

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, June 22, 1989 8:00 p.m.**

Date: 89/06/22

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

head: **COMMITTEE OF SUPPLY**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Members of the committee, order please. It is now 8 o'clock. I invite you to take your seats in the committee.

head: **Main Estimates 1989-90****Economic Development and Trade**

MR. CHAIRMAN: Order please. Members of the committee, we have with us this evening the hon. Minister of Economic Development and Trade, who will present his estimates, which are to be found commencing at page 99 of the main estimates book and page 37 of the elements book.

Hon. Minister of Economic Development and Trade.

MR. ELZINGA: Thank you very much, Mr. Chairman and colleagues. I thought what I would do, if it was agreeable to members of the Legislative Assembly in recognizing the importance that our department plays as it relates to the economic well-being of the province, is give you a bit of a brief overview as it relates to the economic climate within the province of Alberta and share with you our general thrust as it relates to the government and then close off with a few comments as it relates to our direct responsibilities as exhibited through the estimates for the Department of Economic Development and Trade.

As it relates to the economic well-being of the province, I think it's noteworthy to reflect on what our budget said, indicating that our province has led the country in economic growth this past year, and it's expected to do the same thing and exceed the national average in 1989. I don't say that based on our own figures; I want to reflect on what others are saying. If we look at what Stats Canada has said over the last number of days, Alberta leads the other provinces in Canada as it relates to retail sales. Again according to Stats Canada, unemployment figures are the lowest levels they have been since 1981. If we look at what Canada Mortgage and Housing indicates, starts May of this year over May of last year are up some 84 percent. A number of the major financial institutions throughout Canada are indicating that the economic prospects for our province are excellent and that the economic activity is improving dramatically. The Conference Board of Canada indicates that Alberta wallets are more plump because of the economic activity, that the economic activity is strengthening, and again that Alberta will lead the country in economic growth. The *Financial Post* had an excellent article as it relates to the business community within the city of Edmonton, whereby there is a new and positive atmosphere. I share with you those quotations simply because it's easy for us to indicate the strong and positive feeling we relate to within this province, but it's encouraging to see that others feel exactly the same way.

We live in a great and beautiful province, a province that has a considerable amount of strength and vitality. That strength

and vitality exists because of the partnership that exists within this province, whereby the individuals, the workaday Albertans, have a close association with their government. We've taken basically a threefold approach -- and the hon. Member for Calgary-North West has to bear with me because he heard much the same presentation that I gave to the Calgary Export Club the other morning when I spoke there. We've taken a threefold approach as a general thrust as a government, whereby our number one priority was to strengthen the economy, number two, to offer the strength of leadership, which our government and our Premier have given to the province, and then to exhibit throughout our province through our budgetary measures the caring attitude that we do have as it relates to people programs.

If we look at the economy, I don't think there is any disagreement. It has strengthened considerably since 1986. We look to the budgetary deficit that we did have at that time, the rationalization that we have involved ourselves in by creating greater efficiencies within government so that that deficit is reducing. We've turned the corner because of our added emphasis on diversification. The forestry projects are a fine example of that. Tourism, food processing: just a number of areas that we can point to whereby there is increased economic activity. As I indicated earlier, our province led the country in economic growth, and we're going to continue to lead the country. We've given a high priority to recognizing the importance that Albertans place on environmental concerns. We've increased our expenditures to education by some 5.5 percent, and we've continued with our excellent health care and senior citizens' programs. Even with that, we've got the lowest provincial taxes of any province in Canada.

Just as it relates to the second thrust, the strength of leadership that has been exhibited by this government, we look at the involvement of our Premier as the chairman of the Premier's council. It was through the initiative of this province and specifically our own Premier when he led the debate as it relates to the trade issue with the U.S. -- he's led the debate as it relates to Senate reform and constitutional reform. He's been a strong spokesman on a continuous basis for this province, and we can all be proud of the leadership that we as a province have exhibited on a national basis.

The third thrust: being a caring government. One only has to look at the budget speech that was presented by our Provincial Treasurer, whereby we do have a deep commitment to people programs; as I've indicated, educational expenditures increasing by some 5.5 percent, our commitment to seniors and health care, and at the same time doing our level best to reduce the budgetary deficit.

Mr. Chairman, as it relates to the estimates that are before us, I'm going to deal with them in a specific way, and I look forward to responding to what questions or thoughts are brought forward by Members of the Legislative Assembly. But it is important that we review our mandate and our theme within this department. If you'll allow me, sir, I'm going to read to you the mandate. The mandate is: to provide leadership in the co-ordination, development and implementation of the province's economic development and diversification strategy so that the short and long term well being of Albertans will be improved. As I've indicated to you with my comments earlier, that obviously has taken place within the province.

Within our own department, we have placed emphasis on diversification, investment, and trade. If we review the current economic climate, as we have done, we find that because of the

involvement of this department it has improved dramatically. We have involved ourselves specifically, too, with the economic diversification, and we have placed a great deal of emphasis on trade and investment. To go through those briefly, we find again that the growth within this province has been dynamic. The gross domestic of close to \$60 billion has Alberta as the third-largest economy in Canada. Alberta's economy grew by more than 7 percent, making it, as I indicated, Mr. Chairman, the fastest growing provincial economy in Canada.

It's important to note, too, that we are not only a young province in age of the province itself but in age of the population. More than half of our population is under the age of 30. The majority of our population is between the ages of 25 to 44, making our population one of the world's youngest populations. That attributes a great deal to the vitality of this great province. Our educational institutions are some of the finest in the world, whereby the institution in Edmonton here, the University of Alberta, is the second largest in Canada. We've got superb institutions. We've got a superb economic climate, we've been blessed with an abundance of natural resources, prime farmland, and our greatest resource, as is so often indicated, is the people themselves.

We're going to continue with that strong thrust of economic diversification as a key strategy so that we can put the many assets that we do have within this province to good use. We're going to build on our strengths. We're going to continue to use the heritage trust fund as a key aspect of our diversification proposals through its involvement with research, the Alberta Opportunity Company, and the Ag Development Corporation. As I've indicated, too, what has contributed so handsomely to our diversification is the competitive tax regime that we do have in the province of Alberta. We've got an extensive infrastructure also as it relates to transportation and communication. We've got world-class facilities in science and technology.

Mr. Chairman, to ensure that the momentum that we have created continues, on Monday we're going to flesh out a couple of programs that were announced in the Speech from the Throne and in the budget, those being the capital loan guarantee program and the interest shielding program for the small business sector. We had the opportunity some days ago to announce our community initiatives program, which is going to play a key role in helping smaller communities develop their own economic proposals as to what further attractions they can offer to get additional industry.

If one examines the investment in trade involvement of our department, we recognize again the importance that trade does play to our way of life in Alberta, because trade amounts for excess of 20 percent of Alberta's output. It accounts for approximately 250,000 jobs. Last year it increased by some 10 percent to over \$14 billion. You'll forgive me if I refer back to the Agriculture portfolio, because here it is so important that we have access to markets other than our own. Because if one examines what we produce as to what we consume, we export 80 percent of the wheat that we produce within this province, 70 percent of the beef, 60 percent of the pork, and 50 percent of the barley. Approximately \$1 billion worth of export sales creates somewhere in the vicinity of 19,000 to 20,000 jobs within our own economy.

I share that with hon. members to again stress the importance of us having those trade avenues to other countries. We're not going to simply put all our eggs in one basket, that being the U.S. market, because we have placed that added thrust on the

Pacific Rim, and we are going to work closely with the European Economic Community, recognizing that they will have a greater bond in the year 1992. I've got some specific figures here, Mr. Chairman, as it relates to the countries that we do export to and the commodities, but I'll not get into those specifics except to say that we as a province export to in excess of 140 different countries throughout the world. We're going to continue with that strong thrust, recognizing the employment opportunities it does create for Albertans and the increase in the quality of life that it does offer to the residents of our province.

Mr. Chairman, we recognize, too, that the private sector is the spark plug of this economy. We as the government do our level best to offer the kindling wood in the event that it's required. Let me indicate to the Legislative Assembly this evening that it is my desire -- and I leave you with the assurance that we're going to follow through with that desire also -- that we are going to start to pull back now from our recent endeavours of intrusion, whereby we did put together a number of financial packages for groups through loan guarantees and a number of innovative financial plans to help offset some of the difficulties that we were experiencing in the energy and agricultural sectors. But since the economy has improved to such a degree, it's now time for us to start to pull back in a major way. It's not my plan to continue on a fairly consistent basis with major loan guarantees for larger companies. We're going to place that emphasis on the small business sector, through our capital loan program that we're going to announce in a fairly extensive way on Monday and our interest shielding program, because the small business sector creates 80 to 90 percent of the employment within our province.

Mr. Chairman, I close by indicating to you the strength and the vitality that I feel within this province. We're a young province. We're blessed with an abundance of resources. We're a province of vision, hope, and opportunity. If you'll allow me just to share with you, as I've done on a number of other occasions, too, a story as to my family's involvement in this province. The hon. member . . . I can't recall her constituency.

AN HON. MEMBER: Gold Bar.

MR. ELZINGA: Edmonton-Gold Bar, whom my father always speaks so highly of because of all the occasions that she knocks on his door.

The reason I say that is because I'm going to relate to my parents. As a good many of you know, they immigrated to Alberta and to Canada from Holland because they viewed this province and this country as a province of hope and opportunity. And we in the younger generation have the stewardship and the commitment to make sure that that hope and opportunity does continue, because in the event that one is willing to put in the efforts, I think we have to make sure that the economic climate is such that they can succeed. I look forward to working with all members through the many programs that we do have to help our business community and the individual Albertan in achieving economic stability and greater economic output from the individual residents of this great province.

I look forward on a specific basis, too, to responding to questions or concerns that you as individual Members of the Legislative Assembly might have as it relates to our specific estimates.

MR. CHAIRMAN: Thank you, Mr. Minister.

The hon. Member for Edmonton-Kingsway, followed by Calgary-North West, and then Calgary-Glenmore.

MR. McEACHERN: Thank you, Mr. Chairman. I'm very pleased to stand up today and reply to the Minister of Economic Development and Trade, and I'd like to take this opportunity to congratulate him on his appointment as the minister.

I appreciate his opening comments, and I intend to reply in kind and hope that he will consider it and it'll open a dialogue between the two of us about economic policies and issues of the government. I'm going to divide my comments tonight into two parts: a general sort of statement answering some of the points made by the minister and outlining some ideas I have about the government's aims and policies, and then I'm going to swing more specifically to some specific questions in the estimates themselves. At first I couldn't help thinking that the Minister of Economic Development and Trade felt a little bit like he is the Treasurer in his opening remarks talking about the overall economy in the way he did. But I cannot fault him for that because I wrote the first part of my comments in much the same vein; in other words, a general sort of economic statement about policies and procedures of the government.

I would just comment on a few specific things that he said. He talked about Alberta leading the country last year in economic development, and I accept that. However, as to this year all the forecasters have been saying that this year we will be the lowest of all the provinces, right up until very recently. I will say that the words of the forecasters are more cautious now that the slowdown has not come as quickly as they expected. But they're still saying that it will. We are, after all, only into the first quarter of this year. Nobody, of course, wants it to slow down too much, except that we know that Crow, the governor of the Bank of Canada, of course is saying that the economy is still booming along and therefore he must worry about inflation and have that high interest rate, and that has its contradictions, so to speak, in terms of economic activity in this province.

