

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Wednesday, June 28, 1989 2:30 p.m.**  
Date: 89/06/28

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

[Mr. Speaker in the Chair]

**PRAYERS**

MR. SPEAKER: Let us pray.

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

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

Amen.

**head: TABLING RETURNS AND REPORTS**

MR. GOGO: Mr. Speaker, I am pleased to table today the 1987-88 annual report for the Southern Alberta Institute of Technology.

MR. R. SPEAKER: Mr. Speaker, I would like to file two documents with the House: first of all, a report that is with regards to industrial tax transfers; and secondly, the response to Motion for a Return 172, requested by this Assembly.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. SCHUMACHER: Mr. Speaker, it is my pleasure today to introduce to you and through you to members of the Assembly two distinguished Albertans who are seated in your gallery. The first is the hon. Member for Calgary Northeast, Mr. Alex Kindy, and the second is His Worship Mayor Doucette of the city of Drumheller. I would ask them both to rise and receive the traditional warm welcome of the Assembly.

MR. MARTIN: Mr. Speaker, I'd like to introduce two groups to you today. First of all, I would like to introduce to you and members of the Assembly 32 grade 6 students from Delton elementary school. I've been at the school many times. I know the teachers; they do excellent work. I might point out that the Minister of the Environment was there not so long ago to kick off Clean Up Edmonton Week, and I'm sure he enjoyed himself. I would ask them to stand and receive the traditional welcome from the Assembly.

Mr. Speaker, it's also my pleasure to introduce 26 students from St. Patrick school. These are from an English as a Second Language group. They are accompanied by their three teachers Margo Salopek, Diane Qualie, Christine Capjack. While I'm on my feet, I forgot to introduce the teachers from Delton, Hilda Mah, Adoline Glenn, and a parent Mrs. Malitta Love. I'd like the group from St. Patrick to stand and also receive the traditional welcome from the Assembly.

MR. MOORE: Mr. Chairman, it's a pleasure to introduce to you and through you to the members of the Legislature 31 students from the Mirror school, situated in the constituency of

Lacombe. They are accompanied today by their teachers Mrs. Walton and Mrs. Sawyer, and parents Mr. Walton, Mr. Copland, Mrs. Chin, and Mrs. Heidt. They're seated in the members' gallery, and I'd ask them to rise and receive the traditional welcome of this House.

MR. DAY: Mr. Speaker, it's a privilege to introduce today a very important group from Red Deer-North, and that is the students and some staff from St. Teresa school. There are 24 students. They are accompanied by one of their teachers, Sheila Spencer, librarian Barb Barrett, and their principal, Mr. Ken Cusworth. With Mr. Cusworth is his father-in-law, Wilf Lindley, all the way from England just to be with us here today. I'd ask this group to rise and receive the warm welcome of the House.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to the members of the Assembly 10 vocational students from the Winnifred Stewart school. They are an English as a Second Language group and in fact represent a veritable United Nations. I see they've listed all 10 names here, but I couldn't begin to pronounce them all. But I do wish that they and their teacher Mr. Dean MacKay would stand and receive the warm welcome of the Assembly.

**head: ORAL QUESTION PERIOD****Family Support Strategies**

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Family and Social Services. Conspicuously absent at the Western Premiers' Conference is any discussion of one of the most pressing social issues of our time, and that is the poverty rate in this country. There are growing numbers of people, especially children, who are falling below the poverty line. Now, this government gives lip service to the family. They tell us how much they care about the family, Mr. Speaker, but I say to you that there is a double standard. When their rich and powerful friends need help, this government reacts, but when the families below the poverty level ask for help, they're ignored by this government. There are 93,600 children below the poverty level in this province. My question to the minister is: why is the government not responding at all to this growing social problem?

MR. OLDRING: Mr. Speaker, I don't accept the comment that the Leader of the Opposition made in respect to this government not responding to the needs of the family. He asked, as usual, a number of questions in his prelude. I think the first question was why wasn't this matter being dealt with at the very important Western Premiers' Conference. Had he paid a little closer attention in question period last week, I think he would have noted that our Premier outlined in a broad frame four major topics that were going to be discussed at this Premiers' Conference; one of them was the family.

MR. MARTIN: Mr. Speaker, I'm talking about the families below the poverty level, not rhetoric.

I come back, Mr. Speaker, to this minister and ask this question: why is this government not responding to this growing

social problem? What are you doing about it?

MR. OLDRING: Mr. Speaker, again I'd want to say that I appreciate the Leader of the Opposition expressing a concern I think all of us share in this Assembly, and that's of families living below the poverty line. I said before in this Assembly that it's not a situation that is unique to Alberta. It's a concern right across this nation. It's a concern that Canadians certainly take no pride in: seeing people below the poverty line. I would only reiterate that here in this province I suppose there's some consequence in knowing that in terms of the percentages below the poverty line, they are second-lowest in Canada, only behind Ontario.

MR. MARTIN: Mr. Speaker, this is precisely what I mean about this government being totally out of touch with reality.

I come back to this minister. Rather than lip service and concern -- that's nice, Mr. Minister -- I've asked you specifically to lay out today in this Assembly some concrete proposals about how you're going to deal with that problem. That's what I'm asking about, Mr. Speaker.

MR. OLDRING: Again, Mr. Speaker, I always welcome the opportunity for discussing government initiatives. Again, if they'd paid a little closer attention to the throne speech, they'd recall this government's commitment, first of all, to the establishment of a Premier's council on the family. I'm looking forward to seeing that council put in place, and I'm confident that we're going to have some excellent, dedicated Albertans who share the hon. leader's concern about family in this province.

Further, Mr. Speaker, I'm looking forward to the Lieutenant Governor's conference on the family. It will be attended by a broad spectrum of Albertans, and I will make sure that the Leader of the Opposition is invited to that conference. If he has some good suggestions or some concrete ideas, I hope that he will bring them forward. But I hope he'll use a little imagination and not be prepared to just stand up and say, "Let's spend more money." I hope he'll bring forward some creative ideas, some good suggestions, and as I say, I'll be happy to invite him.

MR. MARTIN: I assure you: you're going to get more concrete ideas in this Assembly than you'll want to handle.

Mr. Speaker, I'd like to designate my second question to the Member for Vegreville.

MR. SPEAKER: Vegreville.

#### **Loans and Loan Guarantees to Peter Pocklington**

MR. FOX: Thank you, Mr. Speaker. What we're seeing here is an appalling double standard of a government unwilling to respond to the real needs of children in Alberta, 93,000 of whom live in poverty, yet eager to dish out taxpayers' money to their wealthy and powerful friends. Yesterday in this Assembly the Minister of Economic Development and Trade admitted that Peter Pocklington has received half of his \$12 million loan to build a pork processing plant in Picture Butte. He further admitted that no construction has been completed to date. How can this minister justify lending \$6 million of taxpayers' money to Mr. Pocklington to build a plant that isn't being built?

MR. ELZINGA: Mr. Speaker, the only double standards that I

have detected in the Legislative Assembly are the ones that are coming from the New Democratic Party, whereby one day they indicate to me that we should be offering additional support to plants such as Redcliff, and the next day they're suggesting to me that we shouldn't be offering any support to Gainers. If the hon. member will reflect back on the news release when the former minister announced the loan guarantees and the loan to Gainers corporation, it indicated in that news release that this was to protect the some 1,200 jobs that are presently in existence within the Gainers organization.

It was also within that news release -- and the hon. member is correct as it relates to the establishment of an additional plant in southern Alberta. It was our hope and it still is our hope that the plant will proceed in southern Alberta, recognizing the importance that the pork plant would play to southern Alberta pork producers. If the hon. member has some information that I'm unaware of, I would appreciate that information from him. I'm aware, Mr. Speaker, that there have been some delays as it relates to the environmental assessments of that plant. We want to make sure, as we have done with our forestry projects, that all environmental considerations are taken into account before any construction takes place within this province. In addition to that, I gather that there has been some delay in the discussions with the municipality as it relates to water and sewer. If the hon. member is aware of something that I'm not, I would appreciate that information, Mr. Speaker.

