Then we get into section 14(2)(d), and I'm going to read it into the record, because I think it bears some attention:

in any instrument of indebtedness issued by a venture in which the Corporation is engaged or by any participant with which the Corporation is engaged on a project.

Now, have you ever seen a more vague, circular comment to appear in proposed legislation?

Then we move on to subsection (3):

At the date of maturity of any loan of the Corporation, any portion of money so set aside that is considered proper may be used for retiring the loan...

Therein we tell the Alberta taxpayers what kind of a return they can expect on their heritage fund investment of \$1.5 billion: may be used for the retirement of a loan. Mr. Speaker, I really find that Bill 207 is a good example to take to the people of Alberta in terms of exemplifying any financial skills or financial management.

Now, section 15:

(2) The appointment of officers and employees of the Corporation shall be during pleasure unless otherwise agreed between the Corporation...

"Shall be during pleasure..." Whose pleasure? What kind of pleasures? Well, I'll just leave that one alone for a while.

You know, here we are, back:

17 The Lieutenant Governor in Council may make regulations setting out the powers of the Corporation.

How often have we heard in this Legislature the New Democratic Party criticizing the actions taken by cabinet for the management of certain corporations in the province? No, Mr. Speaker. I think that the hon. Member for Cardston gave good solid examples when he spoke of AOSTRA, when he spoke of Syncrude, and just what has occurred over the last 24 years.

But I could not believe it when I listened to the hon. Member for Edmonton-Mill Woods when he spoke of running out of oil. Here we have a resource that's been approximated at five times that of the Saudis, and he's talking about running out: we've got to do something quick, because we're running out. I can certainly see how they can be led into such a timid view of Canada and such a timid view of our resources when we sit here and listen to the comments on free trade: you know, poor, timid Canadians running out of resources. Well, certainly the hon. Member for Edmonton-Mill Woods has given me wonderful material to circulate to my corporate constituents. Believe me, when you look out here in the Stony Plain constituency, Mr. Speaker, Bill 207 and the comments by the proposer of that Bill are going to make good reading for people who make their living with TransAlta and Nova and the chambers of commerce, because, you know, the very comments were just a shadow of an appreciation of a kindergarten teacher, say, turned financial expert. And I say a shadow, because surely some of the conversations of this Legislature pertaining to Vencap have rubbed off.

Just let me go into that for a moment. Bill 207 has shades of a Vencap, and that is all, Mr. Speaker. It draws no leverage into the private sector; it simply says: take \$1.5 billion. But just a few weeks ago they were criticizing the government's structured investment of \$200 million in Vencap. When I say structured, structured with a payback and structured with a return and structured to accomplish its objectives. So here Bill 207 proposes: just access \$1.5 billion. Now, the \$200 million looks very small by comparison, doesn't it? There is no precise return, no precise repayment on this grant -- really that is what you're talking about -- of \$1.5 billion. Compare that to the Vencap experience.

I note that there was vague reference that you have to wait until the investments are required. Certainly the very thing that you have been criticizing about Vencap in the two years that most of you have been here is that they're sitting on their money, with no appreciation at all of the how a venture capital firm works. A venture capital firm -- and I believe that Bill 207 is trying to create the concept without really getting into it, so let me just for a moment or two talk about a venture capital firm. A venture capital firm takes a certain amount of money, puts it in a pool, and says to the businessmen out there: "When you develop your ideas, we will have the money to invest in your company. We will provide you passive investment; we will take high risks. But for that high risk and for that long-term passive investment we will expect a higher return. We will expect a little more say in the management ability." There's real control: when you move in with management guidance and management experience and then look for your returns in the long-term future. That is diversifying Alberta's future; that is accomplishing

a mandate.

No, I heard the hon. Member for Edmonton-Kingsway when he did serve on and spoke in the select committee on the Heritage Savings Trust Fund. I'm just trying to recall how many times he criticized the management of Vencap. He called for the return of the \$200 million with no appreciation whatsoever that this government created the company, went out to the public sector with a prospectus and said, "Here's our objective, here's what we're going to do, and here's how the province is going to participate if you put your money into this company for a long-term venture capital company which is going to help Albertans." No, the Member for Edmonton-Kingsway repeatedly said: go out there and grab that money back; use any tool, any force you can to grab the money back. And then you're going to just spend it as quickly as you can.

We have watched it, and I believe that even if you want to do a little research on how Bill 207 could be implemented, when you do research and compare the remarks of the hon. Member for Edmonton-Kingsway, you will find that when a blue-chip board was set up in the past -- some of them who have passed away -- the member made very, very critical comments on some of those distinguished members of the community. When I read section 3 in Bill 207, I would wonder if they could ever match the expertise that was on that initial board of Vencap. I would issue that as a challenge to anyone who would like to duplicate it, because I know personally many of those retired and active businessmen who served on that first board and who serve there today and who really for all intents and purposes donate their time to make Alberta a better place to live, to achieve our economic goals.

No, I think that this afternoon, Mr. Speaker, I've provided ample evidence that the hon. Member for Edmonton-Mill Woods should stick to *Popcorn Playhouse* type presentations for preschoolers and stay away from designing innovative investment vehicles which shape the economic future of Albertans.

With that, Mr. Speaker, I would like to adjourn debate, in view of the hour. [interjections]

MR. DEPUTY SPEAKER: Order please. There has been a motion to adjourn the debate on Bill 207. Motions to adjourn are not debatable. All those in favour of the motion to adjourn debate, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: The motion carries.

MRS. CRIPPS: Mr. Speaker, at 8 o'clock tonight we will be in third reading of Bills.

I move we call it 5:30.

MR. DEPUTY SPEAKER: Having heard the motion of the Deputy Government House Leader, all in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried.

Before we adjourn, the Chair would like to mention that earlier today the hon. Minister of Recreation and Parks successfully moved a motion declaring next week Canada's Fitweek. However, in addition, he had issued a challenge to hon. members, which was then amended by the hon. Member for Little Bow. Unfortunately, those comments were not within the motion, and hence will not be shown in *Hansard* tomorrow as having been successfully adopted by the House. That does not mean, of course, that hon. members are not at liberty to accept that challenge, and indeed the comments are in *Hansard*.

[The House recessed at 5:25 p. m.]