I wasn't really all that impressed with the threefold approach that the minister mentioned. He talked about strengthening the economy and immediately referred to the deficit. Certainly if you want to talk deficit, I'll save that for talking on Treasury, but you can face a \$1.9 billion combined deficit for last year, 1988-89, and if you add the number of programs that are counted in the consolidated deficit, it's going to be \$2.3 billion. For this year we are now in, if the estimates of the government are correct, the \$1.49 billion deficit plus the \$141 million for the capital projects division -- you get \$1.63 billion, plus about another \$400 million to get into the consolidated deficit of the province. The consolidated deficit of the province this year will be around \$2 billion. You add those on to the accumulated deficit from 1986, and we're in a consolidated deficit figure by the end of this fiscal year of approximately \$10 billion, which more than balances off the assets we have in the heritage trust fund that are income-earning assets. So we are paying a price for some of the government programs and fiscal policies.

The minister also mentioned the diversification strategy, and I can't help saying, well, what happened on page 41 of the element details book in vote 5, where it shows that the economic development strategy has now zero dollars in it? But we'll pass over that fairly quickly.

Yes, the growth of Alberta, and the growth of Canada for that matter, has been fairly dynamic for the last six years, as Mulroney told us all during the election. Yet we needed a free

trade deal to have growth and a dynamic economy. We haven't had free trade, yet we had a dynamic economy. But my point in mentioning that is more: why have we not shared that wealth a little more fairly in our society? For example, the AISH grants, the money to the poorest people in the province who are least able to look after themselves, has not been changed in five years. So while the economy, the gross domestic product, has been growing, we have left the people the very least able to look after themselves and the very worst off people in our society at that same level while the rest of us have gone ahead. I might say particularly the members of this Assembly in the last five years: our income has gone up tremendously.

Those are in answer, more or less, to some of the things the minister said. I would like to say, though, that he mentioned the emphasis on the small business sector. I like that and just would caution him that I think it runs contrary to the kind of things we did with the pulp mill projects and the free trade. I'll make that argument, I think, in the context of the statements I put together before I heard his speech.

The Department of Economic Development and Trade has a myriad of programs to help businesses of one kind or another. I think of SBECs, the small business equity corporations. I think of the small business incubators. I think of Vencap. I think of the small business term assistance plan. I think of the foreign trade embassies that we have, the direct grants that we give out to various corporations, the loan guarantees that we give out, and that sort of thing. So there's a myriad of programs that the Economic Development and Trade department is responsible for. Most of these programs, Mr. Chairman, are the kind of programs that have the aims and objectives that are the type that we could agree to. They are trying to diversify the economy. Some of them are job creation programs. Some of them are to rescue industries that we don't want to see go under, like the glass plant in Redcliff. We have other programs to try to improve the upgrading of our resources. We have other programs to improve the export competitiveness of our products.

These are all good and useful aims, and some of them are good programs. And I wish to encourage the government when I think they're on the right track, but I also wish to point out some of the contradictions and paradoxes that I see in the government's economic policies. Some of the aims are contradictory to the overall policy that the provincial government has taken in encouraging the free trade deal, and sometimes also the government just falls short in trying to live up to its ideals in espousing some of these programs. I want to mention first that the most recently announced program -- and I want to compliment the government on this -- is the small business initiatives for Alberta communities program. I'll even take a moment to just read a bit from the program description put out by the government. On page 6 it says:

The Business Initiatives for Alberta Communities Program provides direct financial assistance on a cost shared basis to communities to enable them to develop and implement strategies to build on and enhance local business growth.

Mr. Chairman, that's a very excellent idea, and it's not unlike an idea that was put forward by the Member for Calgary-Mountain View in the New Democratic Party. He held hearings all across Alberta over the last year and a half and produced a statement called Community-Based Economic Development. So we see the initiative taken by the minister to be somewhat similar to the initiatives outlined in this document. For instance, just a couple of points from here to show the similarities.

"Fostering local community-based initiatives" is the heading that I find on page 5 of this document

The most effective long-term approach the provincial government can take to community-based economic development is one of putting in place the planning and co-ordinating bodies which will foster and assist initiatives at the local level.

Three such structural/organizational bodies are proposed by the Task Force.

They mention a provincial-level economic development council, a regional-level economic and social development council, and local development authorities.

So, Mr. Chairman, we see this program that the government has put forward as being somewhat similar to something that we were talking about, so we think, of course, that it's a good idea. I just hope that it's the seed that starts local communities to take control of their own economies. It is a seed which, if it grows, will give local people the idea that they should be the ones to make the main decisions about their communities, that they should be able to develop environmentally safe industries, industries that are going to be there in the long term, something that won't just be fly-by-night, rape a resource quickly and leave, and controlled in a more democratic manner, perhaps, than we're used to in our economy, where local elected officials, who can get involved in this program that the minister put forward, can have some say on the long-term economic development of the community. Workers and producer co-operatives and consumer co-operatives could get involved. So we see that the economy could come to start serving the people rather than people serving, say, economic interests of some outsiders. So I'd like to say that that's an excellent initiative on the part of the government, and we wholeheartedly support it. We hope that it grows and is much bigger than what the government has intended. The \$12,500 is very, very small seed money for that program, and we would like to see it grow into something much bigger.

Unfortunately, you have to contrast that program to another program that was really not a program at all but just a series of ad hoc announcements by the Premier just before Christmas giving away huge tracts of our forest industries to pulp mills, promising that the government would put up most of the infrastructure costs. The taxpayers, of course, will have to pick that up. We've given huge, huge tracts of land to huge multinational corporations. We've given them huge loan guarantees that are at some risk. If you look at what happened in the coal industry, the same kind of thing could happen to us in the forestry industry.

Of course, there's a lot of unknown environmental risks which have not yet been fully explored. In fact, that ad hoc policy, that series of announcements at Christmastime with an election agenda in mind, can be seen as the rape of the northern forests and the destruction of wildlife habitat. Mr. Chairman, you have to contrast that at one time the government is doing something positive for local communities and at the same time just walked in and took over a lot of communities in terms of their economic future and just said, "This is what you're going to get whether you like it or not." Then we end up playing the political game of trying to convince them they should like it, instead of sitting down with them beforehand and developing this forestry industry on a smaller scale, with local people involved in the decision making, so that you could build a long-term, environmentally safe, sustainable industry in those regions of Alberta.

Now, if that were the only program of the government that ran contrary to the small business emphasis that the minister mentioned, I wouldn't feel so bad. But support of free trade and the free trade deal also runs contrary, I believe, to the interests of local people in being able to control their own environment. The free trade agenda basically is saying that what's good for big multinational corporations is good for Alberta. Mr. Chairman, I would argue that point whether we're talking about Imperial Oil or whether we're talking about the big Japanese companies in forest projects, or if you're talking about the glass plant closure in Redcliff. Huge multinationals worry only about their bottom line. They do not worry about the people and the environment and the resources of this province. We've seen what the trade deal has done to the Redcliff glass plant, the 500 jobs that have gone down the tube, and we know what it's going to do to the beer industry.

Now, subsidizing local industries while selling out to huge corporations under the free trade deal is really just like trying to whistle into a hurricane. I mean you really get nowhere. You can hand out government money and encourage local production, but in fact if you've handed over to the big American companies -- now, I'll use the glass plant as the example. Suppose we had outbid B.C. and kept the Redcliff plant open instead of them keeping the Vernon plant open. Would we have achieved a lot? Well, yes; we'd have achieved five or 10 years of steady work for the people in that plant. That is very important; I certainly don't underestimate that. But meanwhile in the United States two big corporations have cannibalized by mergers and takeovers two-thirds of the glass industry in the United States, and it doesn't take a genius to see that five or 10 years down the road they are going to take over Enfield Corporation, which has just now decided to close that plant.

So, Mr. Chairman, you can subsidize local industries, but if your overall policy is one to put them at risk to foreign multinational control or takeovers, then you really are working against yourself. I see that kind of paradox and that kind of contradiction in the minister's words. He wants to help small businesses, but at the same time he says put them at risk to takeover by big corporations from outside of Canada.

Mr. Chairman, the department should review all its programs. You've got a new minister now, and he should look them all over. Some of the programs have been helpful, and some have not been so good. I think Vencap should be looked at again. I think the Alberta Opportunity Company should be looked at again. But particularly the SBEC program, the small business equity corporations: it should have been canceled a couple of years ago, yet we are still putting money into it. Now, not a lot, I agree; it's been going down. But that program was a failure, and the government for too long kept putting money into it after it was shown to be a failure.

The grants that this government hands out Mr. Chairman, to specific industries like Gainers and Cargill are an insult to the taxpayers who have to pick up the bill. Too often the recipients are just friends of the government or people who donate generously to the Tory party, and it gives a bad smell to politics in this province and makes all people cynical about political parties and political patronage.

So, Mr. Chairman, we have here a government that is willing to give everything away to the multinationals and yet pay lip service to local development and small businesses.

The free trade deal was supposed to secure access to the American market but it has merely given the Americans full

access to our resources. Unfortunately, with this deal going ahead, as it seems to be -- I don't have a lot of faith that we can stop it now -- there are two possible directions that the United States may take, and since we are integrating our economy into theirs, we need to take a look at those two directions and see what that means for us. Unfortunately, I don't like either scene. One possibility is that the United States will become even more protective than they've been arguing about becoming for the last two or three years. Now, the free trade deal, the unilateral trade deal with the United States, will supposedly get us inside that protectionist wall, but I do not fancy being part of a protectionist North America particularly. That would cut down our contacts with Europe and Asia and other countries.

The other alternative is that suppose they don't become protectionist. If they don't become protectionist, then that means we will be able to have all kinds of commerce with the Japanese and other Asian countries and with Europe. But the globalization process that is going on right now is -- we see it in the financial industries particularly but also now more and more in economic and commercial ventures. That kind of globalization is leading to a world in which a few multinationals, maybe 200 or 300, control almost all of the world economy. I don't think that's a direction we really want to go either. It means that very few people call the tune, usually in secret and with incredible amounts of wealth and power behind them, and make rules for themselves and live in an international world, that the rest of us hardly even know what's going on.

Now, Mr. Chairman, we do not have to get ourselves into that bind. That world that would be built by the big multinationals -- those big corporations are not interested in local economies. They're not interested in the preservation or creation of jobs. They're not interested in the security of tenure for employees. They're not interested in benefits such as pensions. They're not interested in the environment. They're not interested in national or provincial regulation. They're not interested in a decent health care system. They're not interested in UIC. They're not interested in social assistance. They're not interested in education. They're interested in the bottom line. Basically, they're going to look after themselves and their own growth. That's really about all you can say for them. For us to build a world where 200 and 300 multinationals control almost the whole economy of the world with no regard for national boundaries, with no regard for local conditions, is not the way to go.

Mr. Chairman, even if we end up with a protectionist North American version of this free trade deal, if that's the direction the United States chooses to go, within North America we will be competing with Mexican labourers at less than \$1 an hour. The interest will not be in improving the lot of the Mexican labourer but rather in lowering the wages and the benefits of workers in Canada and the United States to match that less than \$1 an hour wage in Mexico. So I do not like the only two possible consequences of joining the United States in a economic union.

Mr. Chairman, the world does not have to unfold that way. We can go back to the idea of local economies built by local people in a somewhat democratic manner -- or at least with some democratic processes and input from the population in general, with some input from the workers, with ordinary people making the decisions, in environmentally safe economic development -- long-term, sustainable industries that will be there for the next generation and the next generation so that we have

money to run our schools, so that we have money to run a fairer social system, a fairer health system than what we find across the border in the United States.