MR. FOX: Six million dollars buys a lot of hope, Mr. Speaker. I'd like to ask the minister, though, with respect to Mr. Pocklington's loan that is at 9.6 percent. When we have Alberta capital bonds return 11.75 percent interest, one might be tempted to sock the money away for a year, in which case a person would make a cool \$100,000 off the money he's received so far. I'd like to know what proof the minister has that the \$6 million of Alberta taxpayers' money advanced to Mr. Pocklington is not being used in some unrelated investment, earning interest for him at a rate greater than what he's paying us.

MR. ELZINGA: Mr. Speaker, I'm going to share that information with the hon. member, but again I would ask the hon. member to exercise his responsibilities, and in the event that he is aware of something that we're not aware of, we would appreciate that information. But let me indicate to the hon. member . . . [interjections] Mr. Speaker, they ask a question and they don't want to hear the answer.

The draw as it relates to the actual loan through our department: Mr. Pocklington has to sign a declaration indicating that the money is used for the purposes under which the agreement was signed, and in the event that there is any contravention to that declaration, the full force of the law would come to bear. In the event that the hon. member is aware, I would ask him not to deal in innuendo, but if he has some facts, we would appreciate it.

MR. SPEAKER: Perhaps the caucus could slow down so we could hear what the question is, if we're not going to get the answers. Thank you.

MR. FOX: I suppose that a government that doesn't keep its promises can't expect their big-shot friends to keep promises either. But Albertans do.

MR. SPEAKER: Order please. This is the last of this. We're into a supplementary here. Let's have the question, please.

MR. FOX: What specific guarantees in writing is this minister prepared to show to the taxpayers of Alberta that this government's handouts to Mr. Pocklington will indeed be used to create jobs and generate economic activity in the province of Alberta?

MR. ELZINGA: Mr. Speaker, let me indicate to the hon. member -- and it's too bad they didn't do a thorough job of researching this -- that we've supported Fletcher's; we've supported Cargill; we've supported Lakeside; we've supported Canada Packers; we've supported Centennial; we've supported XL Food. I can go through an extensive list, and I'm going to go through this list when my estimates are before the House later on this afternoon, of those companies we have supported. We've supported them on the basis, not according to the hon. member's accusations but so that we can add further diversification to this great province of ours, so that we can continue with job creation. As I've indicated in this House before, because of our aggressive intervention in the economy, we led all provinces by way of economic growth this past year, and we're going to do the same thing this year. We've preserved some 1,200 jobs in the city of Edmonton. I recognize that the hon. member's not concerned with jobs, and he's willing to twist things, but we are concerned with the jobs. We are concerned to make sure that our farmers, who are the primary producers, have access to proper food processing facilities, and we're going to continue to offer that strong support.

### Ombudsman's Report

MR. WICKMAN: Mr. Speaker, this recently released report prepared by the Ombudsman clearly shows the dangers and consequences that occur when we have a government that suffers from acute bureaucracy and an obvious fatigue and a total indifference. The 48 percent increase in formal investigations speaks for itself. The system is not correcting itself. People are fed up with the style of government. Instead of having a government that is there to serve, people are encountering a bureaucratic nightmare. In light of these startling statistics we need to know what the government intends to do to prevent and correct the growing list of problems. My question, Mr. Speaker, to the Acting Deputy Premier. According to the report there were a substantial number of cases investigated that concluded that administrative error was to blame. Will the Acting Deputy Premier, in light of these appalling statistics, now review all governmental procedures?

MR. JOHNSTON: Mr. Speaker, I've had an opportunity to only briefly look at the Ombudsman's report. Obviously, I'm sure all members are concerned that when an officer of this Legislature makes a report to the Legislature, we give it the fullest possible hearing, the fullest possible vetting of the concerns he raised. There are several concerns he raises here. It is true that the Ombudsman in his report does state that the number of cases have in fact increased, but I would draw the member's attention to the Ombudsman's own words, that this is a dramatic increase but not necessarily indicative of a negative administrative trend within government. Those are the words of the Ombudsman himself. So I have no dispute with what the Ombudsman is

saying, but I do have a dispute with what the Member for Edmonton-Whitemud is saying, because it isn't what the Ombudsman is saying. The numbers have gone up. I'm sure this House will have an opportunity through the regular process through which this report is handled in this Assembly, through the committee that's been established, to air the views of the Ombudsman. I would not want to change that process, given the responsibilities which members of that committee have.

MR. WICKMAN: Mr. Speaker, to the minister of social services.

MR. SPEAKER: We don't have one of those ministers.

MR. WICKMAN: Family and Social Services.

MR. SPEAKER: Thank you.

MR. WICKMAN: Mr. Speaker, to the Minister of Family and Social Services. The number of administrative errors within the Department of Family and Social Services was also needlessly high, 19 out of 121 cases, and no doubt due to high caseloads. To the minister. Will the minister now move to reduce the caseload of each worker?

MR. OLDRING: Mr. Speaker, I'd again, first of all, want to remind the member opposite that we did in the latter part of last year add an additional 59 positions to help deal with the caseload factor that was in place, and subsequent to that . . .

MRS. HEWES: Thirty-seven in child welfare.

MR. OLDRING: Mr. Speaker, I don't know if the hon. member wanted me to answer the question or if he wanted his colleague to answer the question.

MR. SPEAKER: Order please, hon. minister. Perhaps direct your comments through the Chair and ignore the other members, please.

MR. OLDRING: Mr. Speaker, I just thought it would be easier for him to ask his colleague directly if he wanted her answer.

I began by saying that we are assessing the situation. It is under review. We are looking at a number of options and avenues that are available to us to improve workloads. I would say that we're consulting with our frontline workers. I'm happy to say that there have been 16 workshops set up across this province for senior management to meet directly with caseworkers and their supervisors to discuss with them ways of working out reasonable workloads for them to carry.

MR. WICKMAN: Mr. Speaker, to the Acting Deputy Premier. In view of the statement made earlier that there hasn't been sufficient time for him to review the report, will he undertake to prepare a public report in response to the Ombudsman's finding within the next six months and have it as evidence of progress to assure Albertans that these problems have indeed been addressed and corrected?

MR. JOHNSTON: There again, Mr. Speaker, I have to take issue with what it is the Member for Edmonton-Whitemud is reporting. I've already indicated that the Ombudsman himself

in his own statement, in his own report, has said this is not an administrative problem facing the government. This is a frequency problem. Because of the way in which complaints are now handled, there are going to be more complaints coming forward. So I'm not going to second-guess the Ombudsman.

I think it's more appropriate, as I've said before -- and I would hope the Member for Edmonton-Whitemud would accept that as an appropriate statement as well -- that we should ask the Ombudsman to come to the committee to talk about it. He hasn't made a request to do that. Mr. Speaker, we now have the report in our hand, which has been tabled as a matter of record. Before we start to prejudice what it is the Ombudsman intends, surely a House such as this with a history such as this and a precedent such as this would allow the Ombudsman to have an opportunity to say what it is he expects and to have the committee in its fullest opportunity debate, understand, and make recommendations to all of us in the Assembly. That's the process, Mr. Speaker. It's not a government process. I have to make that very clear. It's a Legislative Assembly process, and let's not forget that.

#### Management of Effluent from Cargill Plant

MR. TANNAS: Mr. Speaker, my constituents in Highwood are concerned about the environment. A little over a year ago the newspapers, radio, and television were full of warnings about the pollution that would result if the Cargill plant were permitted to locate along the Highwood River near High River. My question today is for the Minister of the Environment. In that last week the Cargill plant began operations, what is his department doing about the resulting pollution in the Highwood River?

MR. KLEIN: Well, Mr. Speaker, my department's doing absolutely nothing about it and that's the honest truth, because there's nothing to be done. As a matter of fact, the plant has done everything that is absolutely necessary to do to ameliorate environmental concerns. They have taken a situation whereby there was a proposal to dump the effluent into, first, the Highwood River, then the Bow River. Now what they have done is they've developed a 7-mile or 7-kilometre pipeline...

