

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, June 9, 1988 2:30 p.m.**

Date: 88/06/09

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: TABLING RETURNS AND REPORTS

MR. KOWALSKI: Mr. Speaker, I'd like to table with the Assembly today three reports: one titled Agricultural Land Base Study: Executive Summary, the second titled Agricultural Land Base Study: Summary, the third titled Drainage Potential in Alberta: An Integrated Study.

MR. RUSSELL: Mr. Speaker, I beg leave to table the response to Motion for a Return 184, the annual report of Westerra college, and the annual report of Lakeland College, as required by statute.

REV. ROBERTS: Mr. Speaker, I'd like to table for the information of all hon. members a copy of a letter from the president of the Alberta Medical Association to all doctors in the province about the current Minister of Hospitals and Medical Care.

head: INTRODUCTION OF SPECIAL GUESTS

MR. SPEAKER: Member for Grande Prairie.

DR. ELLIOTT: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to members of the Assembly a group of grade 6 students from Hillside community school in Grande Prairie. There are 77 in the group, and they are accompanied by their teachers Lance Therrien, Janice Sopczak, and John Atkinson. I would ask them to stand and receive the warm welcome to the Legislature in the usual fashion.

MR. SPEAKER: Edmonton-Gold Bar, followed by Redwater-Andrew.

MRS. HEWES: Thank you, Mr. Speaker. I'm pleased this afternoon to introduce to you and through you to other members of the Assembly, a group of 28 active and interested seniors from the Always Welcome seniors' group in southeast Edmonton. They are accompanied by Margaret Campbell. They are seated in the public gallery, and I'll ask that they rise and hope that we can welcome them to our Legislature in the traditional way.

MR. ZARUSKY: Mr. Speaker, it's my pleasure today to

introduce to you and to the rest of the Assembly, 26 grades 10 and 12 students from the Andrew school in the village of Andrew and home of the famous Andrew Aces. They are accompanied by their teachers Mr. Allan Dubyk and Mr. Harry Bidniak and also bus driver Tommy Hrehorets. They are seated in the public gallery, and I'd ask that they rise and receive the warm welcome of the Assembly.

head: ORAL QUESTION PERIOD

Family Support Strategies

MR. MARTIN: Mr. Speaker, yesterday I noticed that the Premier went way out on a limb and declared his love for families. He also presented the Assembly with some recycled Vander Zalm rhetoric. Now, I suppose rhetoric has its place, but let's look at the real-life situation in Alberta today for average families. This government that loves families has loaded tax hikes and roadblocks in the face of average Albertans from the first day it was sworn into office. Now the Premier wants to set up a bureaucracy, a new department, I suppose to put in a bunch of Tory candidates that haven't got jobs yet. My question, and Albertans want to know this. Who is the Premier trying to kid anyhow? Why does he think he can get away with, first, punishing average families economically and then setting up an expensive bureaucracy after that?

MR. GETTY: Well, Mr. Speaker, it's interesting that the hon. member wasn't able to be with us yesterday. I have no problem with that. But having not been there, I thought he might have checked with *Hansard*. If you had checked with *Hansard*, you could have found that all the things you just said were completely false.

MR. MARTIN: Mr. Speaker, rest assured I was in a hotel room watching that spectacle last night on question period, so I saw what the Premier said, and I've looked at *Hansard*. I thought maybe we had watched a rerun of *Father Knows Best* on television.

But my question is: if the Premier is serious about helping average families -- last year they taxed them about an average of \$100 per family. In view of this, in view of the punitive measures of last budget, how does this government's policies contribute to the economic and social survival of the family?

MR. GETTY: It's interesting, Mr. Speaker, that the hon. member would talk about taxation when, of course, Alberta has the lowest taxation in Canada. This government not only just lowered taxes in the last budget but, in fact, in addition reduced taxes in a disproportional way on the lower income families. Some 500,000 Albertans received not just the tax cut but in addition a larger tax cut in relation to their incomes. This government has always supported families. I understand the hon. member may not like the fact that we're going to make sure that we support families in this province. I know the socialists like to have people out of the family and into institutions.

SOME HON. MEMBERS: Oh, oh.

MR. GETTY: But we are not for institutional care. We are going to strengthen the family. We know that it is the strongest...

MR. SPEAKER: Thank you, hon. Premier. We'll just all sit still until things settle down.

MR. PIQUETTE: I'll stack up my family against yours.

MR. SPEAKER: Including Athabasca-Lac La Biche.
Mr. Premier.

MR. GETTY: I might say, Mr. Speaker, that the initiatives that our government will be bringing and are following in the area of strengthening families in communities in this province are ones that we're very serious about. The hon. members opposite, the socialists, may wish to try and knock that position, but that's fine. But we consider the family the basic unit in this province.

MR. MARTIN: That's oh so wonderful, oh so wonderful. But the question I asked he didn't answer. If you care so much about the family, as you say you do, why did you tax them over \$1 billion last year? That put real hardship on the families. If you're serious about it, revoke those taxes, Mr. Speaker.

MR. GETTY: Mr. Speaker, I've just dealt with it, but I want to deal with it again. We have the lowest taxes in Canada. That's to put dollars in the hands of family disposable income. Then we have no sales tax, the only province in Canada. This is a government that cares about families. This is a government that helps families and helps most those families who can't help themselves. That's the record in this province. For the hon. member to somehow say that this government is placing punitive taxes on families -- doesn't even know what he's talking about.

MR. MARTIN: Well, Mr. Speaker, not only did they raise taxes for average people over \$1 billion, we found new ways to tax people: user fees of almost every sort. We also cut back in educational opportunities and health care opportunities. People want to know, before the Vander Zalm rhetoric from this Premier: how is that helping the average family's stress level in terms of economics and social policy? How does that help?

MR. GETTY: Well, we understand, Mr. Speaker. I know the position of the opposition is that if things are going well in the province, they don't like it. If you're helping families, they don't like it. They tend to feel that the best time for them is when things can be very negative. They tend to feel that things are best for them when they can paint a negative picture in this province. Well, you cannot paint a negative picture on health care for Albertans, education for Albertans, or the taxation of Albertans. We have the best health care, we have the best education in Canada, and we have the lowest taxes in Canada. We're going to continue to do that but in addition to it we are going to fight any efforts to downplay family strength in this province. We're going to make sure that the future of this province is built on strong families and strong communities.

MRS. HEWES: Mr. Speaker, will the Premier after all the smoke has cleared now admit that his statements about how to strengthen family life are really meaningless and irrelevant without substantive and creative ideas about what to do about it?

MR. GETTY: Mr. Speaker, I'm interested that the hon. member would raise that issue, because yesterday, if she was following *Hansard*, I asked her and all members to provide initiatives. I

welcomed them and thought that we might hear some. We haven't heard a thing so far, just negative comments. I might say that the government has helped and will continue to help families. I welcome initiatives from the hon. member. Be a positive force for a change in Alberta, and the same with the members of the socialist party. I welcome them with their ideas, if they have any.

Mr. Speaker, I want to say this to all members: the government is very serious about the support for the family. It is not detracting from day care; it's not detracting from shelters for children or mothers or husbands who need shelter. But it is a positive initiative, not negative to anything else -- positive to supporting the family. If the hon. member has any suggestions, I would welcome them. But with or without her suggestions we're going to build the family in this province.

MR. R. SPEAKER: Supplementary question to the Premier. The Premier has indicated that he believes that day care is really no substitute for family care, and I would agree with that as well. My question to the Premier. Would the Premier consider approaching the federal government in terms of their day care announcement recently and opting out of that program and its federal thrust and putting in place a provincial thrust with those funds in terms of family solidarity, family building?

MR. GETTY: Well, Mr. Speaker, the federal initiatives at the current time I think are not cast in stone. As our Minister of Social Services has said in the past, she is working with and negotiating with the federal minister to try and mold the program into a form that best fits the needs in Alberta. As the hon. member knows, with the success of the Meech Lake proposal -- and let's hope that it passes, as it has here -- we would then have the option of opting out. I think it's too early to say that that is a course we should follow. I would rather try and convince the federal government about making necessary changes. One of the items, which I find a big problem for me in their current program, is the fact that it tilts the advantages to those parents who do have their children cared for outside of the home and does not provide anywhere near the same encouragement or assistance to mothers or any parent who cares for the child within the home. I think that's a big deficiency in that program. We are working and the Minister of Social Services is working on a negotiating basis at this stage to try and change those types of things.

On this program as well, I would say it's a \$5 billion to \$11 billion program we're talking about coming from the federal government. There is great scope for initiatives from the hon. member, and I would appreciate discussing it with him or any hon. members anytime as to how to make it a better program.

MR. SPEAKER: Vermilion-Viking, supplementary. Final one on this issue.

DR. WEST: Yes, to the Minister of Social Services. Will the minister assure us that she will look at the programs available to single mothers so that they don't promote an environment where it might be better to live alone with your child than to get married to the father?

MRS. OSTERMAN: Mr. Speaker, there is always some concern about the type of programs that we have in support of people who require on a short- or a long-term basis some amount of the taxpayers' support in order that they have food, clothing,

and shelter, and a great discussion as to whether in fact we end up directing people to a certain life-style simply because . . . [interjections]

MR. SPEAKER: Order please.