Mr. Chairman, that doesn't mean that we need to become parochial and provincial and say that we don't want to have anything to do with the international community. That's not what I'm suggesting. The social democratic parties of the world are international in their outlook. They look at local people and local concerns, but they also believe in a co-operative world generally and are quite willing to co-operate in GATT, the General Agreement on Tariffs and Trade.

There are certain fair rules that countries and provinces can have in place to restrict trade and to restrict commercial development. Simple things like if you compare Canada to the United States, the average prairie farmer has about 900 miles to get his grain to market to get it to a seaport, whereas in the United States it's only about 300 miles on the average because the Mississippi River goes right up into the corn belt of the United States. GATT allows transportation subsidies where they are "necessary and reasonable." I just quote that as sort of one example where the GATT negotiations are aimed at stopping too much protectionism from evolving in the world so that we don't get caught in a protectionist world like we had after the stock market crash of 1929 that led to the Depression. Nobody wants to bring that back in. But certain fundamental rights of local people to have local procurement policies to look after their local interests, for governments to buy from local people, for people to look after themselves first in a reasonable sort of way and then trade and co-operate in a worldwide arrangement of fair trading procedures and negotiations is something that makes a lot more sense than tying ourselves to the Americans.

I'll just leave that topic with one more thought. Foreign investment does not create many new jobs. We do not get much new foreign investment in this country. Most of the so-called foreign investment is really money we raise right here in Canada through the work of our people, through our banks through the savings of our people, through government giveaways to multinational corporations. In fact, we help foreigners to buy us out, and then we wonder why our economy is in trouble and we have these huge deficits at the federal level and now also at the provincial level. Mr. Chairman, we can build a more just and fair society, a society where the economy serves people instead of the people serving an economic machine which has only the bottom line as its aim.

I want to turn now to the estimates and be more specific about some of the particular estimates. I want to turn to vote 6 first, on page 42. There's \$25 million there for the small business interest shielding program of the government and I can't help asking the question: why bother? If you're only going to shelter interest rates over 14.5 percent you're not going to have to spend any money on this program anyway. I guess what'll happen is that some banks will say to a customer -- if the interest rate's around 14.5 percent he can say: "Hey, why don't you give me 18 percent? The government will pay it for you." Or no, I believe they put a ceiling at some 17.5, if I remember right. But in any case, it certainly isn't going to help small businesses any, so I suggest that the Minister of Economic Development and Trade just cancel that program, just forget it. It does not make any sense.

Vote 7, AOC, the Alberta Opportunity Company, has an \$11 million grant. That's part of the ongoing subsidy of Alberta Opportunity Company by the general revenues of the province.

This is on page 43 of the supplementary information element details, for anybody who wishes to follow it in there. And \$33 million for venture capital, for a total of \$44 million for the Alberta Opportunity Company. The Alberta company is pretty bureaucratic and pretty costly to run. We've suggested for many years, and I guess it makes more sense now than ever that they're getting more into the venture capital lending thing, that that program be run through the Treasury Branches and get rid of that bureaucratic bureaucracy which is so slow that most people who apply can't wait long enough to get the thing processed to get their money. The number of stories I've heard in the last two or three years of people that applied and then just gave up because the time ran out on them and they couldn't wait for the money -- it's not that they were told they wouldn't get it; they just couldn't wait for the year or year and a half that it took to process the applications.

There are some nonbudgetary items. For one thing, the \$33 million to Alberta Opportunity Company, plus on page 39, vote 3.3, the \$14.388 million in nonbudgetary grants. I'm wondering: why have we got into a situation where the government is -- I understand from these nonbudgetary categories that these are moneys that have to be spent this year because of some promise made last year or some anticipated promises made by government agents that are not directly controlled by the minister. For instance, in Alberta Opportunity Company that would mean the administration of the Alberta Opportunity Company will hand out \$33 million approximately, and so we here and the minister have to sort of okay that ahead of time for them to be able to do it. But it does mean that the decision to pass out that money is taken out of the hands of the minister. I guess that's probably the only way you can do it with the Alberta Opportunity Company, but I am concerned that the Economic Development and Trade department has \$47 million of the \$67 million total.

If you look at page 7 of the big book, you'll find at the bottom of the page that the nonbudgetary disbursements to be voted is \$67 million. You'll find that Economic Development and Trade has almost all of them. I guess I'm just wondering why this department has got into that business of handing out to somebody else the right to spend government money, which we then have to okay a priori. So that's something that the minister might like to address or comment on.

On page 39 of the element details there is a number of companies listed that have had money from the government over the last number of years. I looked back two or three years as well to see what other moneys they've had, which companies are not getting money now that used to get money, and so on. It really is a most extraordinary section. I don't really understand why the government gets into this business of handing out specific grants to specific companies on such a big scale that they actually rank a separate section in the Economic Development Projects financing. If you have a program, then let's say, "Okay; you've got program B, small business equity corporations, or the Small Business Term Assistance Fund Act," and then companies apply under that. But these guys seem to all have special categories. Now, does that mean they have special connections? XL Food Systems, for instance: I understand that a couple of former ministers of economic development and trade are prominent in that company. Fred Peacock and Hugh Planche, I believe, are directors. It makes you wonder. They had for 1987-88 a \$1.5 million allocation, and then according to the public accounts it wasn't spent. So I wonder if the minister

could tell us what happened there. In '88-89 they were given a \$1.5 million allocation. Was it spent or wasn't it? We don't know. Now they've got another \$1.5 million allocation. I guess I'd like the minister to update me on just what's happening with that company and why all these allocations and why at least the one of them was not spent.

There's EDO Canada; there's Glacier Ammonia; there's Gainers. Oh, our friend Peter Pocklington: another \$4 million to that loan, that \$12 million loan. Now, he got the first \$4 million, I understood, because he was going to do something like build another hog plant, I think, down in southern Alberta or something. Now he's getting the second payment, but I don't think there's any hog plant, if I understand right. There's actually a whole myriad of other things that Mr. Pocklington's gotten from this government but I'll leave those for the moment and just ask about this particular allocation. I believe it's a loan. In fact I know it is, because I've looked at public accounts and I remember the answers in the Assembly when we asked about this before.

MR. CHAIRMAN: Hon. Member for Calgary-North West

MR. BRUSEKER: Thank you, Mr. Chairman. I, too, would like to congratulate the minister on being appointed. I'm pleased to see we have a veteran in the cabinet, and I'm sure that with a little bit of guidance from the opposition benches, he'll do a most satisfactory job. [interjection] Well, we'll work on it.

Just want talk a little bit about themes that I heard as I was reading through *Hansard* from last year -- business development, trade, and investment -- I guess the three of those being important to the diversification of the economy; I think those are important kinds of things. I'm sure the minister already knows my predilection (towards education, and I don't see much in here towards education and helping the businessman sort of get tuned in as to the best things he can do in terms of promoting his business, so I would encourage you to keep that in mind as well, Mr. Minister.

We heard lots of rhetoric about the budget deficit. I'm concerned about it. I would echo some of the concerns that have already been mentioned. I'm concerned that we have an estimated deficit projection already near \$1.5 billion.

I think it's important the diversification strategy. What we need in this province and what hasn't happened is that we need to have a development plan more than simply energy and agriculture and some commitment to tourism. Not really sure what's going to happen there. We'll hear about that later, I'm sure, and also about forestry.

But I'm concerned, Mr. Minister, that what we don't seem to have is a real commitment to rejuvenation of the financial industry in this province. A question I would put to you would be: what is the government's plan to redevelop the financial industry? We've seen lots of them go down. I know that the former Premier, Mr. Lougheed, felt that a strong financial industry was very important to the diversification, and that was a strong plank in his political platform. It's gone down. We haven't seen a rejuvenation yet and my question is: what's going to happen there?

I'll go straight into the votes then. I think that would probably be the most straightforward kind of thing.

Vote 1, Communications and Information. I'm a little bit concerned that there's a cutback in there. It seems to me that if

we're going to promote the idea of openness and communication, et cetera, there should be an increase in Communications and Information. And I don't know; Policy and Planning seems to me something that . . . I'm wondering why there are increases in some areas and a decrease in Communications and Information.

Vote 2 is an area that I had the most comment on. I think there are a couple of very good initiatives in there, and I compliment you and your government, Mr. Minister. Specifically 2.1.2 and 2.1.3, Industry Development, Business Counselling and Development: I think those are exactly the kinds of initiatives we need to take. They show tremendous increase, but I suspect that the potential return there is tremendous, and I think they're dollars well invested.

Similarly in vote 2.2.2 and 2.2.3, Trade Development in the Americas and overseas: we're seeing an increase there. I think that's exactly the kind of thing we need to have.

But I have to question a little further down -- this is in the elements -- Petroleum Technology Training Centre: \$5 million budgeted there. I'm wondering if that's not redundant, Mr. Minister. I know the industry has all kinds of training centres. I'm not sure that's the wisest use of a half million dollars. In fact, I have a suggestion where it can go a little later on.

So overall Trade and Investment: an increase of 35.2 percent I think that's the right direction we need if we're going to get out of the deficit hole that this government has dug us into. This is the direction we need to take.

In the next section, however, vote 2.4, Financial Assistance for Alberta Business, I believe the previous minister made some commitments under Export Services Support. That this was the vehicle he was going to use to raise the total number of businesses that are involved in trade to 2,000 by the next fiscal year was going to be promoted under this support service, and I'm wondering if we're simply calling it by a different name. The next two. Market Development Assistance and Product Development Assistance: I'm wondering what's happening there. We see a decrease on one hand of \$900,000 -- 2.4.1 -- and yet in 2.4.2 and 2.4.3 we see an increase of \$900,000. I'm puzzled, quite frankly.

Small Business Incubators. Again, there was a commitment initially to spend a total of \$3 million over a space of three years. It seems now, according to what we see on this, that the total commitment now will only be \$2.5 million. Mr. Minister, I would suggest that the small business incubators are the kinds of things we need, again, to diversify the economy. We need to help the little guy get started.

I'm a little puzzled about 2.4.5, Small Business Equity Corporations. The member from the New Democratic Party suggested that this should be eliminated altogether. I thought it was a good program, and I was going to ask you why it's been cut back. As I understand, it was a reasonably good program, and it's been cut back 83 percent this year and 62 percent last year. I thought it was a good program.

AN HON. MEMBER: Yes, it is.

MR. BRUSEKER: Thank you.

I guess what I'm looking at is -- in the throne speech there was a specific reference to that Mr. Minister. It said in the throne speech: revised to ensure incentives are available for more investors. I don't see revising it as an improvement when you cut it down to less than a fifth of what it was. It seems kind

of contradictory with what was said in the throne speech to what we see here, and that doesn't jibe with what I understand it to be.

If I could go back to section 2.1, the question I have there, Mr. Minister, is that with the technology becoming more and more important in the future, I'm wondering how much of the money that's being allocated towards development of new jobs is going towards high-tech jobs. Now, I know that this could fall under the Ministry of Technology, Research and Telecommunications, but I think there is clearly some overlap here, and I would encourage you to put some of your attention and energies towards the development of high tech, because I think that's the direction we can go very successfully in the province.

I am a little puzzled as to what the difference is exactly on vote 3, page 39, on the difference between Budgetary and Non-Budgetary. Does Non-Budgetary mean grants? Does it mean repayable loans? I wish you could explain that to me. I don't understand why some companies are getting pots full of money and others don't.

Skipping over to vote 4, the only question I have there is that it seems a little unusual to require \$132,000 in administration to give away \$2 million, particularly in light of the fact that if you look at vote 6, in the small business interest shielding program the administrative costs are triple, but what they're giving away is 12 and a half times the amount. I'm wondering if we can pare back some dollars in there. Just a suggestion, Mr. Minister.