AN HON. MEMBER: Seven mile island.

MR. KLEIN: A 7-mile pipeline -- you're right -- to a dried up lake, Frank Lake, where the treated effluent is now dumped and allowed to settle. That lake in itself has become a preserve for wildlife. It has turned out to be a win, win, win situation.

MR. TANNAS: Mr. Speaker, my first supplemental, then, would be to the Minister of Municipal Affairs. If what the hon. Minister of the Environment has said is so, what is his department doing and prepared to do to help the MD of Foothills, the towns of High River and Okotoks, and the Cargill company to facilitate this environmentally sound disposition of the effluent from this plant.

MR. R. SPEAKER: Mr. Speaker, to the hon. member. We have worked with the jurisdictions mentioned by the member to form what is called the Foothills Regional Services Commission, which takes the responsibility of dealing with the effluent.

MR. TANNAS: Mr. Speaker, my final supplemental is to the

Minister of Economic Development and Trade. How does a plant like Cargill fit into the diversification strategy and trade strategy of your department and of this province?

MR. ELZINGA: Mr. Speaker, we were very involved, as were a number of departments, making sure that it did play an important role in the economic diversification strategy of the province plus met the highest environmental standards, and worked very closely with the communities involved. It's going to contribute significantly to the well-being of our slaughter facilities within the province. The Alberta Cattle Commission has indicated their delight at having the plant established here. It's just going to add numerous jobs plus greater opportunities for our primary producers.

MR. SPEAKER: Edmonton-Jasper Place, followed by Calgary-North West then Cypress-Redcliff.

#### Environmental Standards

MR. McINNIS: Thank you, Mr. Speaker. My question is also the Minister of the Environment also about something he's doing nothing about. As early as 1985 the Environment Council of Alberta wrote a report referring to the unsatisfactory character of Alberta's environmental standards. In March of 1987 the matter literally blew up in everyone's face. There was a toxic gas cloud in east Calgary which sent 10 people to hospital. Despite a thorough investigation, it was found that no charges could be laid because Alberta's environmental standards were for all practical purposes unenforceable, which was too much even for the former minister. Over a year ago the action plan was made public on how to deal with the situation. I'm wondering, in view of the fact that this minister likes to brag about the high standards in Alberta, whether he considers the unenforceable nature of the law sufficient to require legislation this session.

MR. KLEIN: Well, Mr. Speaker, to the hon. member. I think he's referring to some 39 recommendations in that report. Those recommendations are being given a thorough assessment by my department, and indeed it is the intention of the minister to bring not to this session but perhaps to the next session all-encompassing environmental protection and enhancement legislation which will incorporate those measures that are deemed to be reasonable and responsible, some of which are contained in that report, and the matter will be debated thoroughly at that time.

MR. McINNIS: Mr. Speaker, they've picked the wrong guy for the Joker in the *Batman* series.

When the minister gets a report that says that "the lack of a clear policy framework has resulted in . . . creating the overall impression that the legislation" and regulations are completely ineffective, if that's not enough to cause the minister to act what is?

MR. KLEIN: Mr. Speaker, the hon. member again appears to have some difficulty in listening, or if he doesn't have difficulty in listening, he has difficulty in comprehending. I have just said that we are doing a very, very careful assessment of the recommendations contained in the document he just produced. Then, when that assessment is completed, we will take what is reason-

able and responsible and incorporate that into legislation. I think that when that legislation comes to this Assembly, it will probably be the finest environmental protection and enhancement legislation anywhere.

MR. McINNIS: Well, that's what he said about the old legislation.

In view of the position taken by the Premier at the Western Premiers' Conference, that he wants to keep the federal government out of Alberta's jurisdiction, to protect Alberta's jurisdiction by keeping the feds out, I'd like to know how you're going to convince anyone that Alberta should carry on this jurisdiction when it doesn't take any action two, three, four years after the fact.

MR. KLEIN: Well, I hate to go around this for the third time, but action is being taken. Reviewing recommendations in a reasonable way to make sure that those recommendations are sound seems to me to be action and reasonable action at that.

### Support for Small Business

MR. BRUSEKER: Mr. Speaker, it appears that over the last few years large companies have been coming to the public trough looking for assistance. Recently we've had the Minister of Economic Development and Trade announce a change in policy, focusing more on small businesses. I think this is a great idea. It's something the Liberal Party has been endorsing for years. My question is to the minister. When can businesses come to expect some stability and consistency? Why do we suddenly have a change in policy?

MR. ELZINGA: Mr. Speaker, this government has always been strongly supportive of the small business community. One only has to look at the strength and the vitality of our small business community within the province. In recognizing that we were encountering difficulties convincing the federal government of the wisdom of having a lower interest rate policy, we announced two substantial policies for the small business community, one being our interest shielding program and the other the capital loan program. I'm happy to report to the hon. member that we sent out in the latter part of last week those forms to the lending institutions that are participating so that the small business community can fill out their application forms and begin the process of accessing either our capital loan guarantee program or our interest shielding program.

MR. BRUSEKER: Can the minister, then, please clarify: is it his intention that big businesses, the multimillion dollar businesses, will no longer be assured automatic handouts, as appears to be the policy now?

MR. ELZINGA: Mr. Speaker, I would have to take issue with the statement of the hon. member because his facts are incorrect. We examine what type of contribution a company or business can make to the economic well-being of this province by way of contributing to the enhancement of the quality of life, and it's on that basis, plus the specific impact they're going to have on the diversification within the province, that we assess the support we are going to offer a company or business within the province of Alberta. We are going to continue offering that support on a selective basis in the event that we feel it will contribute sub-

stantially to the well-being of this province, but recognizing that the economy has improved to such a degree, it is time for us to start to pull back as it relates to our financial packages that are put together for a number of those within the business community.

MR. BRUSEKER: My final supplementary, then, is with respect to the new seed capital program announced in the February throne speech. My question is: when will the minister announce how small businesses can qualify for this program, and when will it be implemented?

MR. ELZINGA: Mr. Speaker, I believe he is referring to the seed capital provisions under the Alberta Opportunity Company, but I stand to be corrected. I will indicate to the hon. member that it is our hope within the next two to three weeks that we will have a substantial statement and a news release package as it relates to greater flexibility within the Alberta Opportunity Company, with both venture and seed capital provisions.

MR. SPEAKER: Cypress-Redcliff, followed by Edmonton-Calder.

### Regulation of Motor Vehicle Dealers

MR. HYLAND: Thank you, Mr. Speaker. My question is to the Minister of Consumer and Corporate Affairs. Two years ago in this Assembly the Motor Dealer Act received debate in second reading and received support from all sides of the House. Again this year there are a couple of Bills on the Order Paper relating to motor vehicle dealers and used cars. I wonder if the minister can update the Assembly if any action has taken place on that Bill and the debate related to that Bill?

MR. ANDERSON: Mr. Speaker, the hon. member raises an issue which has been discussed several times in the House. Indeed, as a result of that discussion, consultation has taken place with the automobile industry with respect to new car dealers, used car dealers, recreational vehicle dealers. I might say that the response has been good to having some self-regulated body to which we could delegate authority and ensure that there are some basic standards within that industry that help to safeguard consumer interests.

MR. HYLAND: Mr. Speaker, I wonder if the minister can outline for us what the next step is in achieving the end that he's suggested.

MR. ANDERSON: Mr. Speaker, to the hon. member. I would indicate that we have now in place delegates from each of the organizations I mentioned that represent those car dealer organizations, together with a couple of consumer representatives. We intend to find, I hope within the next few weeks, a chairman and establish the committee with the goal of setting in place the basis for a regulatory board, much like we've established with the insurance councils, sometime hopefully within the next number of months or early next year.

MR. HYLAND: Mr. Speaker, I wonder if the minister can suggest a time line to the Assembly when we will have concrete action and indeed get the charlatans out of that industry.