MRS. OSTERMAN: . . . of the way that we indeed fund people. Mr. Speaker, I find it interesting that the Official Opposition finds that it is somehow funny or that it's a frivolous thing to talk about government programs possibly impacting and actually directing people into a certain life-style if they would more likely want to choose something else.

MR. SPEAKER: Second main question, Leader of the Opposition.

MR. MARTIN: I'd like to designate my second question to the Member for Edmonton-Avonmore.

MR. SPEAKER: Edmonton-Avonmore.

Family and Community Support

MS LAING: Thank you, Mr. Speaker. To the Minister of Social Services. In view of the Premier's stated support of the family and the fact that at least 11 percent of Alberta families are characterized by violence, it is extremely important to provide the services needed by a significant number of Alberta families. Early intervention is the key to solving this problem. Would the minister approach the Minister of Community and Occupational Health to direct additional funds to communities through FCSS to ensure greater availability of early intervention in communities in the forms of counseling and parenting courses?

MRS. OSTERMAN: Mr. Speaker, the two areas that the hon. member mentions are obviously very important. We would be supportive of comments that suggest that early intervention is important, that in fact FCSS funding could be utilized so that when communities see this in their own community as a problem, they would prioritize on that basis. The Minister of Community and Occupational Health may want to supplement, but it is well known that this program is unique in Canada and gives communities the individual responsibility of prioritizing those funds and certainly can direct them in the way that they believe to be appropriate for the social needs they have identified.

MS LAING: Mr. Speaker, it's not the prioritization but the lack of adequacy of funds for these programs that's of concern. To the minister. In view of the fact that children raised in families where there is violence may become violent themselves, will the minister commit funds for treatment programs for children who are not necessarily abused themselves but have witnessed abuse, so that violence in the family is not perpetuated?

MS BARRETT: Break the syndrome.

MRS. OSTERMAN: Mr. Speaker, again a very important question, and I heard one hon. member call across that we need to break the syndrome. It is interesting in my perusal of literature on this subject that so many professionals are saying that notwithstanding large sums committed to counseling in this area,

and that includes counseling of children who have been victims of family violence, they cannot assure us that in fact in the longer term this counseling will be of benefit. Again notwithstanding that, we have committed very large sums of money in the last two years into this area, hoping that we would have some better identification as to how well the children and others have done after this counseling, though I suspect we're going to be looking at longer term studies.

MS LAING: I would agree that there hasn't been time to assess the impact of these.

Inasmuch as we all support healthy families, will the minister commit additional funds for shelters, as shelters are a way of supporting healthy families and allowing battered mothers to remove themselves and their children from unhealthy situations?

MRS. OSTERMAN: Mr. Speaker, once again a very important question and comment. We believe, and I think the hon. member well knows, that we fund, in terms of shelters per capita in this province, as well as anybody in the country. Again, that does not mean that more funding wouldn't be of assistance. The hon. member is invited at any time in her professional capacity to make comment on how she sees shelters in the longer term as being the answer, though we will support shelters to the best we can to address the short-term situation.

MS LAING: One suggestion would be second-stage housing.

Given that the only access many rural women have to aid is satellites not presently funded by this government, will the minister commit funds to rural satellites and provide a provincewide toll-free line hooked into regional services?

MRS. OSTERMAN: Mr. Speaker, the satellites that have been developed across the province via the initiative of a number of communities in the view of those communities have obviously been seen as an important initiative. This is not the case right across the province. Again, there is a difference of opinion as to the most appropriate way to deal with this problem. We have looked carefully at suggestions that have come from around the province, and this area is now under consideration, because again we're dealing with: do we put an emphasis on structures, do we look just at the counseling area, or is it important to address the immediate term, and that's by way of crisis lines? Mr. Speaker, there is not hard evidence in any one of those areas that they are indeed the answer.

MR. SPEAKER: Thank you.

MR. MITCHELL: Mr. Speaker, it's worse than simply not providing positive programs and policies. This department has policies that actually lock women into abusive relationships and do not give them the means to escape. Is the minister aware of her department's policy not to provide damage deposits for an apartment for a woman to escape from an abusive relationship, to have some place to go before she actually leaves? Their policy is to not . . .

MR. SPEAKER: Thank you, hon. member. It's a long enough question as it is. [interjection] Yes you have, hon. member.

MRS. OSTERMAN: Mr. Speaker, I would disagree completely with the hon. member's . . .

MR. MITCHELL: Well, I've got a case in my riding . . .

MR. SPEAKER: Hon. member, it's not debate or dialogue.
Hon. minister.

MRS. OSTERMAN: Well, possibly because the hon. member hasn't fine-tuned his selective hearing, he has just decided to turn it out altogether.

I was about to say to the hon. member that I would disagree with the preface to his statement that the policies of the department with respect to damage deposits somehow preclude people from getting out of an abusive situation. Mr. Speaker, the policy with respect to damage deposits deals with single employable people; they do not deal with families.

MR. SPEAKER: Thank you.

Main question for the Liberal Party, Member for Edmonton-Gold Bar.

Family Support Strategies (continued)

MRS. HEWES: Thank you, Mr. Speaker. This a most interesting subject, and I would like to pursue it.

Mr. Speaker, yesterday Albertans were fascinated by the Premier's statement that he plans to establish a ministry responsible for the family. He supplemented his comments by telling us that more effort should go into keeping families together through prevention, certainly a laudable and proper objective. Many people, organizations, communities are already committed and have shown leadership in strengthening family life in our province, and one likes to assume that the Premier's been in touch with them to develop a comprehensive support system. My question is: does the Premier acknowledge that a primary cause of family problems and family breakup is financial stress?

MR. GETTY: Frankly, Mr. Speaker, in modern society there are many, many areas which unfortunately seem to impact in a negative way on the family: instant communications, huge technological change where you have more change in a year than whole families used to experience in their lifetime. Financial stress, of course, is one, but there are many others.

The important thing to remember here, though -- and I recall when I was speaking to some graduating students just the other day. As they go out into a world that is so full of change, they have to have some solid things to hang on to, to come back to, and I urged them and I've been urging Albertans to come back and use as a pillar for building in the future the family, the home, the community, their religion. Those are things that I think we have to once again emphasize the importance of in Alberta because our families and all people in this province are besieged by so much change and stress.

MRS. HEWES: Mr. Speaker, no question; families are being torn apart, but economic stability is one of the primary things that's missing. Will the Premier consider initiatives -- we do have suggestions, Mr. Premier -- such as pay equity, a further increase to the minimum wage, new employment programs, employment programs for the hard to employ, low-income housing, a return of the renters' tax credit, all of which would help to alleviate . . .

MR. SPEAKER: Thank you, hon. member. That's quite a

string of questions.

MRS. HEWES: He wanted suggestions.

MR. SPEAKER: This is question period, dealing with one question at a time, in case some members have forgotten.

MR. GETTY: I would welcome in a more comprehensive way for the hon. member to provide initiatives. I should point out to her and her caucus that the document Caring & Responsibility, that has been tabled in this House, has a foundation for the growth of the initiatives which the government will be bringing.

True, economic stability is a very important part of family and community stability. That's one of the reasons this government has fought so hard to turn the economy around in this province. After having been hit in such a dramatic way from the impact on our energy and agricultural economies, we have fought so hard to diversify, and we've fought so hard to turn the economy around. We have, and now we are able to once again build. This economy has been turned around. We're able to lower taxes, and there's a whole new feeling of confidence in growth. We're going to make the family a big part of that, and I welcome your assistance.

MRS. HEWES: Mr. Speaker, the Premier has already heard my comments on this document.

Another supplementary, Mr. Speaker. Will the Premier tell the House precisely what new programs does the Premier have in mind that he plans to put in place to help strengthen the family unit?

MR. GETTY: Mr. Speaker, it's interesting that I just advised the hon. member that the document Caring & Responsibility is the very foundation for the initiatives, not just in this Legislature but throughout Alberta. I will be talking and listening to Albertans throughout the province because they have ideas; they have initiatives. Already I'm being called by people, and I raise this when I meet with Albertans throughout the province. They have ideas. We will try and build them in. I find that the best advice and the best ideas come from Albertans in their own homes and communities. So I will continue to listen and welcome throughout this province initiatives from people, because I know this province has a very strong history. Our pioneers in this province were very strong pioneers on the basis of building the province on family and community strength.

MRS. HEWES: Mr. Speaker, a final supplementary. I agree that the communities are a fund of information. One wonders, though, who we're listening to.

Would the Premier then tell the House what municipalities or particular community/family organizations has he discussed this matter of a family ministry with and what it might be charged with doing?

MR. GETTY: Well, Mr. Speaker, I've discussed it with Albertans, I guess, for the full period of time that I have been in my current office and, as a matter of fact before becoming the leader of our party, and I will always look for opportunities to do it.

One of the things I should also point out to the hon. member when she was talking about more funds is that there is as much a potential for damage to the strength of the family when you are too helpful or have too much money being thrown at situations

as there is when you don't have as much. Because there is a built-in individual initiative. Now, I know this bothers the socialists because they believe in state responsibility, not individual responsibility. They really believe in the breakdown of the family and this control by the state. Well, that is exactly what we're not going to allow.