Vote 5. I have to echo the sentiment expressed by my colleague in the ND Party. I'm wondering why, when we talk so strongly about diversifying the economy, this says zero. Support for Economic Diversification Initiatives: zero. That just doesn't jibe with me with what the proposals have been.

Vote 6, Small Business Interest Shielding Assistance. Again, I spoke to a bank today; they said that currently interest rates are 14.5 percent. So that's going to leave you with very few people taking advantage of this program, Mr. Minister, which means you're going to have an extra \$25 million rattling around in your pocket. That's an enviable position in which to find oneself. The question I have for you then is: if interest rates fall below the guidelines as suggested, what do you intend to do with the \$25 million? Will it simply not be spent? Will it be used in reducing the deficit? Where might it go? I'm a little bit concerned about that.

I'm a little concerned also about some things like how did you decide on \$100,000? How many businesses are going to have a shot at some money in here? In other words, I would like some more details about the program. I guess those are coming out on Monday, so we'll have to wait.

Vote 7, the last of the votes. I'm pleased to see that you followed the suggestion by my hon. colleague from Edmonton-Meadowlark in his speech last year, that AOC needs more money. I think that's an excellent initiative. I'm glad to see that you guys listen in on the speeches. Well done.

I think \$30 million to help out small companies is excellent. I'm again a little bit concerned about how the program is going to work. One of the questions I had specifically is: how much of that \$30 million is going to go towards helping businesses come up with sound business plans? Do they just give them the money? The monitoring and so forth: I'm curious there. I don't want to have people being given a million bucks and say: "Here you go; have a good time; we'll see you later. Organize your chess tournament or whatever you're going to do, and away you go." [interjection] Oh, sorry. So I'm curious that we

make sure we get the best bang for the buck, so to speak.

Now, this is perhaps out of the scope of this, but in the annual report of last year I see something called Special Warrant, the annual report that was tabled in the House some time ago. Looking in the annual report, page 35, there's a column that says Special Warrant. The question that springs to mind there: are those grants, or are those loans? Will we get some of the money back? For example, Daishowa Canada, on page 35, got \$17 million. They were authorized that, and they spent it. That seems like a reasonable sort of thing to do. Will we get the \$17 million back again? Is it a loan, or is it a grant?

[Mr. Jonson in the Chair]

Related to the Alberta Opportunity Company, another annual report that was tabled in the House, and going back to the \$30 million: in reading through it, one of the things I would like to see in here, Mr. Minister -- and perhaps you can make a suggestion to that effect -- is it would be nice to see who got the money that was given by AOC, how much money they did get, and what it was for. In here there are a variety of numbers but not specific companies, and I'd like to have some more details. I notice in the annual report that if you do some rough calculations, basically we see that only one in three people who apply actually get money from AOC, and I'm a little bit curious as to why the one in three ratio. It seems to be pretty well preserved across the four years that are represented in the annual report, so I'm a little curious as to why that's working like that

Finally, Mr. Minister, I would . . . Actually, it's the second last point. I have sent a letter to you regarding something that I'm sure you are aware of, something called the Centre for New Venture Development. This is a program I'm sure you're aware of in Calgary, at the University of Calgary. The reports that I read about the centre are very glowing. Yet neither in the elements nor in the main document do I see any money allocated to this. The letter that I've sent to you . . . And I'll tell you right now, I strongly endorse the program. I hope that somewhere in here you can find some money to at least provide them some bridge financing. I believe they have sent you a five-year proposal; I strongly endorse it. We need this kind of thing in the province. Maybe the \$25 million that you're not going to need to support small business can go to these guys and help them out, okay? So a suggestion for you.

But I think the bang for the buck . . . Basically what they say in here, the report suggests that for every dollar that they spend, they get a reinvestment of \$16. Since it seems private industry will match government input -- basically for \$1 put in, the government gets \$32 worth of business venture out. I think that's an excellent return on your investment. I think if we could put our bank accounts into banks that gave us \$32 back for \$1 we put in, we'd all be stampeding to that bank. So I would endorse this program and encourage you to endorse it fiscally.

Finally, I'm sure that the minister heaved a great sigh of relief today during question period when he saw that I did not rise to ask him another question about Domglas. I would like to make a suggestion to the minister responsible.

AN HON. MEMBER: You had him on the ropes, Frank.

MR. BRUSEKER: Yeah, he was shaking there, I know.

I don't know if the minister understood my question yesterday, so I'm going to put it to him in the form of a suggestion.

I'm sure you're well aware that I think this company should stay open, and I have championed this cause a number of days in the House. My question to you yesterday, Mr. Minister, was really a suggestion. I think we should try and keep this company open. What I was suggesting to you in my question was that perhaps you could go down and discuss with the employees, the people who are actually working in the plant, if they're interested in buying in and having employee ownership of the plant. Now, that would entail money being input by the government, of course, in the form of loan guarantees, which is another point I need to talk about. There's more than simply a job issue here. There is the recycling issue, there is the environment issue, and there's the jobs and the security issue. And if the people that are in the plant are game to buy into it and take it over themselves, then that might be a way of keeping the plant open, keeping the jobs, and keeping the industry alive in the province.

One question that I had as well -- if I just might revert back to vote 2, section 2.1.7 on page 38, Capital Loan Guarantee Program, Administration: \$665,000. I guess my question on that, as I was looking at it, is that if we're spending that kind of money, I'd like to know: how many loan guarantees are there out there? To whom? For how much? How many have been defaulted upon? How many are we actually being asked to pay out?

So those are some of the questions I had, Mr. Minister. I think that sums it up. I look forward to your response.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Glenmore.

MRS. MIROSH: Thank you, Mr. Chairman. I, too, would like to congratulate the minister on his appointment, and I'm looking forward to working with him as chairman of the economic affairs committee. I'd also like to congratulate your staff on all their new, innovative ideas and the enthusiasm that they have shown us and all the MLAs on that committee. There are many, many projects under way, and we're looking forward to working with him to see them through.

It has been a priority of the Calgary-Glenmore constituents, and certainly of all Albertans, that this province does examine ways of diversification. We've seen in this province and witnessed over many, many years -- and experienced the roller-coaster effect with our economy -- severe inflation and then severe recession. Of course, our major industry has been related to oil and gas, but since 1986 we've witnessed a great deal of change and diversification. We've also seen a lot of investments and policy taking place through various departments: this department as well as Tourism, Energy, telecommunications and technology, forestry, natural resources, and others. It's good to see that working relationship with the different departments.

I expect that the minister and his staff have a strategy developed to encourage investment in this province, and investment, either local or foreign, is a crucial factor in Alberta's economic development. Alberta is on the move and has outlined a report of economic diversification news. Announcements with regards to the forest industry, the manufacturing sector, coal mining, high tech, petrochemical, et cetera, have been very reassuring to investors in this province. Alberta has placed considerable reliance on the infusion of foreign capital to supplement what is available with our domestic resources. The minister indicated the predicted percentage of foreign dollars expected in this

province, and I guess I would like to see a little more detail of the percentage that you expect to see with regards to foreign investment. Is it the intention of this government to encourage more foreign investment? Is the government becoming too involved with what perhaps should be the dealings of the private sector? The private sector creates investment opportunities and places investments in response to the market-driven aspect. How does our government tie in with the private sector in developing these initiatives to encourage the foreign investment?

Can the minister also outline the investment strategy of the province, identifying the priorities and the role of the department in implementing these specific strategies? How is the department developing a mechanism to attract investments and investment opportunities in the province? Are we becoming too involved in what the private sector should be doing? I'd like to also know: are there barriers in place regulating foreign investment?

As we are all aware, Canada recently signed the free trade agreement with the U.S. . . . Within Canada there are still many barriers in trade between the provinces. What is Alberta doing to reduce these barriers? And how is the department helping businesses, whether small or large, to understand and take advantage of our free trade opportunities?

I must also commend the minister on the publication of this magazine, *Venture*. It has been most helpful, I think, for small businesses, particularly in Calgary. People I've been involved with have certainly found this magazine to be very, very helpful in showing the diversification programs that are ongoing. I'd also like to commend the wealth of information available to Albertans in business through the library in your department and all the literature explaining various ideas, international investment promotion opportunities and challenges, outlining Alberta training services, the manufacturing index, information on financing small business markets and helping small business. And, of course, a major recent publication which I must bring to everybody's attention is the *Fashion Alberta* magazine. I would be remiss if I didn't bring this up.

I think the fashion manufacturing companies have really expanded in Alberta. I understand that this is a magazine that is produced by the department. I feel now that some of the manufacturing companies in fashion can probably be on their own a little more and probably don't need as much help from the government, although I believe that we should help them with their marketing programs. This magazine does outline the designs of clothing and jewelry manufacturing companies that are in Alberta, and a lot of people are not aware of this growing industry. The government has done a great job in helping business in these industries by exposing the names of designers, manufacturers, and so on, and I believe that we should continue to do this. I strongly believe in assisting in some small way at fashion trade shows. I think that's been a great exposure for these small businesses. Hopefully, we'll continue to do that. We're making great strides worldwide, I think, in the business of fashion.

The physical distribution of materials: there's another piece of literature on goods in motion. This is again a significant challenge for people in business. We in Alberta of course are landlocked, and the distribution of products and services is difficult. Issues such as free trade and transportation deregulation are really important in supporting the market of goods.

I'm sure the department is taking initiatives to help small business. I would like to ask the minister to describe the basic

parameters of the new small business interest shielding program and when it will be coming into effect. You yourself mentioned that 80 to 90 percent of employment in this province is dependent on small business, and I'd like you to expand on that program. Again, too, the new budget line item titled Capital Loan Guarantee Program under vote 2.1: if you could, Mr. Minister, please outline the parameters, as well, of this program.

I'd also like to again commend the minister and his department for all the new, exciting development that is occurring in this province with your leadership. I'm looking forward to working with you in developing these programs and continuing to communicate with our constituents throughout Alberta to let them know that Alberta is definitely on the move. We plan on expanding diversification programs, and I know that we will improve our economy. It's starting to happen now. If you could just elaborate on some of those programs, I'll sit down and let you speak.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Chairman. I also want to congratulate the minister for his appointment, his portfolio. As the Minister of Agriculture he did a fine job in working for this province and the people of this province. During that time I had a very close working relationship with you, Mr. Minister, and I hope it continues that way.

I also want to congratulate the staff in economic development: the deputy minister and assistant deputies, the executive assistant and all the other people, and also the people behind the scenes; that is, the people in economic development in Sterling Place. In the last term the government had a very close working relationship with the people there. They were always there to help, whether it be in the constituency or out in foreign trade and other areas. They are doing their job there, I can tell you.

What I want to do tonight, Mr. Chairman, is just outline a few things and sort of commend the department on some of the things that are happening in rural Alberta with regard to economic development and the help coming from the department. In my own constituency of Redwater-Andrew we've had a great amount of help from economic development in regards to food processing and other industries that are developing or are going to be developing. Whether it be some loan assistance, a few grants, or even business management help or starting up a business, the people are always there. I think the department's doing a super job in that, because anytime a constituent would come to me with some idea in regards to a project, I could always call on certain people in the department, the business development officers or business management people. They're always at your disposal and they are willing to help, and they do drive right out into the constituency and meet with the businesses there. I think everybody should be aware of that.

Like I said, just in one constituency we've had help in areas like food processing and a milk plant and a few meat processing or meat related. . . . Whether it be a sausage house or other areas, there was help from this government, and those people are very grateful to it.