MR. ANDERSON: Mr. Speaker, we hope to, as I indicated in the previous answer, appoint that committee in the immediate future. I would ask for the report from them to myself by the end of this year, and it would be my hope, of course depending on discussions with the caucus and then the Assembly, that legislation could allow for some definite action to be taken with regards to a self-regulated authority in the next session of the Legislature.

I should add for the hon. member that one shouldn't assume that nothing is being done in the interim. There are, in fact, daily concerns raised with the Consumer and Corporate Affairs department that are adjudicated between dealerships and individuals, and we continue to watch carefully what happens in that particular industry. Those initiatives which are a result of the hon. member's actions are some which I believe should take place and have a high priority with this department at this time.

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

### **Provincially Funded School Snack Program**

MS MJOLSNESS: Thank you, Mr. Speaker. My questions are the Minister of Family and Social Services. This government seems to believe that the taxpayers of Alberta can afford to give away millions of dollars to Peter Pocklington. At the same time, in Alberta there are over 93,000 children living below the poverty line, many of whom go to school hungry or without lunches. Will the minister now recognize the needs of these children who are hungry, and implement a provincially funded school snack program?

MR. OLDRING: Mr. Speaker, I would first of all want to prefix my comments by saying what we're really talking about here is a multidimensional problem. Certainly government has a role to play, perhaps not the same role that members opposite might have us. They think that government should do everything, but the private sector has a role to play; communities have a role to play. We believe in working with Albertans to address some of these concerns. There are some schools that have chosen to implement food programs such as the member has mentioned.

In relation to a specific suggestion that children are undernourished or children are starving in this province, again if it does involve children in that situation and there are specific circumstances, this minister would want to hear about it, because our department would want to work with those individuals to make sure they are getting the necessary support they need.

MR. SPEAKER: Supplementary.

MS MJOLSNESS: Thank you, Mr. Speaker. Well, the private sector already is playing a role. It's the government that's not doing anything.

In view of the fact that such a program could be cost shared with the federal government under the Canada Assistance Plan, why has this minister not made a commitment to hungry children and brought in a school snack program?

MR. OLDRING: Again, Mr. Speaker, to suggest that the government isn't doing anything is so wrong. This government is obviously concerned about poverty in our province and in our nation.

MR. McEACHERN: Answer the question.

MR. OLDRING: I answered that in part a little earlier, but perhaps I didn't expound as far as I should have. [interjections]

MR. SPEAKER: Order.

MR. OLDRING: I always welcome the opportunity to discuss some of the things this government is doing with the private sector in resolving this situation, Mr. Speaker, and I'd want to begin with our diversification initiatives: the 40,000 new jobs that were created last year, the 25,000 new jobs that are going to be created this year. [interjections] You know, it appalls me that the members opposite don't think that jobs are a solution to poverty in Alberta. It amazes me that they don't see that as a solution. It's the most obvious solution there is. This government's initiatives are really taking hold. We have a record number of Albertans employed today, and we'll continue to . . .

MR. SPEAKER: Thank you.  
Edmonton-Calder, final.

MS MJOLSNESS: Thank you, Mr. Speaker. This minister is obviously not going to do anything, so I'd like to direct my second supplementary to the Minister of Education. It's the end of the school year and school principals have heard nothing from this minister. Will the Minister of Education tell this Assembly whether he will keep his promise of a new program to meet the needs of children in inner-city schools, or is it going to be another hungry year for children next year?

MR. DINNING: Mr. Speaker, the provincial government has taken a number of initiatives. One, there is quite a wide-scale school lunch program offered to a number of northern communities through the various school boards in northern Alberta. Secondly, this government, through our budget that came down on June 8, increased community school funding by approximately 100 percent to ensure that those 66 designated community schools have the dollars to be able to deliver programs that meet the needs of children and families in those communities, including, where it's appropriate, school lunch programs. Thirdly, in our budget we introduced a program that is to be designed by local school boards and local schools to meet the needs of those communities that have inner-citylike needs, and they may be throughout a city. The department has been working with the four school boards in Calgary and Edmonton to ensure that dollars are there to meet the programs, including the possibility of school lunch programs, designed to meet the needs of young children and their families in those inner-citylike communities.

### **Loans and Loan Guarantees to Peter Pocklington** (continued)

MR. TAYLOR: Mr. Speaker, to the hon. minister of economic development. Following my questions yesterday on the Pocklington escapade and the answers I got, which would have been worthy of the Member for Red Deer-South with the dancing around, I did send a letter to the minister asking whether he would table the agreement under which Mr. Pocklington was getting his loans. Today, in answer to an earlier question, he said that they have to give reasons on the draw, and they've

drawn down \$6 million. Could the minister inform the House just what the \$6 million was drawn down for?

MR. ELZINGA: Mr. Speaker, I thank the hon. Member for Westlock-Sturgeon for his question as it relates to Gainers. I should indicate to him that my office did share with me that there was a letter from him. I have not had the opportunity yet to review that letter, and I look forward to reviewing the letter. As it relates to some of the specific details the hon. member has raised now, I look forward to sharing those details with him in an expansive way later on when I introduce my estimates for the second time in the Assembly.

MR. TAYLOR: Mr. Speaker, then, possibly, seeing that there is another \$6 million line of credit in this area, could the minister inform the House what actions Gainers would have to go through to qualify for that extra \$6 million?

MR. ELZINGA: Mr. Speaker, we examine the agreements very closely, and it is the policy of this government that if in any way there has been a default under the agreement, we as a government would move very quickly to protect the interests we do have and to secure our claim and effect recovery. It's the general policy of this government to make sure we take every action available to secure the money we are holding in trustee for the populace of the province of Alberta.

MR. SPEAKER: Final.

MR. TAYLOR: Yes, thank you, Mr. Speaker. A wonderful answer to a question I didn't ask, b u t . . .

MR. SPEAKER: Question.

MR. TAYLOR: Well, do I get that free one?

MR. SPEAKER: Ask your question.

MR. TAYLOR: Okay, Mr. Speaker. Just to move a little bit further, if I cannot find out what Mr. Pocklington got \$6 million for and I cannot find out what he has to do to get a further \$6 million -- it's beginning to smell like the Cargill sewage pond -- could the minister tell me: just what is the purpose of the \$55 million guarantee at the time the loan would come out?

MR. ELZINGA: Mr. Speaker, I am amazed at the lack of availability the hon. member exercises when it relates to doing his research. The release went out when this was issued by the previous minister of economic development as to the terms and whatnot of the loan and the loan guarantee. This information is made public when the orders in council are passed, plus they are contained in the public accounts. If the hon. member wishes information, it's available to him. In addition to that, I've left him with the assurance that we are going to deal with it in a specific way when we are before the House later with our estimates. Plus I should indicate to the hon. member that I'm amazed at his criticism when I give him additional information that he hasn't even asked for. If he doesn't want the additional information, I must say I'm totally surprised.

MR. SPEAKER: Redwater-Andrew.

### Use of Credit Cards at Liquor Stores

MR. ZARUSKY: Thank you, Mr. Speaker. My question today is to the Solicitor General. It's been brought to my attention by a constituent about an article that appeared in the *Edmonton Journal* six or so weeks ago. This was about introducing VISA and MasterCard in certain liquor stores. To the minister. Why is the Alberta Liquor Control Board introducing credit cards?

MR. FOX: This is the guy who wants to privatize the ALCB.

MR. FOWLER: Mr. Speaker, the initial article was six or seven weeks ago. The headline was in today's paper. The Alberta Liquor Control Board, after some study, has made a decision to implement the use of plastic, or credit cards, in a pilot project for a one-year period maximum in eight stores in Alberta. It is only doing that which in fact has been done by 5,000 licencees in this province in the restaurant and cocktail business. It also fits into the tourist season, where it is a known fact that more tourists are traveling with less cash and more plastic.

MR. ZARUSKY: Mr. Speaker, I just want to thank the Member for Vegreville for supporting my motion.

Mr. Speaker, recently at the GALA show at Edmonton Northlands credit cards were accepted at the Liquor Control Board outlet. To the minister. What were the results of this action?