MR. SPEAKER: Supplementary, Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. Given that the Premier has acknowledged that there are about a half a million poor people in Alberta now, will he commit his government to allowing or, in fact, enforcing an annual review in automatic indexation of the minimum wage so that a lot of those people can finally get out of poverty?

MR. GETTY: Well, Mr. Speaker, it's remarkable how the hon. members are somehow able to draw conclusions other than the ones that are being made. Half a million people in Alberta in poverty: it's absolute nonsense. The government is helping half a million people by lowering their taxes in a very dramatic way, but that does not equate to the hon. member's argument that there are half a million people in poverty. As a matter of fact, I recognize why the hon. members -- and we understand it; it's not a negative thing on their part -- would want to try and undermine initiatives to strengthen the family. [interjections] Well, the socialist view of state responsibility and the state care of children is a fact of life.

MR. SPEAKER: Thank you, hon. Premier. There doesn't seem to be . . . [interjections]

The Chair recognizes the Member for Little Bow on the next main question.

Provincial Parks Policy

MR. R. SPEAKER: Mr. Speaker, my question is to the minister responsible for our provincial parks. Could the minister indicate at this point in time how many provincial park managers or administrators have been relocated, and how many more does he intend to relocate during this current year?

MR. WEISS: Mr. Speaker, I welcome the opportunity to answer the question from the member. While I won't be specific in the number -- I'd undertake to provide that to him in writing -- I would like to inform the member just how well the program is going. It gives me the opportunity to alert all hon. members of the Assembly that of the some 61 provincial parks, we have three in what's called a privatization program, and those three work very successfully: the Mount Kidd RV Park, the Crimson Lake, and Carson-Pegasus. In the 1988 program we're endeavouring to further privatize three other areas, those being the Wyndham-Carseland, the Aspen Beach, and Jarvis Bay.

Now, in particular, I am sure the hon. member is making more of a reference to the fact of specific rangers being relocated from sites where they'd be administering more than one provincial area. That is an ongoing situation that we're monitoring. What we're trying to do is assure that the best management level is being offered to all sites and that we're being efficient in our management operation.

MR. R. SPEAKER: Mr. Speaker, supplementary. Could the minister indicate whether the rearrangement of rangers is for a

matter of efficiency in administration, or is it one of cutting back in terms of costs of administering the parks?

MR. WEISS: Well, certainly there are some cost factors taken into consideration, Mr. Speaker, but not at the lack of quality or standards that we as a department have set in. I must maintain to all members of the Assembly that those standards are amongst the highest in the country.

Now, what we're endeavouring to do is that where we've had areas of privatization take place, we'll maintain those standards. But in particular where there's grass cutting, general maintenance, washrooms and cleaning areas like that, and garbage pickup, we're able then to utilize those rangers in other areas, because we haven't specifically had to look at the staff in those areas. So it's not a downsizing, but it's more efficient management.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. The minister indicated that Wyndham park, which is on the Bow River, would be privatized. The minister has also indicated that the ranger from the Little Bow park will be moved to Wyndham. Could the minister indicate the reason for that under the privatization program?

MR. WEISS: Actually, Mr. Speaker, I thought I'd answered that in the previous question. But more specifically, the ranger's time factor is that he's not having to be responsible for the ongoing operation. The ranger now has more time to be able to look at the overall management of the areas, particularly in the areas of enforcement, of course, which is one of the areas of responsibility that we would not abdicate. I would like to emphasize to the member that we'll continue to be managers of the resource and certainly would not abdicate any of the responsibilities to the citizens of Alberta which we maintain under the Department of Recreation and Parks.

MR. R. SPEAKER: Final, Mr. Speaker, to the minister. Could the minister indicate when the plans are to move the ranger from the Little Bow park to the Wyndham park? Has a date been established at this time, or is there still consideration?

MR. WEISS: I'm not aware of any specific date at this time, Mr. Speaker, and undertake to provide that to the hon. member. I might say that I am reviewing all the individual cases to ensure that there are no hardships created to any of the individuals and will be talking to them personally as well.

MR. SPEAKER: Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. To the minister. Contracts for maintenance that have been privatized and are now with private contractors: part of the condition of the contract was that they carry their own liability insurance. Now, I've heard that some of those contractors are not carrying sufficient liability insurance. I wonder if the minister has a monitoring system in place to assure Albertans that that liability insurance is in place.

MR. WEISS: Yes. A very important question, Mr. Speaker, to the hon. member. I thank him for raising that. We certainly will be monitoring and have realized that it has been a problem to some who originally expressed interest when we called for tenders. But we are working with them and will ensure that all

legal liability proponents will be in place.

MR. SPEAKER: To help the member celebrate his birthday, the Chair recognizes Wainwright, followed by Edmonton-Calder. [applause]

AN HON. MEMBER: How old are you: is that the question?

MR. SPEAKER: You can't ask a question of a private member.

Soil Conservation

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of Agriculture. Alberta farms have been losing valuable topsoil at an alarming rate over the past two years. With the combination of near drought conditions and recent high windstorms this problem is getting worse. What steps is this government taking to prevent further topsoil erosion and deterioration of our farmland?

MR. ELZINGA: Mr. Speaker, we have been very active in doing our level best to preserve what we consider our most precious resource within the province of Alberta. I can go through quite a history relating back to five years ago when we established a separate division within our department to enhance soil conservation methods. We've been very active with local municipalities and working with ag service boards; we've been working with a number of soil conservation groups throughout the province. We also just recently signed a \$4 million agreement with the federal government. The Member for Chinook has just recently introduced legislation as it relates to additional soil conservation methods. So we have quite a litany of support as it relates to our preservation of our most precious resource.

MR. SPEAKER: Supplementary, Wainwright.

MR. FISCHER: Thank you. Does the Department of Agriculture offer any education programs or services for our farmers to help make them aware of the rehabilitative techniques?

MR. ELZINGA: Mr. Speaker, we've got a number of avenues that do offer support to our farming population, and we work most closely with ag service boards who in turn do offer that service to our farming population.

MR. FISCHER: Is the government considering any incentive programs that would make up-to-date soil conservation practices more attractive to the Alberta farmers?

MR. ELZINGA: Mr. Speaker, one of the programs we are involved with is with the federal government. The hon. member is also aware that the federal government recently announced a \$75 million incentive as it relates to additional soil conservation methods. We're presently exploring with the federal government areas of mutual concern whereby we can access and supplement that funding for our farmers.

MR. FISCHER: A producer group, Focus on Inputs Association, has proposed an alternative soil conservation method through the use of a cheaper herbicide called Roundup. Has the group asked the minister for assistance in both research and patent registration of the low-cost generic product called glyphosate, which is an active ingredient in Roundup?

MR. ELZINGA: Yes, Mr. Speaker, and we are working with that group to the extent that we are seeking alterations to the present registration regulations at the federal government whereby if they do have studies already conducted on specific products, they will not require them in the future. We're working very closely with the Focus on Inputs group whereby we can hopefully have that regulation altered.

MR. SPEAKER: Athabasca-Lac La Biche, supplementary.

MR. PIQUETTE: Thank you, Mr. Speaker. To the minister or the associate minister. Will the minister encourage, through changes to the hail and crop insurance program, where drought conditions exist the paying out of hail and crop insurance for forage crops so that farmers are not forced to be growing cereal crops in times of serious drought conditions?

MRS. CRIPPS: Well, Mr. Speaker, that's a good question. But the hon. member would know that this year we expanded the forage program to cover the entire province. I was down in Vauxhall last week, and I looked at some land down there that was badly wind eroded. I would certainly encourage farmers to use good husbandry and soil conservation methods and rotation to ensure that we do in fact protect the soil.

Support for Homeless Youth

MS MJOLSNESS: Mr. Speaker, my questions are to the Minister of Social Services. A Social Services study conducted in 1985 in the Edmonton region estimated that on any given night up to 130 homeless youth were living in our streets. The majority were between the ages of 16 and 18. However, when the minister comments on programs for these kids, she says:

. . . many parents believe that we have contributed to their young people leaving home by virtue of just having programs for them.

To the minister: will the minister elaborate her position? Does she agree with these parents that programs for young people should not be encouraged because they simply result in young people leaving home?

MRS. OSTERMAN: Obviously, Mr. Speaker, if we didn't believe that there were some youths that needed assistance outside the family, we wouldn't have programs and we wouldn't be funding youth emergency shelters in various parts of the province.

MS MJOLSNESS: A supplementary to the minister. Well, in view of the fact that the majority of young people on our streets are escaping from physical and sexual abuse, I would ask the minister: when will she accept the responsibility and provide adequate programs to meet the needs of these young people on our streets?

MRS. OSTERMAN: Once again, Mr. Speaker, there may be a difference of opinion as to what the term "adequate" may mean. Because there are certainly a number of programs to deal with this particular area. But as well the young people are in a situation that if word is properly spread, I think know that there is assistance for them. At any time they can come to the Department of Social Services and seek that assistance.