We hear a lot in the House in regard to our forest industries coming up. Unfortunately, every one of us in Alberta can't have a forestry or pulp and paper mill in our constituency because it needs the raw material and they've got to be in areas where the

material is there. We have to live in that sort of a system. But let me tell you, the spin-offs are there, because my constituency, bordering Athabasca-Lac La Biche, is seeing some of the spin-offs already. A few little things are being looked at. A forest harvester assembly plant is being looked at in the constituency, and that's one spin-off. Another one, as was announced just recently, is the DuPont hydrogen peroxide plant in the Redwater area. That's going to create 300 construction jobs and 65 permanent jobs after it is in place. Whatever the opposition says or does, this is great for the province, and it will spin off to all other areas. This is just the beginning, and you can see a great future.

I think just a suggestion maybe -- I know the minister knows this and the department, but maybe to some of the others in the House. When people come with a proposal to this province, I think it's our job as leaders in this province and working for the betterment of the people to welcome these companies here and help them along. Give them the information; make them feel like they're at home. I know our minister does a super job at that. We've got to continue that, because I can tell you that meeting with some of these people, the first thing I'd hear is: "Well, you know, we were in British Columbia before the Social Credit government came back into power." Then they said: "The feeling was so negative there. We could meet with government people, and it was just always negative. They would not agree to helping or giving advice in any way." So a lot of these companies during that time came into Alberta. This government, I know, since 1971 has been a caring government, caring for the people of this province and welcoming these people. So this is why I think we're going to prosper. This government, I know, will be in power for the next 20, 30 years. My colleague here says 35. I agree with that wholeheartedly, and we will grow this way. So this is something, Mr. Minister, we have to keep in mind. We have to keep welcoming these people into this province.

Another area that's very important to us is trade development. We do have to trade. We're a province and a nation that have to trade our products. We have to sell them because we produce much more than we can consume, so we have to work with the North American market and also with the overseas', whether it be European or the Pacific Rim or others. I'm glad to see that there have been increases in trade development into the Americas, and I think the free trade agreement is part of that. It's just a win-win, because of a few things that have happened and the recent announcements of our food processing, our slaughter plants in this province. They are gearing up for this flow right across the border with no tariffs or problems in selling their product, because we're working into a 275 million-plus people market there. So you can see the potential there.

Another area where we have to work is the overseas market. In the last term of the government, back in late 1987 and early 1988, I had the pleasure of heading a trade delegation to eastern Europe, to the Soviet bloc. In 1987 it was an oil and gas trade show in Moscow. Our former colleague from here, Jim Heron, the MLA for Stony Plain, and I headed a delegation of 45 Alberta companies to a large trade show in Moscow. And let me tell you that Alberta shone at this show. The only competition we had there, out of 23 different countries, was probably Germany and France. So you can see the potential there, and the people were very receptive. As we know, the system there is that government is very important in negotiations. They would always want some government official to deal with these com-

panies. All it was was mainly a catalyst to introduce these companies to the right people there, and then they did their business on their own. During that show -- I believe it was for 10 days -- Alberta companies sold over \$250 million of equipment to the Soviet market; that was for oil and gas exploration and refining. I'm sure all this equipment is being built in Alberta. It was a deal with a four- to five-year period to build in.

Some companies went on joint ventures, and maybe a suggestion, Mr. Minister, that this is another area that you could look into, maybe more joint ventures with some of these countries, because they feel they would like to deal that way. But you can see from just one little sector of a show and promotion how much can happen, and that's why I think it's important to keep sending these trade delegations into certain countries. I know some are going into the Asian bloc and maybe into South America and other areas. Because let me tell you, the potential is there, but it takes people to do it. I'm glad to see that there's an increase in Trade Show Promotion, because this is how we sell our product, because everybody reads newspapers or watches television or whatever and the advertising is very important.

AN HON. MEMBER: I don't

MR. ZARUSKY: Maybe you should start.

But you can see it, if you promote a show well. And this is where, when I congratulated the department and people in the back scenes -- those are the people that organize these shows, go in there, set them up, and have everything ready for the companies and the government officials to come in and work on. So, Mr. Minister, I think this is very important, to keep this up and keep going.

Another area I see some cuts in is the Commissioner General for Trade and Tourism. I can tell you that we've got probably one of the best commissioner generals now that we've ever had because a former colleague from this House, Horst Schmid, is heading that commission. He is doing a super job out there, Mr. Chairman. And any place you go to -- I know in the Soviet bloc in eastern Europe -- we met with many government people and different departments, in trade and commerce and energy and oil and gas, and the first thing some of them asked was, "How's our good friend Horst Schmid doing?" So they know the name. I know there was some criticism when he did get the appointment, but he is doing his job out there. He's bringing, I think, millions and millions of dollars into this province. So, Mr. Chairman, I think we should make sure that this department continues and maybe give it some increased funding.

Moving into other areas: the Alberta Opportunity Company; I notice there's been an increase in funding. I probably have a little criticism on that one, and it seems like I've had some complaints from constituents that have approached AOC. They figure sometimes there's too much paperwork to it, or they need some help to fill out some of these forms. Maybe big business that's got a big staff can put financial proposals together better than a one-man business or a family business, a husband and wife. This is an area I think the minister or the department could look into and maybe streamline it a little better, where this money would be accessed easier and help some areas where people do get frustrated and maybe just leave it and don't bother anymore because they get turned off by all this paper that's thrown at them and "fill this out" and "fill that out."

Another program that I just want to comment on was our

small business equity program. It went over very well. It was introduced, as we all know, in the summer of 1986; I think to the tune of \$1.1 billion. A lot of businesses in this province benefited from it, small businesses which employ, I believe, 75 percent of our people in this province. They were very pleased with it, and many have asked me over and over, "Why doesn't your government come in with this program again?" I think, Mr. Minister, you could probably comment on that.

Other than that, once again I just want to congratulate you and the department for the super job you're doing overall.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Chairman. I, too, would like to take this opportunity to congratulate the minister on his appointment. In the past it's always been a pleasure to sit across the table from him in the process of development of programs and the likes. He's always most cordial, and certainly most receptive. Now I look forward to the opportunity of sitting alongside and perhaps doing the same type of program development. I know that through the leadership of our worthy minister the economic development of the province is going to be unprecedented, and certainly we'd like to be part of that, Mr. Minister.

AN HON. MEMBER: We have to breathe in here too, you know.

MR. PASZKOWSKI: I meant the minister is what's going to create the economics, not the opposition here. He's positive, and it's positiveness that really develops programs and gets things moving.

We've had two major recent developments that are probably going to impact the economic opportunity and the economic viability of this province more so than has happened at least in my lifetime, I feel. One of course, is the advent of the free trade. I think this is an opportunity -- well, I know it's an opportunity -- that we're going to have to develop. Free trade is nothing more than an opportunity, and that's the way we have to treat it. We're going to have to place all our efforts and all our direction in enhancing the opportunities. Much of that, I feel, is going to take place through our own initiative and through our own development. I think it's very key and very fundamental and very important that we send a large and well-directed task force into the United States to seek out the opportunities that exist, and then come back to our people in Alberta and communicate the exact opportunities that are there. I know that with the people and the initiatives that we have within the province we will fulfill the opportunities that are there.

With the quality of staff we have, I feel very confident that we're going to be able to utilize and maximize the opportunities that free trade is going to present. I think the important thing: this is a once in a lifetime opportunity, and if we indeed don't pick up on that, the Americans will. The Americans are going to come back and market products that we could be marketing to them; they'll be selling to us. And so I think this is a very key and very important time. I think it's time that we all come together and work towards the development of the prosperity of this province.

The major strength that I see, Mr. Minister, is in the development of small niche markets. We don't have the capabilities in

Alberta, other than perhaps forestry products and one or two other major industries such as the red meat industry. I think what we really have to key and cater to is the niche market, and that, of course, falls into the small business development as well. I think between the small business development programs that you have initiated and are developing and the niche markets that we have developing in the United States, we can put together a very successful program.

I know in my travels through my constituency I had many people comment on the interest shielding program. The fact that you are shielding it to 14 percent seemed to be very much of an incentive to them, contrary to some of the comments that were made, that indeed, if it's 17.5 percent, so what? If you're in business and you are a businessman, you know what 17.5 percent would be and what shielding it down to 14 percent does to you; it actually makes a viable operation out of something that would not be viable. So I commend that. It's certainly been shown as a very, very astute program in my constituency, and the constituents are very supportive of that, Mr. Minister.

The other area of suggestion I would like to make is that perhaps we should lower our sights a little. And I don't mean by that -- I mean come down in age and start dealing with our youth as far as development of programs is concerned. I think what we should really do is come together with career development, and I mentioned this to the other minister the other evening. We should develop a program in conjunction with career development, in conjunction with education, and in conjunction with economic development where we start career opportunities at school age, where we start business incubators, business generators, and business development centres in grade 10, where the youth of the country can start learning how to be businessmen as part of their education system. I think economic development can play a very important role in this, and I would see that we could really start a change in our whole direction as far as our youth is concerned. I would hope, Mr. Minister, that your department will consider becoming involved in those types of programs at the school age level.

We have several major opportunities. I'd mentioned we had two main opportunities. One is free trade, and the other one, of course, is the advent of our forestry development. We have many opportunities that we have not had before, and we're in the process of utilizing them, primarily the use of aspen, which has been a weed in the past and has had no particular use. As a matter of fact, we made a lot of smoke out of it and that was about the only use we ever had for it. Now with the advent of a use for this previously unusable product we have an opportunity that we have to pick up on. This, of course, can develop in many areas, including R and D. We have a lot of innovative people in Alberta that by providing the atmosphere and a little bit of support I think, through the advent of the R and D industry, can flourish in Alberta. So I would hope that there is an open mind and an open ear to the people who are developing projects in the forestry industry, and there are many -- a whole gamut the whole multitude.

I think the other thing is that we should maximize the use that foreign investment provides us at the present time. There are foreign investment dollars out there, and I know your department Mr. Minister, is working very closely with them. I would like to encourage them even more so to try and bring in the money that is available out there, bring it to Alberta and develop the industry that will even enhance and improve our opportunities.

The last item I would like to touch on is an area that I'm fairly familiar with, and that's the Oriental potential. I think we've got some areas we really haven't touched, and that's the Taiwanese market, for example, and the tying-in with the whole Taiwanese country. I think the Oriental market is still a sleeping giant. Though we've achieved a great deal and we've worked very hard in that area, I think, Mr. Minister, there is still a lot of room for opportunity in that particular part of our world.

With that, just in closing, Mr. Minister, I'd like to encourage you to keep doing what it is you have been doing. I think the shielding programs, the programs your department has, are certainly enhancing the opportunities. With that, I would like to wish you well in your new portfolio. I know you will do well.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Athabasca-Lac La Biche, followed by the Member for Calgary-Mountain View.

MR. CARDINAL: Thank you very much, Mr. Chairman. I'd like to take a moment to first of all congratulate the minister. I'm sure he'll do a fine job in representing us and delivering for the province.

I do have a concern when it comes to economic development in the province. The concern is that we do have some regional disparities yet in this province. I've been addressing these in the Assembly for the past two weeks now, identifying areas of the province that are not so fortunate to be developed as the rest of the province, and that's basically north, within the Canada/Alberta north development boundary. There are areas there that are not as fortunate to be developed.

I would like to take a moment again to commend the government and the minister for the plan of the regional economic diversification for the province, especially in the area of forestry. Finally, with this move, with this government, I believe some of the regional disparities that exist may be looked after, unless the opposition that's working so hard to cancel this project succeeds. Otherwise, I think the plan of looking after some of the disparities will move in the right direction. So I support that fully.