MR. FOWLER: The report on my desk, Mr. Speaker, is that there was no visible indication of abuse or overuse of credit cards for purchases at the ALCB store at the GALA affair, which is a one week long wine and food show.

MR. ZARUSKY: Mr. Speaker, my final supplementary to the minister. Given the strong and firm stance the Solicitor General has taken against impaired driving, how does he reconcile the appearance of easier access to liquor and his 42 impaired driving initiatives?

MR. FOWLER: Mr. Speaker, there is no reconciliation necessary. This minister has no problem whatsoever with social drinking; this minister has no problem whatsoever with people on our highways. But let anybody in this province combine those two, and I'll get 'em.

MR. SPEAKER: Edmonton-Beverly, followed by Edmonton-Gold Bar.

### Housing for the Disabled

MR. EWASIUK: Thank you, Mr. Speaker. Earlier this month, specifically the week of June 4 to 10, there was the National Access Awareness Week for the Disabled, and housing was one of the areas that was focused on. At that time, the Handicapped Housing Society of Alberta indicated that disabled people in Edmonton were facing a very critical housing shortage. The February 17 throne speech suggested that the government was making some references to this. However, in the June 1 throne speech this issue was simply glossed over. My question is to the minister of housing. Would the minister tell this Assembly what initiatives the government is taking to resolve the housing shortage for the disabled, or is this just another broken election

promise?

MR. R. SPEAKER: Mr. Speaker, the government intends to take its responsibility with regards to this matter. I as the minister am putting into place a sequence of events to meet our commitments. The first event will occur this afternoon after question period, whereby I'm meeting with members of the Handicapped Housing Society to discuss the issue and to work out a program and a plan, and that's my intention. So the hon. member is wrong in his assumption that we have changed our emphasis from one throne speech to the other. It is the same, and any commitment we've made, we intend to carry out.

MR. EWASIUK: Mr. Speaker, with only 350 of 3,000 apartment buildings presently suitable for disabled people, will the government provide assistance towards the cost of retrofitting apartments to help ease the housing shortage for the disabled?

MR. R. SPEAKER: Mr. Speaker, that is one of the issues we will be looking at in terms of developing and expending our funds from the Alberta Mortgage and Housing Corporation in the current year, as well as those funds allocated from the Department of Municipal Affairs. That issue is one that we want to approach. The parameter that limits our capability is funds. Beyond that, we'd certainly like to meet with compassion, if possible, but we all recognize that there are limits to funding capabilities.

MR. EWASIUK: Well, Mr. Speaker, for some handicapped individuals it is the loss of income which restricts their access to housing. Will the government consider making housing subsidies portable so that handicapped individuals will not have to move in order to get into affordable housing?

MR. R. SPEAKER: Mr. Speaker, I haven't the details of that particular suggestion. What I'd like to do is take that as notice and review it with the persons in the meeting this afternoon and other persons that may be necessary in that conversation.

MR. SPEAKER: The Minister of Education is supplementing, but the time for question period has expired. May we have unanimous consent to complete this series of questions?

HON. MEMBERS: Agreed

MR. SPEAKER: Opposed? Carried.

MR. DINNING: Mr. Speaker, in speaking in my capacity as the minister responsible for the Premier's Council on the Status of Persons with Disabilities, I want to supplement my hon. colleague's answer and inform the Assembly that the Premier's council on the disabled has established a number of task teams that are traveling throughout the province and meeting with citizens. They were in Edmonton June 26 and 27, earlier this week. They will be in Grande Prairie on Friday of this week and traveling to Fort McMurray, St. Paul, Calgary, Red Deer, Lethbridge, and Medicine Hat. One of the task teams focuses on living in the community and will be addressing the issues of housing and accessibility. I encourage all Albertans who have an interest in this important issue to make their views known to the Premier's council task forces so that we can receive that advice. In working in co-operation with my colleagues, we will be

able to take better action for all Albertans.

## ORDERS OF THE DAY

MR. SPEAKER: Might we have unanimous consent to revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

### head: INTRODUCTION OF SPECIAL GUESTS

*(reversion)*

MRS. OSTERMAN: Mr. Speaker, it gives me a great deal of pleasure today to participate in what I believe is an historic occasion for this Legislature and for the Three Hills constituency. We have a group of young students from the Fairview Colony school, who reside just about 12 miles south of our farm. They're in the gallery today, and it's the first time a group of children from a Hutterite colony have been in the Legislative Assembly. They're accompanied today by Mr. Ed Pluemecke, who is their teacher. They're accompanied by parents and other guests: Ben Tschetter, Elizabeth Tschetter, Esther Tschetter, Dora and Dora Tschetter, and Martha Hofer. I would like them all to rise and receive the warm welcome of this Legislature.

MR. SPEAKER: The Member for Grande Prairie.

DR. ELLIOTT: Thank you, Mr. Speaker. Today I have the special privilege of introducing a school class from the Grande Prairie constituency, the La Glace School of 47 students. They're accompanied by their teachers Jim Sherman and Arlene Hauer, and I would ask that they stand and receive the warm welcome of our Assembly.

### head: COMMITTEE OF SUPPLY

[Mr. Schumacher in the Chair]

### head: Main Estimates 1989-90

#### Economic Development and Trade

MR. CHAIRMAN: Members of the committee, we are revisiting the estimates of the Department of Economic Development and Trade. I gather that the minister has heard some specific concerns about his estimates, and I was wondering if he would like to address those concerns briefly for the benefit of the committee before proceeding.

MR. ELZINGA: Thank you very much, Mr. Chairman. I'm delighted to have the opportunity to appear before the committee for the second time so that we can again emphasize the important role we've had in further diversifying this province, the important role we have in making sure our province is the leader amongst all provinces as it relates to economic growth within Canada, and the importance of us coming forward with a number of new programs specifically targeted toward the small business community, recognizing the importance they do play.

I'm going to dwell on that for a moment, Mr. Chairman, but I thought I should deal first with a couple of concerns. The hon.

Member for Calgary-Mountain View was kind enough to raise a concern in the Legislature the other evening as it related to Tycor. I appreciate the mischievous nature of the hon. member, and I hope that the question has been answered to his satisfaction.

I should indicate to the hon. member too -- and it's noteworthy, Mr. Chairman, that I do so more for the hon. Member for Edmonton-Meadowlark. It's important to note with our estimates that

The allocation of the . . . Estimates of expenditure and disbursements by element as shown by the Element Details is presented for planning purposes only.

I'm sure all members are very thorough, especially the members from the opposition parties, when they do review this. I stressed at the time I spoke on the estimates, too, that that's exactly what they are: they are estimates.

I also wish to deal briefly with the questions in a more detailed way, as I indicated to the hon. Member for Westlock-Sturgeon I would do, as it relates to Gainers. I do so, Mr. Chairman, by putting it in the proper context. One has to examine the support that we have offered to a number of secondary food processing industries within the province. I had the opportunity when I was Minister of Agriculture to be very closely involved with it. Plus I have the opportunity again now as the minister of economic development whereby we work very closely in ensuring further diversification within this province. We feel that the food processing sector is an ideal area whereby we can have greater diversification and greater value added within a product that we consider to be one of the finest in the world, and that's our agricultural products. We've offered support to Fletcher's Fine Foods, Cargill Limited, Lakeside Packers, Lucerne Foods, Canada Packers, Centennial, and XL Food. I can go through a list, Mr. Chairman: Alberta Bakery, Alberta Cheese, the Alberta Wheat Pool, Arrowhead Spring Water, Baier's Sausage & Meats, Bell Poultry, Central Alberta Dairy Pool, City Bakery, City Packers, Coaldale Egg Farm, Divide Dairies, Edmonton Meat Packing, the Edmonton Potato Growers, and Hygaard. We can go through quite a list, but I'm not going to bore the House with all of those we have offered support to.