MS MJOLSNESS: A supplementary to the minister. The ma-

jority of child welfare workers in community agencies -- right in the study that was conducted by her department -- would disagree that there are adequate programs. As a program at Edmonton's 105th Street district office which provides for 16- and 17- year olds in crisis is regarded as a very successful program, will the minister expand this program to make it accessible to all youth who are homeless throughout this province?

MRS. OSTERMAN: Mr. Speaker, there are many different situations that cause a youth to be homeless, and one of them certainly is a situation where there is a family disagreement. In the cases of parents who have brought this to my attention, in no way were these young people in any type of danger at all. There was a very strong disagreement as to what the rules in the family home were going to be. It is always a very fine line that one walks in terms of presenting an opportunity for all young people who have family disagreements to leave their home.

MS MJOLSNES: A final supplementary, Mr. Speaker. Well, the majority are abused; that's a fact. There is currently a lack of long-term treatment programs for teenagers who have been abused. One youth just gave up hope and went back to the streets. I'd ask the minister: when will she commit her department to develop and fund long-term treatment programs for these young people that are on our streets?

MRS. OSTERMAN: Well, Mr. Speaker, once again the hon. member is speaking in generalities. I would invite the hon. member to raise the specific situations where in fact these young people, with their own concurrence, would come forward, seek assistance from the Department of Social Services, seek upgrading of an education, which is critically important and many times is a component that is lacking in the lives of these youngsters.

MR. SPEAKER: The Chair recognizes Edmonton-Gold Bar, a supplementary.

MRS. HEWES: A supplementary, Mr. Speaker, to the minister. Will the minister please set up one central intake point in our cities where young people can achieve social assistance, housing, assistance in getting employment or getting back into school?

MRS. OSTERMAN: While that is an administrative item, Mr. Speaker, I think it has some important ramifications in terms of consideration. That doesn't mean I would discount it, but it is very important to as best we can offer services around the city, on a geographic basis, and then direct those young people to a specific area. For instance, it has already been mentioned that there are specialists in this area, and I will take the hon. member's suggestion under consideration.

MR. SPEAKER: Edmonton-Meadowlark, main question.

Family Stability

MR. MITCHELL: Thank you, Mr. Speaker. Yesterday in this Assembly the Premier said:

Our initiative is to strengthen the family, to provide reasons why the family is stronger, why mothers will stay in the house, in the family while not having care outside of the house.

The Premier obviously has an outdated definition of family which in his mind does and should consist of father as breadwinner, mother as homemaker and, I would presume, 2.2 children.

AN HON. MEMBER: And a dog.

MR. MITCHELL: And a dog.

Is the Premier aware that only 16 percent of Canadian families fit that traditional model?

MR. GETTY: Well, Mr. Speaker, one thing I'm very pleased about: I certainly got the opposition's attention on this issue. I will welcome the discussion. I find it a very stimulating one and one that we should have. As far as the hon. member's statistics, nobody knows better than I do the ways in which the family has changed. That's one of the reasons that the initiatives to assist the family are so complex and so tough to get hold of. Because we want to assist the family in all its forms under modern society.

MR. MITCHELL: That's not what you said yesterday. Does the Premier believe that other families, which make up 84 percent of the population of this country and commensurately of this province, are somehow less effective or less valuable than the traditional family which he describes and that their choices are less worthy or less necessary than his view of what those choices should be?

MR. GETTY: Mr. Speaker, we have now a perfect case of the hon. member asking me his first question, which I responded to; he's then read the second question, prepared in advance, and didn't listen to my answer. Because I said that I recognize the diversity of the makeup of families. I don't put down any family of any kind. I merely say that the initiatives to assist the family are difficult to develop because the family is so diverse in its makeup in modern society.

MR. MITCHELL: The Premier emphasized a view of the family that keeps women in the home. Is it the Premier's intention to turn the economic, political, and social clock back to the 1950s by trying to implement policies which support only 16 percent of the population?

MR. GETTY: Again, Mr. Speaker, I guess he's going to stick with the questions that were prepared in advance of the question period. I'll only say this to the hon. member: the parents' care of the child is one that cannot be replaced by the state. The state can help when parents are unable to care or need assistance to care for their families, their children, but the ultimate responsibility for the care of children lies with the parents, not with the state.

MR. MITCHELL: One of the ultimate responsibilities of the state is to assist in providing equality of opportunity. What plans does the Premier have to address the needs of 84 percent of the population -- needs which include, whether he likes it or not, adequate day care programs, adequate family planning programs, adequate domestic violence prevention and protection . . .

MR. SPEAKER: That's adequate, hon. member. [interjections] Order.

This is the final supplementary. The hon. member has more than had ample opportunity to ask a series of questions and has indeed been asking more than one question on some of the supplementaries.

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.

Hon. Premier.

MR. GETTY: Mr. Speaker, might I say that the members of the Liberal caucus ought to at least consult in advance of the House, because they've asked the same question: what initiatives does the government have? I've told them about the Caring & Responsibility paper; I've told them about requesting their assistance. Now both members have asked the same question.

I want to say one more thing about the hon. member's lead-in to his question. There is no effort by this government to downplay the essential role of day care. There is no part of our initiative to help families that will downplay the essential need for help for the battered parent or child. We are going to continue to help where help is needed in those areas. As a matter of fact, the record of this government is the best in Canada -- the only province that has enough day care spaces for the demand. The only province: no one comes even close. [interjections] But, Mr. Speaker, we are going to continue to try and reverse the trend, which has been to break down the family unit. . . .

MR. MITCHELL: Women working breaks down the family unit?

MR. GETTY: . . . because I come back to a basic philosophy of the Progressive Conservative government . . .

MR. SPEAKER: Thank you, hon. Premier. The Chair directs Edmonton-Meadowlark to cease and desist. Is it some kind of disease the member has picked up, with his leader not in the House? There is this difficulty of trying to shout down the answer. It was brought to the attention of the House yesterday, and with respect, hon. members, perhaps we can let the answers happen.

On a supplementary, Red Deer-North.

MR. DAY: Thank you, Mr. Speaker. Notwithstanding the erroneous 16 percent statistic, can the Premier tell us: in light of the fact that most families in this province, even the single-parent ones, at one time were traditional two-parent families, is he intending to enact measures that will support two-parent families that are under stress?

MR. GETTY: Absolutely, Mr. Speaker. I would hope we can develop in this difficult, complex area initiatives to provide a great deal of assistance in binding together and strengthening families of any makeup under stress. Because there is no question that as we deal in this rapidly changing society that we live in -- of rapid technological change, instant communications from throughout the world, bombarded by information -- we have to provide for our young people, and older I guess, something solid to come back to, a base of solidity that they can count on to help them in these ever changing times. I repeat what I said before. That will be a place of love and strength --

the home, the family, the community, and faith.

MR. SPEAKER: Thank you.

MR. MARTIN: Mr. Speaker, to the Premier, because the Premier often says things and then he says he's misquoted. But the Member for Edmonton-Meadowlark did quote *Hansard* adequately where he said, "Mothers will stay in the house, in the family while not having care outside of the house." Now the Premier seems to be saying something different. Will he clarify precisely, then, what he means when he talks about the family? What's his vision of the family?

MR. GETTY: Mr. Speaker, I have taken the time to describe already to members the diverse nature of families in our modern society. When I talk about a mother being one who cares for the home, I want to make it very clear that I believe that a home is hardly a home without a mother. You cannot replace a mother in a home. There are, obviously, now in our diverse nature of our society where we have a family where the single parent is the father. That we accept; it happens. And we will help in that case too. But there's no question in my mind that probably the strongest source of love in a home will always be the mother.

MR. SPEAKER: Supplementary information, minister, briefly.

MRS. OSTERMAN: Yes, Mr. Speaker. I thought that in light of the very important comments made by the Premier and the erroneous statistics and conclusions gathered by the hon. Member for Edmonton-Meadowlark, the House ought to understand that as he quotes statistics, he is also dealing with the many thousands of women out there who are my age and our children are growing up, so we are not taking a job in the workplace while our children are at home.

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

MR. MITCHELL: I get a supplementary question.

MR. SPEAKER: No.

MR. MITCHELL: I get a supplementary.

MR. SPEAKER: Order please, hon. member. Order.

MR. MITCHELL: Why not?

MR. SPEAKER: As occurs throughout question period, hon. members, from time to time the questions get directed, for example, to the Premier, and a comment is made, and then supplementary information is given at that time. That's exactly what has occurred here. It's not a request to have given supplementary information to questions that had arisen earlier on in the . . .

MR. MITCHELL: Point of order.

MR. SPEAKER: Good. What is the point of order, Edmonton-Meadowlark?

MR. MITCHELL: Mr. Speaker, it is procedure in this Legislature that if a minister gets up at the end of question period and

provides supplementary information to a question asked earlier in the day, that member is entitled a supplementary question. The minister may have been trying to provide her information under the ruse of providing supplementary information to the Premier's answer to the Leader of the Opposition, but in fact she addressed me personally, and I get to ask a supplementary question if there is to be any consistency in the rules in this House.

MR. YOUNG: Mr. Speaker, speaking to the point of order very briefly. The question which elicited the additional information from the hon. minister is the very last question, and it's just at the close of the responses to that question.