The other area is the community economic development program. Again I commend this government for, I guess, responding to requests that have been made by regional economic development councils from Alberta. I know the opposition member here just a moment ago said that they had come up with this plan, and it's their idea. I think that's wrong, because I don't think it's this government's idea or the opposition's. I think this government is responding to something that's been addressed by regional economic development councils in the past years in Alberta. I sat on an economic development council for about four or five years, and the one area that we've been recommending is to get some funding from the government, at least on a cost-shared basis with the municipalities. I don't think we should discredit these economic development councils, because they work night and day over there trying to figure out how they're going to survive. I know recommendations have been coming from them to fund these projects, and it's almost identical to the way this government is responding as far as funding with the \$12,500 per municipal council for a community under 10,000 population. I know that will look after a couple of the regional economic councils in my constituency.

The other area, though, I would recommend to the minister to look at seriously as part of the funding package to the com-

munities and municipalities is to ensure that there is some long-range plan in economic development, possibly even making a condition to the grant that long-range economic development plans would be developed for these communities and municipalities, possibly five- to 10-year plans, and along with that, promotional material to ensure that these communities are promoted, which again will assist the Alberta department to develop an overall economic action plan for the whole province.

The other area I know that's lacking -- and I think this government should address it -- is the need for regional heavy industrial parks. Presently we only have a few in the province, and especially in the north. The closest one we have to my constituency is situated in Slave Lake and is doing very well. I could see more regional industrial parks established in northeast Alberta. I think that's something this government should seriously look at.

The other area, although it's not under his jurisdiction or department but is in the same area of responsibility, is the Canada/Alberta northern development agreement. Presently that office and the operation are situated in Peace River. It covers areas in my constituency, which is northeast Alberta, and it's about a six-hour drive to Peace River. Again I feel we do have regional disparities as far as representation of that nature, and I think the minister along with the other minister that's responsible for that area should seriously consider opening up a northeast Alberta office of Canada/Alberta northern agreement, because if you compare the two areas, I think we have more unemployment in our area. We have more people on welfare, and we have a lot less services from the government.

In closing, again I'd like to commend the minister. I'm sure he'll do a good job for us.

Thank you.

MR. DEPUTY CHAIRMAN: Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. First of all, I'd like to congratulate the new minister on his recent appointment from his previous portfolio as Minister of Agriculture. I hope he finds this one as challenging as his previous portfolio.

There are a number of important elements and issues inside of his department's funding and financing this year, so I'd like to just highlight a couple of those in the form of some questions I'd like him to answer in his concluding remarks.

I notice, for example, under program vote 2.4.1, Export Services Support. Now, my understanding, Mr. Chairman, is that this a program that, in the course of things, is being wound down, and probably for good reason. Nevertheless, there's been a significant amount of money expended in the past years, and this year proposing to spend \$1.5 million. Now, what I would like the minister to do is give us a commitment tonight that the funding of companies under this program will somewhere and at some time be tabled in this Legislature and made public, so that we'll know what companies received help under this program, what was the help for, and what was the success or failure of those programs; or those companies given the support that the public is voting here to assist them. I think it's an important principle that this information be made public. I know the minister likes to issue numerous press releases from time to time when announcements are made. Why should companies receiving help under the export services program be any different?

My second comment, Mr. Chairman, is related to vote 4, International Assistance. Once upon a time this government was a leader across the country. In fact, I think it was this government that started a trend across Canada whereby provincial governments supported the donations that their citizens made in the whole realm of international development. We were once the leader in Canada, not only in starting and initiating this program but also providing funding for it. It one time was as high, I gather, if my memory serves me correctly, as in the order of \$7 million a year, and that was simply to match the generosity of our private citizens, which in turn, Mr. Chairman, was funding that was matched, in many cases, by the federal government. So what it did was enable nonprofit international assistance associations and societies to raise money and do their good works elsewhere in the world. That was supported and encouraged in a very real way by our government.

It seems to me a shame that that program has been virtually gutted and bears no resemblance to the program we had in this province even a few years ago. We're still a wealthy province, and our citizens are still generous. It's a shame to me that there doesn't seem to be any political support in this cabinet or in this government for this very worthwhile program. I think it's a real shame and a real tragedy that in times of some difficulty in our province -- I recognize that: some difficulty -- nevertheless we're turning our back on people who don't even have a fraction of what we enjoy in this province. Meanwhile, our citizens are every bit as generous as they used to be, and it's just this government that's not slapping these organizations on the back but slapping them in the face, and I think it's a real shame.

As well, there's been a study -- and the minister should be well aware of it -- a couple of years ago that significant amounts of this money are spent inside the province of Alberta. So it has a direct economic benefit to our own communities and our own province and our own people. As well, this program opens up trade and export opportunities and contacts for this province all over the world in a very real and very direct way through the nonprofit sector. Where people are installing wells and providing infrastructure in countries around the world, they're using technology from Canada. The minister is well aware of the studies that have been done to demonstrate that this is a significant generator of income and economic growth for our own province, while at the same time doing good work for people around the world.

The third point I'd like to make in my opening comments this evening, Mr. Chairman, has to do with the Commissioner General for Trade and Tourism. There is in this program, vote 2.5.1, [\$443,763] to support the commissioner general for trade and tourism. Later on we'll be coming to the Department of Tourism, and we'll be asked to approve, as I gather here, another \$150,000 for this one office, this one individual. I picked up the RITE directory, and I don't know to what extent the information in the RITE directory is accurate, to try and find out how many people might be working under this program that might be able to spend close to \$600,000 in one year. I found one name listed, Mr. Chairman. One name listed, and we're being asked to support that one individual to the tune of \$600,000. I'd like to know how it is that we can be committing \$600,000 to one individual. I don't know. I mean, I've heard of patronage, but I just don't understand where that money is going, how it's being spent, and how it's being accounted for to this Legislature.

A previous speaker said that this hon. gentleman has brought

millions of dollars to this province. Well, I know one of the projects he was associated with. That had to do with the Global Chess group. The Minister of Tourism and all members of this House well know the questions I've been asking about that particular project. But yes, this commissioner for trade and tourism had his antenna out and was one of the early people involved with the bringing of those people to this province. So, Mr. Chairman, I think the Minister of Economic Development and Trade owes us a fuller explanation as to how one individual can spend close to \$600,000.

Mr. Chairman, that brings me to my fourth point. I know that we've seen lots of extravagance in this Legislature, but there's one here that, quite frankly, mystifies me. I had the occasion to check with Consumer and Corporate Affairs to try and determine who were all these companies that we're being asked to support under vote 3, Financing, Economic Development Projects. There's some very interesting ones in terms of -- though you can see them listed. Some are from New York, some are from B.C., others have their chief shareholders, it seems, in Utah. But there was one that mystified me totally: 3.3.10 is Tycor Electronic Products Limited, a million bucks nonbudgetary expenditure.

Mr. Chairman, I checked with Consumer and Corporate Affairs, and as late as today I got it confirmed in writing that Tycor Electronic Products Limited -- I would like to share this information with all hon. members -- was originally incorporated in the province of Alberta as 206866 Alberta Ltd., and on June 12, 1980, changed its name to Tycor Electronic Products Limited. On March 31, 1983, it changed its name back to 206866 Alberta Ltd. I got the registered office, the directors, and shareholders. But I came to a very interesting piece of information. Under "Status" -- this is from the Alberta Corporate Registry under Consumer and Corporate Affairs at the John E. Brownlee Building:

According to our records the above noted corporation has been struck off the register and is deemed to have ceased to carry on business in the Province of Alberta on February 1, 1986.

Other Information:

Reason for Strike Off: Failure to continue under Section 261 of the Alberta Business Corporations Act.

Now, I don't know, Mr. Chairman, if there is anything more up to date than what I got on June 22, 1989. But to the best of my information, this is the status of Tycor Electronic Products Limited. With that in mind, Mr. Chairman, I have an amendment which I would like to distribute to all hon. members in the Legislature, please.

Mr. Chairman, I'd like to move that the Economic Development and Trade 1989-90 estimates vote 3.3.10 be deleted to save Alberta taxpayers a \$1 million . . .

MR. DEPUTY CHAIRMAN: Excuse me, hon. member. Could we just pause a moment until everyone has a copy of the proposed amendment?

MR. HAWKESWORTH: Mr. Chairman, perhaps just for the record, inasmuch as I quoted from it, I could file with the Table officers copies of the information I received this afternoon.

MR. DEPUTY CHAIRMAN: Excuse me, hon. member. Filing should be done in the House.

MR. HAWKESWORTH: Okay. I just wanted you to be aware that I did in fact do this checking and the amendment is based on the best possible information available to me today.

MR. DEPUTY CHAIRMAN: The amendment appears to be in order. Proceed.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'd like to read the amendment into the record:

That Economic Development and Trade 1989-90 estimates vote 3.3.10 be deleted to save Alberta taxpayers the \$1 million nonbudgetary expenditure proposed in that vote, as Tycor Electronic Products Limited, having been struck off the Corporate Registry register, is deemed to have ceased carrying on business in the Province of Alberta on February 1, 1986.

Mr. Chairman, my point is quite obviously this: how can the Legislature be asked to give money to someone that doesn't exist? How can we be asked to vote money, in this case \$1 million of the taxpayers' funds, to a corporation that has been struck from the Alberta Corporate Registry? I've seen some extraordinary things in this Legislature and I've heard some outrageous things being proposed, Mr. Chairman, but I really must say that I have never heard of a government asking for the authority to give out money to someone or something that doesn't exist. I don't know how it could be in order that they would ask such a thing, but nevertheless there it is in front of us on page 39 of the supplementary information element details, and I would just say to all hon. members that I am at a loss to know what else to do but to draw it to your attention and to bring forward this amendment.

Thank you, Mr. Chairman.

MR. TANNAS: Mr. Chairman, if we're going to speak to the amendment, I don't know how the hon. member can say that a company does not exist. It may not exist as a limited corporation, but it may continue on as a partnership or as a single proprietorship. That's quite a common thing, for an organization to go as a listed number and then a name and then, perhaps because they want to restructure their company, to go back and drop the corporate responsibilities of annual reports and the like and go back to being a proprietorship or a partnership of several partners.

MS BARRETT: Mr. Chairman, I speak in favour of this amendment. I recall -- I believe it was March 14, 1979, so 10 years and a few months ago -- the then energy minister, now the Premier of Alberta, said in this Assembly, "What's a million?" Mr. Chairman, I think "What's a million?" means a lot of money to a lot of people, and if the minister doesn't have his facts straight and his researchers can't do the job right, then he shouldn't come to this Assembly asking for expenditures of \$1 million that can't be accounted for.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Kingsway on the amendment.

MR. McEACHERN: Thank you, Mr. Chairman. I think the problem with the company, whatever the registration existence of it, if it does or doesn't exist, is how one is to know who it is we're giving the money to and what the circumstances are for. We've certainly had no explanation from the minister. How can a company that doesn't register under the Alberta Corporate

Registry receive money from this government? I mean, that is totally ridiculous. A company to do business with the government should be a registered company in this province. I suppose they can exist outside Canada. The statement does say that they are not registered in Alberta, so they might be registered in the States. Or where? Saskatchewan or somewhere else? What are we doing giving them \$1 million of Alberta taxpayers' money?