The reason I say that, Mr. Chairman, is to underscore that we don't support these companies on the basis of who is involved. We support these companies on the basis of what they can add to the diversification of this province, on what they can add as it relates to employment opportunities, on what they can add to the enhancement of the quality of life within the province of Alberta. I have no hesitation in leaving the House with the assurance, as I indicated in question period, that what we have done -- and we're going to continue with that general policy of this government that in the event that there is a default under our agreements, the government would move to protect its position, to secure its claim, and to effect recovery. That's only natural. That's the general policy of this government.

Mr. Chairman, I share with them, too, that when we announced the loan package for Gainers, it indicated in here that a slaughter plant would be built in southern Alberta. We have advanced \$6 million of the \$12 million loan, of which that was one component. There were a number of other components whereby it would provide financial resources to upgrade the present packing facilities. I share with hon. members that \$6 million has been accessed; there is another drawdown due on October 1 of an additional \$2 million. In my view, in the event that we do not have the assurances that that plant will be going

ahead in southern Alberta, I will not advance that additional \$2 million of the further \$6 million that is outstanding. I have no hesitation in indicating that in a forceful manner to the Legislative Assembly. I put the one caveat on it, though, that in the event there is some circumstance that is unknown to myself as it relates to that or some circumstance that will curtail the time schedule, then it's only natural that we would reconsider that. But I leave the House with the assurance that in the event that the terms of the agreement are not reached and followed through with, we would not advance additional funds to that company.

I want to, though, take this opportunity, recognizing that my estimates are before the House, to deal with a couple of programs that we announced since the estimates were before the House last time. I indicated to hon. members that I would be coming forward with the announcement. Tomorrow the regulations will be made public following up on these two very substantial programs. They are two major programs for the small business community, one being the interest shielding program, the other being the \$200 million capital loan program.

Mr. Chairman, we have available to all Members of the Legislative Assembly -- and I got a note from the hon. Member for Calgary-North West, and I will follow up by seeing that a package is delivered to his office on the program. The information has gone to the lending institutions that are going to be responsible for administering the program. We also have a hot line within our department, so in the event that individuals do have questions on the program itself, they can phone our department. Plus we will be putting ads in the papers so that the small business community will be made aware of the program itself and how best to access it.

But I'll just highlight these programs for a moment. Number one, the interest shielding program is a commitment that we made during the election campaign because of our disappointment with the federal government's action relating to interest rates, whereby we wanted to inject that stability and that security amongst the small business community so that we could continue with that strong economic growth. We are going to protect them in the event that interest rates rise above 14 percentage points. This program is in place for a period of two years. It was asked by the hon. Member for Smoky River as to what protection would be offered. Well, I indicated to him a few days ago that the prime rate was some 13.5 percentage points, so already there is a source of protection, because the lending institutions traditionally tack on an additional 1.5 to 2.5 percentage points. There are going to be four payout periods whereby those within the small business community -- and I should stress it's available to the farming community, too, for operating capital -- will receive their rebates. And again, I can't stress in a strong enough way that the reason we brought this program forward was to offer stability and security to our small business community.

In addition to that, Mr. Chairman, we announced the \$200 million loan guarantee program. This is our program whereby the government will guarantee 80 percent of a loan up to a maximum of a \$100,000 loan. The loan period is to be for some five years. An individual businessman can access this for a period of two years. We put a maximum of some \$200 million on it; we're going to keep the program going for a period of two years or a maximum of \$200 million. This also will allow for the enhancement of our small business community and their access to capital requirements, whereby we as a government are going to guarantee 80 percent of their loan requirements.

The small businessman can access both these programs, whereby he can access a program with our loan guarantee, and in the event that interest rates are above that 14 percentage points, he can also access the interest shielding program. Mr. Chairman, we estimate that the interest shielding program itself will cost some \$25 million per year and that there will be broad acceptance of this, as there will be with the capital loan program.

Mr. Chairman, I went through in a fairly extensive way the other evening our own estimates and our own thrusts as it relates to the government's attitude to further diversification, but I wish to indicate the pride that this government feels in the strength of our economic well-being at this present time. It's well noted, the strength of the Alberta economy, and I refer to a number of groups, whether it be London Life, one of the major financial institutions, or Stats Canada, or the Conference Board of Canada, whereby they predict the strength of our economy to continue. We're going to start to pull back, as I indicated, as it relates to our substantial loan guarantees, but we're not going to exclude the possibility of involving ourselves in the event that we feel it can contribute substantially to the enhancement of our life-styles or to the enhancement of our employment opportunities or if it is going to play a greater role in the further diversification of our province.

Mr. Chairman, we too are very proud of the department's role. And I never had the opportunity when I spoke in the House the other evening to pay tribute to the superb leadership that our department officials do offer to all departments within the government, whereby our mandate is to co-ordinate the economic activity of this government and of this province. I salute my colleagues within the department for doing such a superb job of offering that strong and keen leadership. We are blessed with an abundance of resources, we're blessed with an abundance of talents, and we have to make use of those resources and those talents.

I've indicated to hon. members in the past that we're a dynamic province. We've got one of the youngest populations in the world, whereby in excess of 50 percent of our population is under the age of 30. This just underscores the dynamism . . . [interjection] I'm sorry; I thought the hon. member wanted to hear the great diversification that we were involved in.

MS BARRETT: I want to ask you a few more questions too.

MR. ELZINGA: Well, you didn't take advantage of it last time. I didn't think you'd do it this time. [interjection] Good show. Well, we look forward to the hon. member's participation. We look forward to it with great anticipation. We look forward to that, and in the event that there's not adequate time during this period, we look forward to answering them in question period also.

But I want to indicate to the Legislative Assembly, too, the importance of us building on our strengths. The heritage trust fund is a key component of us building on that strength, Mr. Chairman, whereby we have involved ourselves through such institutions as the Alberta Opportunity Company, which I referred to earlier today also, whereby we are going to extend its mandate. We've involved ourselves with the heritage trust fund and the Alberta Agricultural Development Corporation. It's been involved extensively in research. And because of the heritage trust fund, we've been also able to continue with one of the most competitive and lowest tax regimes of any province in

Canada. We've got extensive infrastructure which our businesses can access, plus world-class facilities in both science and technology.

Mr. Chairman, we're going to continue with our strong thrust, recognizing that it was so strongly supported in the previous election campaign. We're going to continue with our strong thrust as it relates to our trade initiatives, recognizing the key component that plays as it relates to job creation, in that it's estimated that for every \$1 billion worth of exports, we create in the vicinity of some 19,000 jobs.

Mr. Chairman, we're presently involved in conducting seminars throughout the province so that the small business community will know how to make greater access of the programs that we do have within our department, plus to bring a greater awareness as to what opportunities do exist for them within the U.S. market, which we will now have greater access to. But we're not about to put all our eggs in one basket. We are going to work very closely with the Pacific Rim countries, because we have made extensive gains by way of trade to those countries.

It's noteworthy, too, to Members of the Legislative Assembly that we presently trade with in excess of 140 countries. I'm not going to go through those countries nor those commodities, but I did feel that I should leave hon. members aware of our strong thrust as it relates to a comprehensive approach to dealing with trade, again recognizing the importance that it does play to the economic well-being of this province.

Just to throw out a few figures, in 1988 our trade increased over '87 by some 10 percentage points to somewhere in the vicinity of \$14 billion. If one looks at the agricultural community -- and I ask hon. members to bear with me as I go back and share some figures with them as it relates to the agricultural community, having served in that portfolio previously -- we export 80 percent of our wheat, 70 percent of our beef, 60 percent of our pork, and 50 percent of our barley. Because of that we have to have access to markets other than our own. Because of that we also have to have a food processing sector within this province, so that our raw material does not have to go outside of the province but we can do the actual food processing within this province itself.

Mr. Chairman, as I indicated, we are going to take a threefold thrust dealing with trade, recognizing that the U.S. is our closest market, secondly is the Pacific Rim, and we also acknowledge the great investment opportunities that do exist within the European community. We're looking forward to greater investment on their behalf in our country as we develop and involve ourselves more with greater diversification.