MR. MITCHELL: She said, "Edmonton-Meadowlark."

MR. YOUNG: It isn't a response to questions asked earlier in the question period; it's a response to that question.

MR. SPEAKER: The House leader for the New Democratic Party.

MS BARRETT: Thank you, Mr. Speaker. I'd be very brief on this point of order. I think that what would clarify this issue is that you had said "supplementary information," with, you know, a question mark attached, prior to the minister's standing. Ordinarily, the procedure that we agreed to about two years ago was that when ministers at the end of question period respond to that question, "Is there supplementary information from the minister?" the minister gives the information; the questioner that was cited either in that response or the questioner to whom the response is being given then has the right to ask a supplementary question. The minister would still get final word. She would still have the final chance to respond to that supplementary question.

Mr. Speaker, what I'm saying is that if you hadn't said "supplementary information," if she had rose and said, "I want to supplement the Premier's answer," it might be a little hazy. But I think that under these circumstances it's very clear.

MR. SPEAKER: Hon. minister, and then that will be it.

MRS. OSTERMAN: Mr. Speaker, it is certainly my belief that it was my first opportunity to supplement the information given by the hon. Premier. And it was not as supplementary information at the end of question period; it is quite by chance that it happened at this point in time.

MR. SPEAKER: Part of the difficulty involved is that the Leader of the Opposition then rose and made reference to the Member for Edmonton-Meadowlark. That in turn then was referred to in the additional information supplied to the House by the Minister of Social Services. In that circumstance it wouldn't necessarily mean that the Member for Edmonton-Meadowlark had the right to respond to any comment made at that time. However, if indeed the Chair did say "supplementary information" when the Chair should have said "additional information," and since I haven't got recourse that speedily to *Hansard*, in this one instance only, without setting a precedent, because the thing all occurred at the end of question period, the Chair will then allow Edmonton-Meadowlark to ask a brief supplementary question -- that does not mean with two or three or four or 18 parts -- and the minister will then be allowed to respond.

Family Stability

(continued)

MR. MITCHELL: Thank you very much, Mr. Speaker. To the Minister of Social Services, who correctly acknowledges that older women choose to go back to the work force later in life. Could she please indicate what programs her government is considering to assist those women to make the transition back to the work force and to assist . . .

MR. SPEAKER: Thank you, hon. member. That's sufficiently succinct.

MRS. OSTERMAN: Mr. Speaker, as we speak about women who are mature and seek to . . . I have often heard us characterized as having character, as opposed to being old or mature. I would say that with respect to a number of departments, whether it be the department under the Hon. Rick Orman, career development or Advanced Education, there are many programs available. I would assure the hon. member that he needn't fear this age, because we have a fair capacity to respond and be responsible on our own behalf.

MR. SPEAKER: Time for question period has expired. Are there additional points of order?

Edmonton-Meadowlark?

MR. MITCHELL: Mr. Speaker, I rise under section 23(j) of the Standing Orders of the Legislature. I believe that your comment in reference to a comparison of statements I was making to statements the leader of our party made yesterday would fall under that category. I won't read it. I know your job is difficult and at times, of course, requires split-second decision-making. But I do think that comment was out of order, and I just raise it for your consideration.

MR. SPEAKER: Thank you, hon. member, but the comment was hardly "abusive or insulting language." The Chair made the observation that the same issue had arisen yesterday with the Member for Westlock-Sturgeon, and the Chair apologizes if it indeed struck a raw nerve with the hon. member.

ORDERS OF THE DAY

head: **WRITTEN QUESTIONS**

MR. YOUNG: Mr. Speaker, I move that Question 199 stand and retain its place on the Order Paper.

[Motion carried]

MR. SPEAKER: The Chair apologizes. Might we have unanimous consent to revert to the Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.
Calgary-North West

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

DR. CASSIN: Thank you, Mr. Speaker. It is my privilege to-

day to introduce to you and through you to other members of the Assembly, on behalf of my colleague from Calgary-Foothills, 21 students from the Dr. E.W. Coffin school in Brentwood. They've traveled here today with their teachers Mrs. Moira Nasim, Mrs. Marian Makarchuk, and one parent, Mrs. Beverly Firla. I'd ask that they would now rise to receive the customary welcome of the House.

head: **WRITTEN QUESTIONS**
(continued)

198. Mr. R. Speaker asked the government the following question:

- (1) What were the total costs incurred by the Alberta Social Care Facilities Review Committee in 1987, including all amounts paid to members of the committee, all expenses incurred by the committee, and any salaries and expenses of individuals hired by the committee?
- (2) What were the costs of preparation of the 1987 annual report of the committee and the breakdown of the total costs by payee?

MRS. OSTERMAN: Accepted.

head: **MOTIONS FOR RETURNS**

MR. YOUNG: Mr. Speaker, I move that motions for returns 190 and 197 stand and retain their place on the Order Paper.

[Motion carried]

head: **MOTIONS OTHER THAN
GOVERNMENT MOTIONS**

216. Moved by Mr. Mitchell:

Be it resolved that the Legislative Assembly urge the government of Alberta to establish a commission on the state and future of Alberta's financial industry comprised of representatives from business, agriculture, the financial industry, labour, consumers, the academic community, and from foreign jurisdictions with successful private investment capital sectors. The commission shall report on the history of financial industry failures, present regulations, and an examination of ways and means to develop a strong financial industry in Alberta. The commission should be instructed to report to the Minister of Consumer and Corporate Affairs, who shall table the report in the Legislative Assembly.

MR. MITCHELL: Mr. Speaker, this motion calls for a broadly based commission to look into the current state and the future status and potential of Alberta's financial industry. It would involve a wide representation from industry, labour, government, the academic community, foreign jurisdictions to ensure that the financial industry in our province, its history, is reviewed adequately so we can learn the lessons consistent to each of the failures of financial institutions in our province from 1981 to the present, so we can learn from those consistencies to determine how to build a financial industry for the future.

There is very little doubt that Alberta needs an indigenous financial industry. We have known that for years. That was recognized in the '30s by the Social Credit government, which

established then the Treasury Branches, and to this government's credit it was recognized by their former Premier in the '70s, whose government worked with some success to promote a measure of Alberta independence from central Canadian financial institutions. Clearly that dream has been shattered. Since 1981 we have witnessed the demise of Alberta's traditional financial industry: the CCB, the Northland Bank, Dial Mortgage, Ram Mortgage, Tower Mortgage, Fidelity Trust, North West Trust, one-third of the credit unions, the Treasury Branches which have lost \$118 million in the last two years and have written down their assets only marginally, and finally, Principal Group, the last in a long line to go. Fourteen billion dollars worth of Alberta-based financial institutions have failed in this province. Fourteen billion dollars worth of capital market decisions will be influenced disproportionately by central Canadian financial institutions.

[Mr. Deputy Speaker in the Chair]

As sure as we are Albertans, we know that those kinds of financial institutions cannot address all the financial capital market needs that face Albertans today. They cannot see the opportunities and understand the risks as they really should be understood that face Albertans today. Every member of this Legislature knows that Every member of this Legislature feels that If we are to build an economic development plan for the future, a very, very important part of that has to be an Alberta-based traditional financial industry.

These failures in the financial industry have affected us all. We're less willing to take risks in a society that prides itself on developing and nurturing risk-takers. We are less likely to invest in Alberta. We have lost faith in the government's ability to ensure a safe investment climate in Alberta. All of this results in a damaging lack of confidence, not only on the part of Albertans but in many potential investors in Alberta's financial sector and, more broadly, in Alberta's economy.

The fallout from the demise of our traditional financial industry includes the lack of an indigenous financial sector, which is essential for economic growth and diversification and which was economic diversification in and of itself; economic and financial decision-making centred in eastern financial institutions; ongoing provincial, national, and international investor confidence; and a growing unwillingness to be risk-takers in Alberta's economy which fundamentally jeopardizes the effectiveness of our entrepreneurs, and of course it has resulted in the elimination of very, very important employment opportunities with firms associated with the financial industry. We have enthusiastic MBA and Commerce students in this province who head to Toronto as soon as they get their degrees. We practically give away our most important resource.

What I know from living through difficult times is that you can learn from those times. In fact, it is in those difficult times that the seed of opportunity to create something for the future, to learn from past failures, to build future successes is found.

We called for the Code inquiry. We applaud the government's final response to that call. It is essential to look into Principal Group and to find out what happened there at all levels. But what's interesting about that is that whatever we find out has been solved to a large extent because Principal Group is gone. We have to pick up the pieces, yes. But it won't happen again, because Principal Group is gone. What we haven't done is acknowledged the fact that Principal Group did not manage the CCB and the Northland Bank and Dial Mortgage

and Ram Mortgage and Tower Mortgage and Fidelity Trust and North West Trust and Heritage Trust and one-third of the credit unions which are being managed by government, and the Treasury Branches, which lost \$118 million. We haven't acknowledged that, because we haven't structured a commission that has industry experts, that has academic experts, that draws on consumers, that draws on people from the agricultural sector to evaluate what happened to all of our financial institutions, to evaluate what we can learn from those failures, the common themes -- the market and government regulation are at least two of them -- to determine how it is that we can structure a financial industry that is successful and can flourish for the future.