I just wanted to point out, Mr. Chairman, that the change of \$1 million in this budget on this page would necessitate some other changes in the budget. On page 39 itself where the \$1 million is noted, if you go down to the bottom of the page, the nonbudgetary total would become \$13 million, not \$14 million, and over on page 43 you would have to change \$47 million down to \$46 million.

MR. DEPUTY CHAIRMAN: Hon. member, order please. I would request that you confine your remarks to the amendment I did not find . . .

MR. McEACHERN: I was talking about the consequences of the amendment. For heaven's sake, that's totally relevant to the . . . If the amendment is to be accepted, which it should be, then there are some consequences to that and one needs to know what they are. That would mean also, then, that on page 7 of the main budget estimates, instead of \$67 million in the nonbudgetary disbursements to be voted, we'd have only \$66 million.

Mr. Chairman, it's totally ridiculous that this government doesn't get its act together in terms of handing out grants. So with that, I would just indicate that I intend to support this amendment and would urge all members to do so.

MR. DEPUTY CHAIRMAN: The Member for Banff-Cochrane.

MR. EVANS: Thank you, Mr. Chairman. Speaking on the amendment, I trust that the members of the opposition are aware that dissolution of a company can occur for such innocuous reasons as failure to file an annual return for two years. That's why the provisions of the Business Corporations Act -- and I would refer them specifically to section 201 -- provide for a revival method. It's a very simple process. If a corporation is dissolved under this part, any interested person may apply to the registrar to have the corporation revived. This is not a serious matter. It's merely a procedural matter. This is not a serious matter. It can be dealt with very readily through the Alberta Business Corporations Act, and I'm astounded that the members in the Official Opposition are not aware of this process.

MR. McEACHERN: I just want to read the exact statement on the bottom here again, Mr. Chairman. I don't think . . .

MR. DEPUTY CHAIRMAN: Hon. member, just please start following the procedures of the House. You have to be recognized before you proceed, please.

The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you. It says here specifically that the status of this company is as of June 22, 1989:

According to our records the above noted corporation has been struck off the Register and deemed to have ceased to carry on

business in the Province of Alberta on February 1, 1986. If they are not carrying on business in this province, then why are we giving them money?

MS M. LAING: Mr. Chairman, it may be a minor matter to the member opposite, but if in fact they can't keep their heads about them and be registered on time, how on earth would they be able to handle \$1 million and work with our funds? I mean, come on. What about accountability and good business practice and knowing what you're doing?

MR. ELZINGA: Mr. Chairman, as I'm sure all hon. members will expect, I'm suggesting that we defeat this ridiculous amendment, the reason being -- and I will check tomorrow with Consumer and Corporate Affairs to make sure our information is correct -- that had the hon. member done a little more thorough job of his research, he would have found that it is registered under Tycor International Inc. As I indicated to the hon. members, we will confirm that tomorrow. I can appreciate that they like to involve themselves in a little skulduggery, and we understand that because that's the tradition of the New Democratic Party.

If the hon. member was serious about this issue, he would have had the courtesy to alert us. We recognize that he's not very serious about it, and because of that I would suggest to my hon. colleagues that we do away with this amendment and support this company which does play such an important role in the expansion into sophisticated aerospace and high-technology international markets. For that reason, Mr. Chairman, we are going to be voting against this amendment.

MR. DEPUTY CHAIRMAN: The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I think it's important to note here that the collective business acumen of the Conservative Party is responsible for dragging the province and the people of Alberta into debt almost in excess of \$10 billion in only three years.

AN HON. MEMBER: It's four years.

MR. FOX: Well, almost four years. Okay, okay. What's a billion?

In fairness, though, this motion proposes that we delete an expenditure to a company that is deemed to have ceased to carry on business since February 1986. Surely under whichever Act they care to reregister themselves, they could have done it in the more than three years that have passed since that time. If the hon. minister would like to pass it off as being a company that now carries on business under another name and with some other purpose, perhaps he would have known that in time to put it into his estimates book, which was published only a few weeks ago. I think this is indicative of a sloppy approach to business reminiscent of the litany of loan guarantees and grants given to their friends in business over the last several years without anything in the way of performance guarantees that ensure that in return for money advanced or invested -- which we on this side agree can be a good process at times -- the people of Alberta would be guaranteed some reasonable performance in return and perhaps even a share of the investment.

I think if the minister wants to convince us to vote with him against our member's amendment, he should perhaps tell us: Who are the principals involved in this company? What are

their activities? How much money have they donated to prominent Conservatives in the last election, for example, so that we can be convinced? Because we'd like to give the benefit of the doubt, Mr. Chairman, but it's pretty difficult when we see this kind of shoddy process.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I rise to support this amendment. I believe this is an extremely embarrassing moment for the Minister of Economic Development and Trade, to be exposed as he is in front of his back bench, in front of his cabinet colleagues, in front of his staff members in this way. It is bad enough, I would say, that he was asking us to vote originally for a million dollars for a company that doesn't exist, but what is even worse, and what I find to be even more difficult to accept, is that: one, having been made aware of the problem in his estimates; two, having acknowledged to this House that he is aware of that problem; and three, having acknowledged to this House that where the money is in fact designed to go is to a company of quite a different name, he is still asking us to vote for that vote 3.3.10. It isn't possible for us to do that. It isn't possible for any member in any seat in this Legislature to do that. We are being asked to vote, to put money in a place where the minister himself is saying it won't go. It is impossible for us to do that, and for him to ask us to do that is completely and utterly unacceptable, has got to be embarrassing for him, and certainly cannot be met with the support of his back-bench MLAs. This is a very, very serious matter, and anybody over there who votes for it is voting for a lie.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Just one last observation. This department is asking for a total of close to \$118 million. That's a lot of brainpower we're being asked to buy here tonight. I can't believe, given all the money that's going into this department, that they don't have the basic expertise to do such a simple thing as to get the right company's name on the budget books in asking for our particular vote in this Legislature. We're not being asked here tonight to give money to Tycor International Inc.; we're being asked to give it to Tycor Electronic Products Limited, a company which no longer exists in the province of Alberta.

MR. MITCHELL: Mr. Chairman, given the circumstances this minister finds himself in, I believe there is probably only one solution to his dilemma, and that is that he rise now -- and believe me, I don't find this to be particularly acceptable, because I still want to speak on these estimates -- and ask this House if we would adjourn debate this evening so that he can go out and get these estimates done properly, get them reprinted, bring them back to this Legislature when they are done properly so that when we vote on something, we're voting for a fact. I for one am willing to give him that out, to allow us to rise now, a half hour earlier than we normally would, on the sole basis that he makes the commitment now that, one, he will ensure that we get another day to debate this department and, two, that it does not displace the debating of another department's estimates. So, one, we get to debate these estimates when they're done

properly, and two, we get to debate the estimates of all the departments as well and they are not displaced. That is the only solution, because if anybody in here votes for this vote, they're voting for a lie.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: The question having been called, all those in favour of the amendment as circulated, please say aye.

SOME HON. MEMBERS: Aye.

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

SOME HON. MEMBERS: No.

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

MR. DEPUTY CHAIRMAN: Order, please.

MR. MITCHELL: Point of order. Mr. Chairman, can I raise a point of order? [interjections]

MR. DEPUTY CHAIRMAN: Not during division proceedings.

MR. MITCHELL: Point of order. I want to raise a point of order under 942, and I don't see any reason why I can't do that, Mr. Chairman. [interjections] Where does it say I can't do that?

MR. DEPUTY CHAIRMAN: Hon. member, first of all, please have the courtesy of waiting to be recognized. Secondly, when a vote is in progress, we do not have other interruptions.

MR. MITCHELL: Point of order. Can you show me that somewhere, please?

AN HON. MEMBER: What's your point of order?

MR. MITCHELL: My point of order's under citation 937, citation 941, and citation 942 of *Beauchesne*, and I don't see why I can't have a point of order right now. Show me where I can't.

MR. DEPUTY CHAIRMAN: Hon. member, the Chair is ruling that we will proceed with the vote. We will take your point of order up or hear it after the vote is concluded.

MR. MITCHELL: No, it is important that we address this point of order right now, because my citations indicate that this vote is improper. It is a lie, it is wrong, and we have to address this point of order before we proceed. I don't want to be part of a House that is voting for something that's a lie. You can't vote to put money where there is nowhere to put the money. Come to your senses.

MR. STEWART: Mr. Chairman, we refer the member to Standing Order 32 which details the procedure in respect to division:

- (2) When members have been called in, preparatory to a division, no further debate is to be permitted.
- (3) Every member remaining in the Chamber must vote . . .

It seems to me that the procedure is clear, Mr. Chairman, and we should proceed with the division.

MR. MITCHELL: I would like to point out Standing Order 22. [interjections] I want to point out Standing Order 22.

MR. DEPUTY CHAIRMAN: Hon. member, you have not been recognized. The Chair . . . [interjections] Order please. The Chair has made a ruling that we will proceed with the vote.

MR. MITCHELL: Point of order, under Standing Order 22. If the hon. member across the way can stand after you've made your ruling, then I can stand after you've made your ruling. I want to address Standing Order 22. Jeez.

MR. DEPUTY CHAIRMAN: One moment, please.

MR. MITCHELL: Mr. Chairman, I'd like to be recognized, please. If Standing Order 22 isn't sufficient . . .

MR. DEPUTY CHAIRMAN: Hon. member, please come to order. [interjections] The Chair has asked for the courtesy of just a minute or two please.

MS BARRETT: Mr. Chairman, I believe I have the answer to your question. [interjections] Don't, you'll want to hear this? Mr. Chairman, could I please? *Beauchesne* 308 says: "When the Speaker's attention . . ." This is under the division.

MR. DEPUTY CHAIRMAN: Order please. Order. Let us not get carried away here. I realize . . .

MS BARRETT: I'm trying to help you, for crying out loud. [interjections]

MR. DEPUTY CHAIRMAN: Hon. member. I have asked for a pause in the proceedings so I can consult with the Table officers. I thought that was fairly clear. Would you please be patient for a moment, or we will have to . . . [interjection] Thank you for your help, but I would like to first proceed.

I would like to refer hon. members to two references: *Beauchesne* citation 308 -- and yes, I acknowledge your attempt at helping me, hon. member -- and *Erskine May* page 402, which support my ruling.

Now, first of all, for the record I wish to indicate that the amendment was lost on the voice vote. Now proceeding to the standing vote.

For the motion:

Barrett	Hawkesworth	Pashak
Bruseker	Laing, M.	Roberts
Doyle	McEachern	Sigurdson
Ewasiuk	Mitchell	Wickman
Fox	Mjolsness	Woloshyn

Against the motion:

Ady	Fjordbotten	Nelson
Bradley	Gesell	Oldring
Brassard	Gogo	Paszkowski
Calahasen	Isley	Severtson
Cardinal	Kowalski	Shrake
Cherry	Laing, B.	Sparrow

Clegg	Lund	Stewart
Day	McCoy	Tannas
Drobot	Mirosh	Thurber
Elliott	Moore	Trynchy
Elzinga	Musgrove	Zarusky
Evans		
Totals:	Ayes – 15	Noes – 34

[Motion on amendment lost]

MR. DEPUTY CHAIRMAN: Hon. Minister of Economic Development and Trade.

MR. BRUSEKER: Point of order.

MR. DEPUTY CHAIRMAN: I recognize the Member for Calgary-North West on a point of order.

MR. BRUSEKER: Thank you, Mr. Chairman. My citation is *Beauchesne* 937, specifically the last line.

The government may not, by the use of an Appropriation Act obtain authority it does not have under existing legislation.