Mr. Chairman, I want to close on two points. One is that we as a government believe that the private sector is a spark plug. We're going to provide the kindling wood as best we can, but the initiative and the drive have to come from the private sector. We're going to continue with support programs such as we've just announced, where there would be a community initiatives program whereby the individual communities themselves develop their thoughts or their promotional material and we offer and lend them support, but the drive has to come from the individual community. Or it could be the small business community, whereby we offer support of stability, whereby they have to develop the innovative ideas as to what they wish to produce or what they wish to involve themselves in, and we're going to come there to offer them some support and some security.

Mr. Chairman, we're a young province. We're a province with a young population. We've got some of the finest educational institutions in the world. We're a province with vision. We're a province that has opportunities that are boundless. And we look forward to working hand in hand with the Alberta population in making sure that we achieve those outstanding opportunities that do presently exist within this province.

Thank you.

MR. CHAIRMAN: The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. The other day we had a good debate on some of the basic philosophy behind the government's programs and talked about a number of those programs. The minister has chosen to re-emphasize some of those points. I'm not going to take a lot of time on that, but I do want to answer one or two of the points that he raised.

He started out by talking about the attempts of the government to diversify the economy. In fact, he didn't say they were attempting to diversify; he bragged about how much they were diversifying the economy. I think he mentioned the Gainers thing as sort of part of that, the secondary food processing, that sort of thing. I'd like to point out that that's another one of the contradictions and one of the few that I left out in my comments the other day about the policies of the government. I remember the Treasurer at the end of his budget speech in 1988 got carried away and decided to ad-lib a little bit. He said that we are counting on the free trade deal to diversify the economy of Alberta. That is sheer nonsense. When I got my turn to get in, I explained why, and I will do it again for this minister, who still seems to think that you can have free trade and yet diversify the Alberta economy.

The basic theory behind the idea of trading is that you specialize, and somebody else produces the other goods that you cannot quite compete in. In other words, we produce product A, somebody else produces product B, and we trade. Now, when you go to diversify your economy, you would put up some barriers to trade and produce both products A and B. So I want to say to the minister that the idea of diversifying the economy and the idea of entering into a trade deal with United States has many built-in contradictions. I'm not saying that some of it can't take place. You might find some new niches of industries that we can get into that will in fact lead to exports to the United States. But, by and large, you're not going to diversify the Alberta economy more than it already is by trading. In fact, you will specialize it even more, and we will lose many of the industries we presently have. In fact, the very secondary food processing industry that he talked so much about just now, and the need for them, those companies will likely get swallowed up, no matter how much we subsidize them, by Americans, by huge American food processing companies.

In fact, I think the idea of trading with other nations is sometimes exaggerated and the benefits of it are sometimes exaggerated. If somebody locally can produce a product, there is no reason you shouldn't be buying that product. Just because somebody in New York can produce it cheaper doesn't mean that you should necessarily buy it from New York. There are some benefits to buying it from your own local producers.

Sometimes people get carried away about subsidizing trade. Forget that. Now, if you just think about it for a minute, if you carried the idea of subsidizing trade far enough -- for instance, with the CANDU reactor, which the Canadian government did.

We were actually producing CANDU reactors and selling them cheaper than what it was costing us to produce them. So we were in fact subsidizing the production of CANDU reactors so we could sell them to Argentina, a very unstable dictatorship at the time. Now, I guess if you subsidize an industry that wants to export, if you're subsidizing wheat and you're exporting it to Ethiopia -- God knows, nobody wants the Ethiopians to starve -- then that's okay. But I think you have to stop and think very carefully as to how much you can afford to subsidize any kind of product or whether you're just using taxpayers' dollars in Alberta to help somebody else get cheap supplies. You know, you can think of some of the kinds of things that can happen in the oil industry and the gas industry. We can demand that Albertans pay a higher price, the core price for gas, yet foreigners can buy it cheap. So we end up, in effect subsidizing American consumers with cheap Alberta gas.

So I think, Mr. Chairman, that the government should take a really careful look at this great emphasis on promoting trade. And I'm not saying that we don't take a good look at it and promote some of it; I'm just merely saying: don't assume that automatically it makes sense to waste taxpayers' dollars helping somebody else in some other part of the world have cheap products. So I wanted to make that general point.

Then I wanted to get back to where I left off last day. I promise not to reiterate a lot of the points I made last time in terms of general philosophy and discussion about policies. I was into the specific estimates, and I want to ask the minister a few questions here and there. My first one is some concern that the Minister's Office costs are up by 10 percent. I think he might comment on that. The inflation rate isn't 10 percent and it certainly doesn't hold to the rather neat way the Treasurer has decided that he can point out that we've only had a 1.3 percent increase in government expenditure since 1985-86. It certainly doesn't fit that pattern.

I wanted to also just mention -- this has been mentioned before by my colleague from Calgary-Mountain View, and I'd like the minister to expand on his partial answer that he gave last time. Why is international aid cut by 35.5 percent? This is vote 4 on page 40 of the element details. It would seem to me, Mr. Chairman, that as soon as the economy of Alberta gets in a little bit of trouble, the first thing we do is start cutting, or at least certainly hold the line, on the very people at the bottom end of the income scale, whether they be Albertans, or people who need lunches that we talked about in question period, or whether it be people on AISH who haven't had an increase in five years, or whether it be foreigners in some very poor countries of the world. I really think the minister should consider cutting friends like Peter Pocklington and Imperial Oil and some of the companies that can afford it the subsidies they get from this government rather than picking on the very poorest of people in Alberta and the world. So I wanted to just add my concern on vote 4, page 40, to the concern of the Member for Calgary-Mountain View and the Member for Edmonton-Mill Woods, who raised it in question period the other day.

Now, vote 5 is also of concern to me. The minister talked about support for economic diversification initiatives and, in fact opened his speech today on that area of diversifying the economy. We find that vote 5 is totally blank, and it is the area that has supposedly been the support for economic diversification initiatives. Obviously, the economics department was supporting some of the other departments' programs to help diversify the economy, and now they've all been reduced to zero. So

I'm asking the minister for a bit of an explanation on that I think I raised it last day, just in passing, and I don't think he commented on that I'd appreciate it if he would find some time today to do that.

One of the other votes I wanted to ask about was vote 2.4.1, Export Services Support. It's down 37.7 percent, and I guess I'm wondering why. Again the minister has put such great emphasis on the idea of helping exports today in his speech, and yet we see that the drop here is \$1.5 million. Now, perhaps if they're doing that in the light of the comments I just made about how we need to look very carefully at how much we subsidize exports -- and certainly I'm all for helping people develop industries and get communication support and contact support, that sort of thing, but I just would like the minister to comment a bit on why that vote is down, in view of his comments.

The government has bragged quite a lot about its help for small business and a couple of new programs they've initiated. I guess my question there would be: is he suggesting that companies that have already had some help from other programs, like Vencap and Alberta Opportunity Company and whatever other government program... I'm thinking, for instance, of the Myrias corporation, which I gather has done quite a good job of developing a new computer. They had support from at least three different government programs, and maybe four. I'm wondering if they qualified for them as well, for the small business interest shielding program that the government just announced and the loan guarantee program. You know, one company could end up with three or four or five different government programs that it's getting money from. I think the government should deal with the idea of not allowing too much stacking. There should be some policy on that, and we should certainly make sure that it's not happening too much.

But in the context, then, of small business support by the government, I'm wondering why the small business incubator program, which would seem to us a good idea, has been cut from a million dollars to half a million dollars. That's vote 2.4.4 on page 38 of the element details.

I'm assuming that vote 2.2.7 is that Petroleum Technology Training Centre in China that has been put on hold, and I would just like confirmation from the minister on that.

I wanted to take a minute and explain why I said that I thought the government should have canceled the SBEC program, the small business equity corporations. They are still getting some money under vote 2.4.5 on page 38. The problem with that program -- and we pointed it out in this Assembly, as I recall, back in 1986, the summer of '86 when we were first elected -- was that there were a lot of rollovers from one company to another. The \$30,000 put in by the government often got frittered away being divided up among two or three or four different companies as they rolled it over, and nothing ever really came of some of the investments. At least at this stage the minister should be able to go back and look at that and comment to some degree on the success or failure of the program, based on those problems which were pointed out as I said, about three years ago.