We've learned a number of lessons in the study that our caucus undertook around this province, and while we don't have the resources the government has to do an in-depth review, we did get some consistent responses, some very, very insightful ideas, from the variety of people who undertook to respond to our discussion paper and to make presentations to our caucus committee which went across this province to solicit their views. What I would like to underline is that what we discovered needs to be reviewed more broadly, needs to be given greater in-depth consideration with the kind of resources that could be put behind a broadly developed commission by this government. We have come up with some ideas which I would like to present to this Legislature as hypotheses about what should be done. These hypotheses need to be evaluated. The commission we have proposed is a commission that would be directed to look into these kinds of findings, these kinds of thoughts.

We have learned a number of lessons. We must provide Alberta investors with regulatory bodies which provide a watchdog function. There can be no ifs, ands, or buts about it. We must enable investors to be as informed as possible so they make the financial decisions which are best for their circumstances. Let's not presume to try and make decisions for others. We must allow financial firms to have as widely held asset bases as possible. Government has to provide the leadership necessary to create a stable financial industry. We can no longer support a *laissez-faire* mentality. We need vision and we need action.

With respect to lesson number one, we need regulatory bodies which provide a watchdog function. We have some: director of trust companies, the Alberta Securities Commission, the superintendent of insurance. These bodies do act as watchdogs over the financial industry. Why did they experience so many failures? I think it's because there was schizophrenia on the part of this government. It was stuck between this idea that all government intervention is bad government intervention. The first step is for government to understand there is good government intervention and there is bad government intervention. In this experience with our financial industry, we have seen exactly both those things. The government failed to intervene in a positive way to allow our trust industry to diversify its asset base. Ontario did it; they had the foresight and the vision to do that. They allowed trust companies to get into assets beyond mortgages and bonds, into consumer loans and corporate loans, so they would have a broader base. At the same time, they did not intervene aggressively enough on the strict regulatory side where higher standards for training, higher standards for the assessment of assets would have been appropriate.

Here are some ideas about improving the regulatory approach that we found. The heads of agencies responsible for the regulation of financial institutions should be approved and accountable to the Legislative Assembly. These positions are too important for appointments to be made behind closed doors out

of the public's view. The model that is currently used for the review, hiring, and management of positions such as the Ombudsman, the Chief Electoral Officer, the Auditor General set a precedent for this kind of approach to the appointment of heads of financial institution regulation agencies.

Secondly, each of these agencies must be given a clear mission statement which encompasses such subjects as ensuring full disclosure for public interest and providing management and guidance for making prudent investment decisions.

Thirdly, each of these agencies should be given the discretionary power they require in order that they can prevent any undesirable activities from going on in their jurisdictions, that they need to be able to enforce their regulations, and that they need to be sheltered from political intervention. A classic example: if this government had taken the initiative to move in on June 30 and take over all of the Principal Group of Companies, it is my belief that not one person would have had to lose money in those companies. There is empirical evidence that the mutual funds in Principal Group had been valued by a national brokerage firm at a market price of between \$120 million and \$140 million. The trust company had a very, very strong market value.

It is very difficult to find trust companies, and people want to buy them, probably \$15 million or \$16 million; other assets such as the computer and the computer processing system, probably \$10 million to \$15 million. That adds up to about \$170 million or \$180 million of value in those firms. Government moves in, cuts First and Associated lose by themselves. You don't have to be a genius to know that as soon as that happens confidence is eroded and all that value, \$180 million, gets sold for \$15 million net to Metropolitan Trust. That's not to say that management shouldn't have been changed. Yes, it should have. This government should have had the power to go in and change management. The United States has that power. In fact this government probably had that power too. They could pull the notes. They did. They could pull the Principal Savings & Trust licence. They did anyway. They just did it two weeks too late. Nobody had to lose money in that situation. There did not have to be a bailout that cost taxpayers money. What it required was management and the authority to move in and manage that properly. I'm surprised, because this government did the right thing with North West Trust this government did the right thing with Heritage Trust and it did the right thing with Fidelity Trust and it's done a good job with the credit unions, and look, it's probably not doing a bad job with the Treasury Branches. Odd exception. Very odd exception.

In the case of the Securities Commission, fourth point: its organizational structure, we learned, people said should be changed so that administration of the Act is made separate from the commission and a policy advisory committee should be established, and we congratulate the government on responding to that kind of input.

Lesson number two: investors must be able to be as informed as possible. The tradition in our financial industry in this country with respect to traditional financial institutions has not been full and open disclosure. That is a tradition. Replacing that has been, supposedly, rigorous government regulation. Clearly that always is not enough. What we need is disclosure and rigorous, effective government regulation. However, disclosure is only effective if, in fact people have the base upon which to evaluate the information they are being given. You go to school today and you never hear the word "risk." You go to school today and you never get drawn the implication of com-

pound interest calculation to effective long-term investment. You go to school today and you don't learn about financial statements and about investment markets. That's where it has to start: with effective school-based educational programs.

It's also true that individuals selling financial products should be trained through programs backed and evaluated by government. It doesn't necessarily mean the government has to do it. There is precedent in our financial industry whereby industry-based associations establish the guidelines for training, establish the training programs, and also establish the examination structure. It's also important that certain kinds of information be made available. Commission structures on each and every product available to a consumer through a given financial outlet should be presented to that consumer. Today in the brokerage industry, yes, we are told if we buy Canadian Pacific Limited stock what the commission paid on that stock purchase will be. We are not told how that compares to a commission on a Canada savings bond or a commission on another kind of stock, a commission on a lesser number of stocks, a commission on strip bonds, a commission on any other number of vehicles. It is very important that the client approaching a financial institution be given that range of information.

The auditor's function needs to be examined. The fact is that that is standard procedure now in the industry, and it's going on right now and you haven't learned one thing from it. The auditor's function needs to be examined. Clearly the chartered accountants industry and auditors industry in our country excels. Clearly they have high levels of standards. However, they are human beings, and they are paid by the institutions they are auditing. That does not create the distance that will ensure an unexcepted objectivity. What is required and what might be considered -- and this was raised with us a number of times -- is having a central industry agency association that would allocate auditors to given financial firms, would review their progress, would pay them. Financial firms would pay into a central fund to ensure that that was done.

Next, we discovered that many people were interested in having a risk grading system. Many people were interested in having sales audits, client interviews, to ensure that complex financial products were being explained adequately and understood by investors. Many people were interested in having investment terms defined industrywide and consistently.

The third lesson: we must allow financial firms to have as widely held asset bases as possible. Diversification reduces risks. One of the common themes in Alberta's financial industry has been its reliance on investments in Alberta. Other financial jurisdictions have taken steps to diversify. I mentioned it earlier. Ontario moved in the mid-80s to allow their financial industry, trust companies, to invest in consumer loans, commercial loans, mortgage-backed bonds, and so on so they are not limited so largely to mortgage investments which are particularly vulnerable to cyclical economic times. There was a time in the early '80s when Canada Deposit Insurance was actually forcing Alberta-based financial institutions to get more heavily into mortgages, just about the time the real estate market was falling apart.

[Mr. Musgreave in the Chair]

Last but not least, we learned that government has to provide leadership necessary to create a stable financial industry. It has to do a couple of things there. One, it has to take a tougher stand with federal regulators. Several key issues need to be ad-

ressed and evaluated with respect to relationships with the federal government. We need a review of Canada Deposit Insurance and its policies toward western financial institutions. Is there a bias in CDIC against the west? Will they allow innovative financial ideas, or do they only play it safe and do not recognize the particular risk factors in our economy? How can we make sure our unique needs are appreciated by federal regulatory bodies that have a huge impact on how our financial industry is structured and conducted. We need federal legislation which would require banks and federally licensed trust companies operating in Alberta, as well as our own financial institutions, to make full public disclosure of assets available to all potential and existing clients. Thirdly, we need an inter-governmental body with a mandate to provide a mechanism for communication and policy-making between provincial and federal regulators of the financial industry. It's clear that we must work together with Ottawa and the provinces to make co-operative policies, not competitive ones. The fact is that there are financial institutions which operate in this jurisdiction which are regulated by provincial jurisdictions thousands and thousands of miles away.

It's also the case that this government must utilize opportunities to nurture the financial industry in this province. I've said it before and I'm going to say it again. Over the years not one Alberta-based financial institution has ever managed the Heritage Savings Trust Fund or any part thereof. There are ways to make that happen in a way that secures those funds. Anybody who understands portfolio management techniques knows that you can take parcels of money, provide them to given private-sector financial institutions, set objectives, set investment guidelines, and have those companies follow those guidelines. If you do it with a number of companies, what you create -- and this will be music to the Conservatives' ears -- is competition. Every two or three years the worst one loses the contract. Interests in London, England, have managed the Heritage Savings Trust Fund. Interests in Montreal have managed the Heritage Savings Trust Fund. Not so for interests in Alberta.

Similarly, we look at the Alberta capital bond issue. Great idea. That's not being promoted by an Alberta-based financial institution. Quite the contrary, the lead broker is a broker outside Alberta. Secondly, the registrar of that bond issue is not an Alberta-based financial institution. It's Guaranty Trust in Toronto. Perhaps its distance is why it's been difficult for the government to follow up quickly to ensure that people are paid out quickly.