I am, I must confess, a rookie in this Legislative Assembly, Mr. Chairman, but I would like to see the government across the way tell me where they have the legislation that allows them to give money to somebody or something that does not exist

MR. MITCHELL: Point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Edmonton-Meadowlark.

MR. MITCHELL: Thank you. *Beauchesne* 941 and 942: these sections really support and supplement the point made by *Beauchesne* in section 937, and that is that this House has been asked by this minister to vote for an appropriation for which he has clearly never been accorded the authority to spend the money by any Act of legislation of this Legislature. By logic, by definition, this Legislature could never be authorized to spend money for something that doesn't exist. So this vote, this request by this minister, premised upon who knows who's made this mistake, has required that this Legislature vote for something that doesn't exist in contravention of sections 937, 941, and 942. It is unfathomable that this could have happened. The government had a chance to stop it. They could have adjourned debate and come back some other time. But they didn't have the decency to listen to that alternative and to do this right and I think that says a great deal about this government about the state that it is in.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Chairman. Although I wish I could, I confess that I can't understand this point of order. *Beauchesne* 937, sixth edition, says:

The test which items must meet to be included in the Estimates is whether or not the government is putting forward a spending estimate under authority it already possesses, or whether it is really seeking new legislative authority to do something.

It goes on to say:

It makes no difference whether an item attempts to spend a large sum or simply one dollar. The government may not, by

the use of an Appropriation Act obtain authority it does not have under existing legislation.

I could be wrong, but I believe that since 1905 the government does have that legislation and that the estimates are allowed to proceed on that basis. It's a funny thing. I've been sitting here for a few years, and that's not been a problem.

I agree that the Member for Edmonton-Meadowlark is upset and angry with the results of the vote, as am I. I think the vote is completely inappropriate, but the issue, I think, is more related to the nature of the amendment rather than whether or not we are in keeping with the form of the estimates.

I would urge the Assembly, concluding on my point of order . . . [interjection] Yes, he can. If you read it all the way through, Grant you'll understand. There's a logical thread there that says . . .

MR. DEPUTY CHAIRMAN: Order please.

MS BARRETT: Sorry. . . . if they're not making a new law, they have the power.

I would therefore recommend to the Assembly, given the words of the minister, that the point of order not be considered, we now adjourn for the evening, and let the minister see if he can clarify the information tomorrow, as he promised earlier. [interjections]

MR. DEPUTY CHAIRMAN: Order please. Having heard what I believe to be all of the people speaking to the point of order, I would rule that the vote stands. As I understand the rules of this House, the Chair does not decide on questions of law. I had previously ruled that the vote would go ahead according to the citations and references that were quoted.

I would call upon the Minister of Economic Development and Trade, please.

MR. ELZINGA: Mr. Chairman, let me say at the outset that I'm going to close off my comments and deal briefly with the amendment that was before the House and leave the House with some assurances. But before I do that, I want to -- and I'm sure all hon. members would like me to do this -- respond to some questions and comments that were raised so that hon. members will have the benefit of answers to the questions raised during the course of the debate on the estimates.

I want to thank -- and I say this with deep sincerity -- the hon. Member for Edmonton-Kingsway for his excellent input. I appreciated very much his endorsement his encouragement, and his support on a good number of the issues we have presented in our estimates. I've also made note of his concerns, whether they deal with the deficit or with Domglas/Consumers Packaging in Redcliff.

I want to share with him, too, because he did make specific mention of the Alberta Opportunity Company, that we're very proud of the involvement of the Alberta Opportunity Company. Since he suggested that we examine both the role of the Alberta Opportunity Company and Vencap, I should share with him that we are doing that now, more so with Vencap. We are having consultations with the individuals concerned, the management and the board of directors. But with AOC we are expanding. I hope to be more definite over the next couple of weeks as to the expansion that will take place within the Alberta Opportunity Company, in that they are going to involve themselves, as they are already doing to a limited degree, with venture funding and

also with seed capital funding.

I must indicate to him, though, my disappointment with his comments and his suggestions whereby we forget the amount of money in vote 6. I'm going to come back to the hon. Member for Calgary-North West, because he and his friend from Edmonton-Meadowlark say exactly the opposite thing as it relates to money within these appropriations. He's asking what we're going to do with the surplus money under vote 6. His other colleague says that if it's not specifically stated where that money is going, we cannot have it included in the budget, which is a bunch of crockery because these are estimates. As hon. members will know, we provide the best estimates possible, but they always do vary between the estimates and the actual dollars that are spent. We want to leave under vote 6 the security with the small business sector, the security that they will not have to assume interest rates greater than 14 percent. That's why we are coming forward with the program we announced during the election campaign, supported in the Speech from the Throne and in the budget.

The hon. Member for Calgary-North West raised issues, too, relating to Vencap and AOC. He shared with us his concerns on our communications budget and also his concerns on the export services. I should share with him, as it relates to his concerns under that vote, that in offering support to the business community, we access a good amount of the funding from the federal government. I can leave him with the assurance that it's not going to affect our performance in achieving a 2,000-company goal for exporters, because we do access a number of federal programs.

He asked a specific question as it relates to our loan guarantee program, as did the chairman of our caucus committee on economic development. Under this program we're going to assume responsibilities of up to \$200 million. There will be a maximum of \$100,000 per loan, whereby we will guarantee up to 80 percent of that loan.

He shared with us a concern, too, as it relates to the petroleum training centre. Well, again, here's another example we could refer to as it relates to our budgetary estimates. This has been temporarily put on hold. We'll have to examine it as it goes on because that \$500,000 is allocated to the petroleum centre in Beijing, just to answer the hon. Member for Calgary-North West.

It was also asked why we removed vote S. Part of the reason was for budgetary purposes, so that we could reduce our budgetary deficit, as the hon. members have stressed is of such major importance, and we agree. But we do have three major programs that we are adding to our budgetary proposals, and we felt that because of the expanded role of AOC and of Vencap and the three new major programs, we could do away with vote 5. I've dealt with his concern as it relates to AOC.

I thank him for sending me a letter as it relates to our Centre for New Venture Development in Calgary. I should indicate to him that this is just one of a number of them that we have throughout the province of Alberta. We've got five groups that participate much the same as the Calgary group. When the Calgary group did involve itself some years ago, they left us with the assurance that the private sector would assume these responsibilities over a period of time. This has not happened, much to my regret. It was a pilot project whereby there was going to be greater involvement of the private sector. I'm still hopeful, though, recognizing the importance that members of our own caucus have put on this, and underscored by the hon.

Member for Calgary-North West, that we can find additional funding for the new venture development corporation in Calgary. I hope to be more definite on that within the next week to 10 days to the group themselves.

The hon. Member for Calgary-Glenmore -- and I offer my warmest congratulations to her, too, in assuming the chairmanship of the very important caucus committee on economic development -- also asked for more details as it relates to our three programs. The community initiatives program, she is aware, will be available to those communities with a population base of less than 10,000. We're going to cost share on a 50-50 basis with them on this program, whereby they can access up to \$12,500, whether it be for studies, the issuance of promotional material, or support staff, basically to support greater economic development in those smaller centres.

[Mr. Moore in the Chair]

The interest shielding program: we're going to make that retroactive to March 1. I will be announcing and distributing to all MLAs a complete package on that program on Monday. The interest shielding, again, is \$100,000, whereby everything above 14 percent to a maximum of 5 percent will be picked up by the provincial government.

I should share with her, too, that we do have a good number of programs, and I'm more than happy to distribute the material to any hon. members who are concerned as it relates to the attracting of investment here. Our publications, as has been suggested by a number of members, are extremely well done by our department, and I congratulate them for such also.

Redwater-Andrew: we thank him, too, for his expression of support for the good work that we're doing, whether it be support for trade shows or for missions. We are planning a number of missions to the U.S. to take advantage of the free trade agreement, as was raised by the hon. Member for Smoky River. I would underscore the importance of trade as the hon. Member for Redwater-Andrew did, whereby we estimate that for every billion dollars' worth of exports we ship from the province of Alberta, it creates 19,000 jobs.

The hon. Member for Smoky River: I wish to extend my warmest congratulations to him too, sir, on his election to the Legislative Assembly. We commend him because he's been such a strong community-minded person, and it's a real delight to have somebody with his refreshing talents here. We are doing as he has suggested, whereby we recognize that we have to be selective in the markets that we are attempting to capture in other areas of the world. As he's indicated, too, we are placing an emphasis on youth. We are supporting the junior achievement programs. We also recognize, as I indicated in my opening comments, that over half of our population is under the age of 30, and we want to give a higher priority to youth.

The hon. Member for Athabasca-Lac La Biche: I look forward to working very closely with him also in making sure that we do get additional economic development in his constituency, because he's been so forceful in making his case in this Legislative Assembly on a number of occasions. We thank him for his commitment to sound environmental policy, and we also thank him for his deep commitment to making sure there is a restructuring of economic activity in his constituency. We look forward to working hand in hand with him to accomplish that.

I want to respond somewhat to the hon. Member for Calgary-Mountain View. I thank him for his suggestions too.

He dwelt for a moment on our commitment to nongovernmental agencies. I'd like to dwell on that for just one moment, because some of what he has indicated is not correct in that he indicated we were the leader. We are the leader, Mr. Chairman, and continue to be the leader in our support, and I will share with him the figures that are offered by other provinces. British Columbia contributes nothing. Ontario contributes nothing. Quebec contributes some \$400,000 a year, Manitoba \$350,000, Saskatchewan \$850,000. We contribute in excess of \$2 million. We're going to continue that strong support. I sent a note to the nongovernmental agencies, asking for their input as to how we can be more responsive. I share with him in all honesty that I am regretful myself that there was a decrease in their budget, recognizing that they do a great deal of good work, and we commend them for that good work. We are going to continue with our priority as it relates to the Alberta nongovernmental organizations so that we can make sure the tax dollars raised from the province of Alberta go more appropriately to those individuals who are involved in nongovernmental agencies within this province.

I close, Mr. Chairman, by leaving the House with the assurances I did when I spoke on the amendment. We will examine what is taking place. But for the hon. Member for Edmonton-Meadowlark to express his holy indignation, I must say I find somewhat amazing. I recognize that he's very concerned with the "Principal" affair in this issue, but to offer the holy indignation that he has done is the height of hypocrisy. I just want to leave him with the assurance that we're not about to deal with these issues on his standards but on our standards. In the event that there is . . .

MR. MITCHELL: "Dial" up your deputy minister.

MR. ELZINGA: If the hon. member wishes to speak, all he has to do is rise in this Chamber.

I should share with him that in the event that there is any difficulty with this, there is no problem whatsoever in making sure

these funds do not flow through, and I leave the House with that assurance. To suggest, though, that we cannot approve this budget, again, is the height of silliness. I do indicate my regret, too, that the hon. member didn't have the courtesy, recognizing the seriousness of it in the event that there is some concern, to notify us prior to offering this suggestion in the Legislative Assembly, if it is as serious as he would offer the suggestion.

I thank you, Mr. Chairman. I hope I've answered all the questions. We look forward to working very closely with Members of this Legislative Assembly in ensuring that we do continue with the strong economic thrust that this government has delivered over the last number of years to ensure that we continue to be the leading province in Canada as it relates to economic development and economic growth.

I would suggest, Mr. Chairman, because of the lateness of the hour, that we adjourn debate.

MR. STEWART: Mr. Chairman, I move that the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Mr. Jonson in the Chair]

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

MR. ACTING DEPUTY SPEAKER: Having heard the report, all those in favour, please say aye.

HON. MEMBERS: Aye.

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

[At 10:44 p.m. the House adjourned to Friday at 10 a.m.]