The fact of the matter is that there are creative ways to create an environment that does two things: one, that gives people a sense of security in Alberta's financial potential and in the potential Alberta-based financial industry; and two, that can create an environment within which Alberta-based financial institutions can take hold and flourish for the future, fueling diversification, creating diversification, and being diversification in their own right. These ideas come from a very, very credible source, the people of Alberta. They require more thought, more investigation, and that kind of investigation can only be supported by the kinds of resources this government would have.

We have laid out a guideline for a commission which could do this job properly, effectively, and I ask all members to support this motion to encourage the government to do exactly that.

Thank you very much.

MR. ACTING DEPUTY SPEAKER: The Member for Calgary-McCall.

MR. NELSON: Thank you, Mr. Speaker. I welcome the opportunity to speak to Motion 216 this afternoon. It does not surprise me that the hon. Member for Edmonton-Meadowlark has brought forward this motion, considering his party's penchant for spending money irresponsibly. The Member for Edmonton-Meadowlark ignores a good deal of ongoing efforts to review and come up with remedies for this province's ailing financial industry. I beg indulgence to once again recall some provincial initiatives in this regard.

For many months now Mr. Bill Code has heard testimony from the key players in the Principal Group collapse. The Code inquiry, as it's been called . . .

MR. ACTING DEPUTY SPEAKER: Hon. member, the Chair is very uncomfortable if the hon. member makes any reference to the Code inquiry or the Principal affair.

MR. NELSON: Mr. Speaker, with due respect, I will not be discussing the issue of the inquiry at all.

The Code inquiry has been given broad authority to examine all aspects of government regulation and possible wrongdoing. Mr. Code has been directed to compile his observations and recommendations into a report which will no doubt form the basis of a stronger financial industry in this province.

Mr. Speaker, this public inquiry has already lasted nine months and is expected to continue on into the summer. To date it has cost the province approximately \$8 million, but it is expected that the total cost may fall in the ballpark of up to \$20 million. And I should note, Mr. Speaker, that it was the initiative of the government to have this inquiry. This is in addition to an investigation, which was demanded by government, being conducted by the provincial Ombudsman, which will cost the province another couple of hundred thousand dollars plus. These were not Liberal pinkos that initiated these inquiries, but they were government: government showing leadership and vision to ensure examination of our financial institutions and the ills they may have. Not only would a commission set up to look into the state of this province's financial institutions be redundant; it would cost the taxpayers of this province additional millions, in all likelihood.

Mr. Speaker, the opposition members are the first to charge that education, health care, and social programs are underfunded. Where do they expect the money to fund another commission will come from? You and I know, Mr. Speaker, that it will come from the public coffers at the expense of some of the very programs they say need more money.

We do have a safe investment climate in Alberta, Mr. Speaker, I would not object to such a commission if I were not satisfied that the Code inquiry and the Ombudsman investigation did not have sufficient breadth to identify the conditions which led to the demise of some financial institutions in this province, I would also not object if I felt there had been a dereliction of duty on the part of the Treasurer or the Department of Consumer and Corporate Affairs, I would not object if I felt they had not lived up to their responsibility. But both departments have, under the present leadership, consistently introduced progressive pieces of legislation which have striven to maintain the viability of financial institutions and protect the people who invest in them. As an example, I point to Bill 43, Mr. Speaker, the Alberta Securities Commission Reorganization Act, and others that may present themselves shortly. These pieces of legislation are prefaced by research, discussion papers, and consultation with the industry and leading academics. The

time has come to stop calling for more commissions and get on with the task of restoring faith in this province's financial industry.

Mr. Speaker, another reason I am so opposed to this call for another commission is that the cause of the demise of these institutions is quite obvious to anyone who follows financial trends. We don't need anyone to tell us what we know already: that the collapse of oil prices and the real estate market in the early '80s is generally to blame. This is not to suggest that institutions themselves played no role. These inquiries are trying to determine how a number of forces came together, or what was responsible. If wrongdoing is uncovered, then I am the first to ask that those culpable be brought to justice.

But what befell this province's financial industries befell others in oil-rich regions of North America. It happened in Texas, Oklahoma, and Colorado. It is a direct consequence of overconcentration of investment in one or two industries. The success of the financial industry, like most industries, is closely tied to the health of the economy. The fall of oil prices was out of our control, so it is unlikely that there was much we could have done to save some of these companies.

However, we can protect ourselves against future drops in oil prices by diversifying our economy, and we can see by the initiatives of this government that that is certainly being successfully achieved. Once that goal is accomplished, the likelihood that our economy would be so adversely affected by the fall of one single commodity would decrease. One might also argue that the reign of the smaller independent financial companies might be ending. It might be said that given a new environment of deregulation, the fall of these companies was inevitable. Smaller financial companies are being swallowed by huge conglomerates at high rates. That is the wave of the future, and there is little to be done to prevent it.

I would like to make one other point, Mr. Speaker. Something we as a government can do to prevent the kinds of losses incurred by some investors is to provide better consumer education. Too many victims claimed ignorance as a defence. Investors have to be better informed about the risks, and I think that is where we should be directing more of our efforts rather than towards another repetitive query into the fall of financial institutions. Again, this motion fails by not giving consideration to this very practical solution.

Mr. Speaker, I do not support this motion. I think of it as a waste of money and time and ask my colleagues to join me in defeating it.

Thank you.

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

MR. McEACHERN: Thank you, Mr. Speaker. The Member for Edmonton-Meadowlark raises a very good point and makes a good suggestion. I do have an amendment, which I'll introduce a little later, refining the suggestion a little bit, but it is essentially a sound and reasonable motion. I would also like to congratulate the Member for Edmonton-Meadowlark for his speech. He obviously very carefully crafted what he had to say and said a lot of important things this government has needed to hear. Some of those things, of course, I've said myself at different times in this Assembly or in the committees. The government really does need to stop and take stock of where we've been and where we should go, and that's why this motion is basically a sound one.

The Member for Calgary-McCall, who just spoke, said a couple of things I must take issue with. First, he claimed that the government is doing a good job, that the record speaks for itself over the last six or eight years. The number of companies that have gone under, the number of dollars it's cost, the fact that we're back to relying totally on the eastern-based banks again -- I don't know how he has the gall to stand there and say that. He says it's time to get on with the job of regulation, and it's not time for a study. Now, that I sort of agree with in a way, except that the motion doesn't suggest more studies on what regulations we need now. The motion is suggesting a long-term study of what's happened in the past and how you could develop a financial industry in the long term, and so it's not really geared to solving the regulatory problems we're faced with at the moment because of the collapse of the companies that have already gone by. I think we've got the information; I'm with the Member for Calgary-McCall there, that it's time to get on with tightening up the regulations, and I'll have some comments on that a little later.

The Member for Calgary-McCall also suggested that we're caught up in a world trend where big companies are swallowing up small companies. I say yes, that's right, and we're breaking down the four pillars of the financial world. And this government, instead of taking stock of it and taking a look at it and saying, "Gee, do we want this; what else might we do instead?" or "How might we protect ourselves from it?" are gung ho, saying, "Hey, great," and jumping in with the free trade deal and becoming part of it or making it easier for foreign corporations to take over small Canadian corporations. So I think the government hasn't really thought this thing through.

Now, Motion 216 promotes the kind of investigation we envisioned in this party when we put forward our suggestion of an economic council of Alberta. It was Bill 205, already introduced and discussed in this Assembly earlier by the Member for Edmonton-Belmont. In fact, I had introduced it last year, and our leader the year before that.

So I see this motion as a good one. I just think it needs a little refinement to bring up a particular point, one that I will suggest shortly. But this motion as it reads highlights some of the very major problems of this province, the problem that we've had in trying to develop and maintain a strong, locally based financial industry in Alberta. It looks like, Mr. Speaker, after all the failures we've had, we really don't have much choice but to rely on the eastern-based banks again. The rump that is left from what was once a North West Trust Company of some size, the credit unions, and the Treasury Branches cannot compete, or at least are not big enough to replace the fact that the five major banks pretty well dominate the financial industry in this province. So it means again that we are left without much control of our own economic future.

Motion 216 points out the difficulties, and the Member for Edmonton-Meadowlark spoke at some length on them. He talked about some of the economic factors that caused the problems, and some of those at least are partially beyond the control of the government. The real estate boom and bust was beyond the control of the government, although I've got to say that this government didn't help matters any by adding to it with their land banking at exorbitant prices and allowing people to flip properties in a hurry and raise prices without any kind of capital gains tax that would have perhaps cut down some of that speculation. So the government could have done some things about it and didn't. Instead they added to it by paying inflated prices themselves for land and becoming one of the biggest

landowners in the province, and they're now left with a mess called Alberta Mortgage and Housing Corporation that they don't know quite what to do with.

One of the other difficulties was the government's role, or lack thereof I suppose, in the regulation of these financial institutions under its jurisdiction. The provincial government was supposed to regulate the trust companies that were registered provincially, and of course it's obvious that they failed in a major sort of way to do that. The long list of failures I don't need to read, but it is a sorry record, and it shows that the government has not done the job. They ignored the Darwish letters, they ignored the Harry Rose letters, they ignored the Shortreed report, they ignored the Minister of Consumer and Corporate Affairs, Connie Osterman, when she brought forward some suggested tightening up of regulations, and now they're paying the price for that, Mr. Speaker. It's time they tightened up the regulations.

The government's response to those problems has been rather slow, to say the least, in terms of the regulations anyway. Yes, there's Bill 43 on the Order Paper, but what it basically does is split the functions of the Securities Commission into administrative functions and enforcement functions. And that's fine; that's a worthwhile thing to do. But you go through the Bill, Mr. Speaker, and you get to the section on disclosure and you find that there's been no change or no improvement in the disclosures required for trust companies, and you wonder why the minister would stop with this, what may turn out to be a cosmetic change -- you know, just changing names. So you wonder really if it'll have much effect. It may have. It may strengthen the regulatory role of the agency. But it hasn't changed the rules by which companies have to disclose what they're doing to the public or to the regulators. So the government has made very little really basic and detailed response at this stage.

The Member for Calgary-McCall also alluded to it, but the Minister of Consumer and Corporate Affairs spends a lot of time talking about educating consumers so they can be aware of all these barracudas that are out there to take their money. Okay, but that's a long and slow process. What's the government going to do in the meantime to actually protect some of the innocent people of this province? I submit that the government has done very little and, in fact, the government intends to do very little.

The Treasurer was asked the other day if he concurs with some of the changes suggested by the federal all-party finance committee to bank service charges, and he said: "Oh, no, no. The government shouldn't be regulating such things as that. They should just let the marketplace decide." Well, Mr. Speaker, I submit that some of the charges on credit cards and some of the bank charges are exorbitant. There's no real reason why the banks shouldn't submit to a reasonable set of regulations that the committee put forward; they're modest enough. They asked also that the provincial consumer and corporate affairs ministers and treasurers across the provinces also take a look at the trust companies they regulate and suggested they might consider doing some similar things. Now, if we're going to have a regulation of a freewheeling financial industry in this country, then we're going to have to have harmonization and co-operation right across the provinces and with the federal government, and obviously, this government isn't willing to protect the consumers of Alberta by joining with the federal people and seeing to it that we have a system of regulations in place.

Now, here we're just talking about a few little bank charges. But the same thing applies on a much bigger scale, and I await

the government's response to some of the initiatives put forward, again, by the federal finance committee in Ottawa on disclosure rules, which I already mentioned, or on who can own companies. For instance, the Member for Edmonton-Meadowlark mentioned that financial institutions should be widely held. Banks have a limit: no one person or company can own more than 10 percent of a bank. There should be a similar provision for trust companies. Now, to bring it in overnight would be hard, but I already suggested to the Treasurer another day in another debate that he should take a look at that. The federal people are suggesting a target of a maximum of 35 percent of a trust company held by any one company or person; that within five years they would have to divest any holdings of shares down to that level. I would suggest that it should go on in the next five years and bring it down to 10 percent, as the banks have it. After all, if the trust companies are going to start acting like banks, then they have to start being regulated like banks.

This government's response in the regulatory area has been very inadequate, as I've already pointed out. I guess I would add also that we're anticipating that the Treasurer will indeed bring in a Credit Union Act, and the proposals he's put out supposedly for discussion seem to be quite good. I would be very interested, though, in seeing if he does get around to tabling a Trust Companies Act. I certainly hope that he does, if nothing more than just to table it to let people have a look at it so he can bring it back in the fall or in the spring and give people time to react to it and perhaps revise it as or if necessary. I certainly hope he doesn't let this session go by without tabling some of his plans so that we can see what they are.

There has been another response, though not in the regulatory field, that I find interesting. The government, having watched the demise of all these Alberta-based financial institutions and now realizing that we're back to relying on the big banks from the east again, have to some extent been trying to fill the gap themselves. They've been running around giving out loans and loan guarantees in a rather ad hoc and rather strange manner that doesn't have any sort of plan, rhyme, or reason to it other than some desperate attempt to diversify the economy before free trade engulfs them. So I think it's time the kind of study that was proposed here be instituted.

Now, Mr. Speaker, the motion as put forward, as I said, is quite a good one. But in order to highlight a particular point of difficulty that Alberta has faced, I have produced this amendment. I would now like to pass out copies to the members of the House, read the amendment to the Assembly, and make a few comments about that.

MR. ACTING DEPUTY SPEAKER: The amendment is in order. The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. The motion sets up a commission, and I wish to just add an expression to what is the second sentence of the motion. I'll just read that second sentence and add my motion onto the end of it so that people get the sense of what it is I want to add. The second sentence of the motions says:

The commission shall report on the history of financial industry failures, present regulations, and an examination of ways and means to develop a strong financial industry in Alberta.

And I would add:

and to encourage that renascent financial industry, especially in its private-sector aspect to engage in the support and development of more socially useful investments than extortionate real

estate speculation and blue-chip paper from other, foreign jurisdictions.

Now, that sounds a bit wordy, but "renascent" merely means to revive or to grow again.

The basic point this makes is that the last boom in the financial industry in Alberta was based on real estate speculation that has done very few people any good, if you look back at it. In 1980-81 we had this great boom going, and real estate people fed it and the government fed it. It got totally out of hand and we've been in trouble ever since. Here we are, six to seven years later, still having financial institutions collapse like Principal Trust.

The other side of the portfolio of most of these financial institutions was based on foreign stocks. Now, it isn't that I've got anything in particular against foreign stocks. In fact, it wasn't a bad idea from the point of view of those corporations, because what they needed to do to convince the regulators that they were really legit and going to stay around for a long time was to have some good blue-chip stocks they could count on and say: "Look, we are really honest, legitimate financial institutions. We have these good stocks that everybody knows are good stocks." However, it was the real estate that did them in anyway, and of course it was a question of trying to get a balance between those two portfolios.

But, Mr. Speaker, if we're going to revive the financial industries in this province, we're going to have to find some other way or some better way than setting up financial institutions that get heavily involved in mortgages and buy a few foreign stocks to sort of convince the regulators they're okay and then call that a financial industry. Because that's exactly what happened in the last boom. And if this government has its way and things go the way they would like it we'll end up with another boom of the same sort based on this boom and bust sort of mentality -- it's a fairly common sort of pattern for hinterland kinds of economies that are based on natural resources -- and that's really where we end up. What we need is a much more diversified kind of economy.

I think, Mr. Speaker, that a commission that was setting about to study those kinds of problems could surely come up with something -- hopefully, anyway -- of a plan of action, a sense of direction we should be able to move in that would be more stable and more broadly based than the kind of boom we had last time around. That's why I add those words. It isn't to put down the motion in any way, shape, or form. It's a good motion, and it's the kind of investigation that our economic council of Alberta that we suggested be set up could undertake. So that's really what I'm suggesting they do.

Now, the Member for Calgary-McCall just mentioned the heritage trust fund, and I had intended to do that too. But I have a little different view of it than he does. It is true that the heritage trust fund has managed to help with some diversification in this province to some extent. Where they've had the most success is where they have very specifically targeted money, say, into food processing or something like that, or specifically into, say, tourism. But basically, the Conservative government has sat by and watched the oil companies rake an incredible profit out of this province of Alberta over the last 15 or 16 years. They have siphoned off some of it and put it into a heritage trust fund. But already with one bad year, Mr. Speaker -- one bad year -- in 1986, we now look at the balance sheet and find that the Treasurer is asking us for borrowing power up to \$7.5 billion.

The heritage trust fund claims, of course, that there's \$15

billion in it, which is nonsense. We all know that the deemed assets shouldn't be included. We all know that it isn't worth even the \$12.6 billion that they say it is, because of those losing Crown corporations that are part of that portfolio, and we have to keep feeding money in out of the general revenue account to make that thing work.

So, Mr. Speaker, I say to this government that they've had their chance with oil money. This very, very rich province and these people who are supposed to be such great money managers have blown it; the heritage trust fund is already blown. The balance sheet I just talked about didn't even take into account the fact that we have not funded our pension liabilities. If we did that, we would have no money in this province. We would be almost even, maybe zero.

AN HON. MEMBER: That's not true.

MR. McEACHERN: Well, that's what a balance sheet would show if you add the unfunded pension liability. [interjection] Oh, yes it is.

So the government is relying, I guess, on Treasury Branches, North West Trust, and the credit unions as the only sort of vi-

able western-based financial institutions to take on a job that they just don't have the resources to take on, and they don't know how to use the heritage trust fund to help. So, Mr. Speaker, I would say that this amendment added to this motion is something this Assembly should pass.

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

MR. HERON: Thank you, Mr. Speaker. In view of the hour, I will adjourn debate.

MR. ACTING DEPUTY SPEAKER: Having heard the motion by the hon. Member for Stony Plain, does the Assembly agree with the motion?

HON. MEMBERS: Agreed.

MRS. CRIPPS: Mr. Speaker, it will be the intention of the House to do second reading of Bills tonight.

[The House recessed at 4:27 p.m., pursuant to Motion 17]