Perhaps the vote that causes me the most problem is vote 2.4.6. I see that there's no money now for the native venture capital program that was in place with the government. I would like the minister to explain why. What's going on there? Lord knows that we've treated the natives badly enough in this country, particularly in this province, over the years. I guess we just need an explanation as to why that program has disap-

peared. What were the problems with it? Was it unsuccessful? Has some other program been substituted instead? What is the government doing to help natives get off welfare and start to look after themselves?

I guess the final question along this line that I would like to ask is for the minister to look at the total vote and explain to me why the -- well, I think I know why. It's just that I'm concerned that the total department vote is up by some 78 percent. It's \$118 million now, when it was \$66 million last year. Most of that is the \$47 million increase in nonbudgetary items. So I guess a fair amount of that will come back to us, providing those loans, most of them through AOC or anticipated through AOC, and some to these other companies that we talked about the other day: Gainers, Western Aerospace, Tycor, XL Food, and some of these companies that are listed under vote 3 -- that's where most of that money is going, and I guess we have some concerns about those kinds of loans.

Now, Mr. Chairman, there are a couple of major concerns about this department's estimates this year, and we view them both very, very seriously. In view of that I have a motion which I would like to read to the Assembly, and then pass out copies to the members of the House. The motion reads:

That the Department of Economic Development and Trade estimate 1.0.1 in reference to the minister's salary and benefits be reduced to \$1.

Now, the reason -- the reasons; there are two basic reasons.

MR. CHAIRMAN: Hon. member, could you wait just a moment until this gets distributed and we have a chance of looking at the material.

The Chair is inclined to declare the amendment to be in order. I would ask the hon. member to resume.

MR. McEACHERN: Thank you, Mr. Chairman. Now, most of the discussion on the estimates and most of the specific questions about various votes have been much as usual on this minister's estimates this time around. But there are two particular items that have caused us to bring forward this motion.

The first is the \$6 million loan to Peter Pocklington. Mr. Chairman, it is just incredible that any minister would allow \$6 million of the taxpayers' money to be given to somebody with no activity taking place to justify that money. Well, this department gave Mr. Pocklington a loan of \$12 million last year, or promised it to him; they gave him \$4 million of that last year. The budget shows this year that they've lined up to give him another \$4 million; it's on page 39 of the element details. The minister admitted in the House, under questioning by my colleague from Vegreville, that he had no indication that anything had been done with the \$4 million in the way of expenditures, in the way of economic development for which that money was intended. Now here we are several months into this fiscal year, and they have already been advanced -- Gainers has already been advanced -- some \$2 million more, by the minister's own words, again from questioning by my colleague yesterday. And again he has no evidence, no proof, that the recipients of this largess have spent one cent doing what the loan was meant for. So, Mr. Chairman, we just do not believe that a government should use the taxpayers' dollars in such a frivolous manner. We've actually set up a situation where this recipient of the \$6 million could put it in the bank and lend it back to the government at a higher interest rate than he's paying on it.

AN HON. MEMBER: You're just mad because there's no risk.

MR. McEACHERN: No, that's just an unconscionable use of taxpayers' dollars. That's all that is.

Now, the minister tried to say, and I listened to him very carefully in question period today, that this loan saved 1,200 jobs. I don't recall anything in the original statement when they did the original press release that said that this loan was to save jobs. This was to create a new plant; it was going to create new jobs. This was the aim and the direction of the minister. Now he's sort of backing up and saying, "Well, they didn't lay as many people off as they might have if they hadn't gotten it." I suppose that's what he's saying, if he's saying they saved 1,200 jobs. So where is the expansion? Where is the plant, and why has \$6 million of taxpayers' money been wasted?

Mr. Chairman, the minister went on to say that he will guarantee that the money is returned if it is not spent for what it was intended to be spent for. We will be watching to see that that in fact does happen, that he comes through on that statement. We do not expect that this money should be charged against the taxpayers of this province and go to one of the richest people in this province.

Mr. Chairman, there was a second reason for this amendment as well, and that is the \$1 million budgeted item for the loan to Tycor, vote 3.3.10 on page 39 of the element details. We raised this question the other day in the estimates -- I think it was Thursday evening -- and the minister had no answers for us and was quite flabbergasted. We did our homework, and we found out that this company, Tycor Electronic Products Limited, does not exist. So, Mr. Chairman, this minister was proposing to hand out a million dollars to a company that doesn't exist anymore.

MR. GESELL: A point of order, Mr. Chairman.

That specific amendment was discussed by this committee and was defeated, and we're having the hon. member reiterate the argument in respect of that amendment. I don't think it's appropriate.

MR. CHAIRMAN: The hon. Member for Edmonton-Belmont on the point of order.

MR. SIGURDSON: Just on that point Mr. Chairman. I believe that what the hon. Member for Edmonton-Kingsway is trying to do is give examples for the reasons that this amendment is before us now. He's not debating the amendment that was debated when we last had the department's estimates before us.

MR. CHAIRMAN: Thank you.

The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: In fact Mr. Chairman, I think the amendment that we put forward the other day never came to a vote. I think we just adjourned debate. [interjection] It did come to a vote?

AN HON. MEMBER: Yes.

MR. McEACHERN: In any case, my intention is not to reiterate the whole debate about that particular amendment but to merely say that we were unsatisfied with the answers we got and that that is still a reason why this minister does not deserve

the confidence of the people of Alberta, and therefore of this Assembly, and does not deserve his full salary.

In fact, Mr. Chairman, when I was thinking about reducing his salary to what figure, I found myself wondering if I shouldn't reduce it to the price of a typewriter so that he could get it straight next time; it would not have a typo. I mean, the typewriter went wrong, I guess, and they got the wrong company. Mr. Chairman, that's not a reasonable thing to do. The alternative, of course, would have been to reduce it to \$5, the cost of a phone call to Consumer and Corporate Affairs to do a corporate search to find out if the company exists.

So, Mr. Chairman, I submit that the minister has not been responsible in bringing his estimates before this Assembly and therefore should have his salary and benefits reduced to \$1. I submit that the Assembly here should support that on behalf of the taxpayers of this province.

MR. CHAIRMAN: The hon. Member for Calgary-North West Oh, sorry. The hon. minister wants to make a reply.

MR. ELZINGA: Mr. Chairman, I want to respond to the hon. member, firstly dealing with his amendment.

The hon. member, you know, just to share with you the wisdom that he conveys to this House, doesn't even know when his own amendments are voted on or not. He didn't even recognize that we shot his other amendment down, and just to indicate the seriousness with which they present these amendments, he didn't even realize the other night that he voted. You know, Mr. Chairman, that's why I can't take this amendment seriously.

I want to refer back to what the hon. member said the other night because again it shows you the hypocrisy of what goes on here by hon. members right over there. I'm quoting from his speech in *Hansard*.

I'd like to take this opportunity to congratulate him on his appointment as the minister.

These are 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. . . . I want to mention first that the most recently announced program -- and I want to compliment the government on this . . .

And today he's saying exactly the opposite. Now, the hon. member's got to get his story straight. Not only that -- not only that -- he referred to Tycor for a moment, the amendment that he forgot that his own party voted on. The hon. member doesn't even know what goes on in the Legislature. He presented what he considered a worthwhile presentation, and he didn't even know what was going on. Shame on the hon. member. I just want to share with the hon. member that it's a good thing his salary's not being voted on. He'd have to go back to polluting the minds of our young people. Shame on the hon. member.

I indicated in the Legislative Assembly that same evening too, Mr. Chairman, that it was Tycor International Inc. And I don't mind the hon. member's being mischievous, because that's a typical trait.

MR. McEACHERN: You weren't sure of that.

MR. ELZINGA: I wasn't sure of that. I indicated that I indicated that honestly, a lot more so than what the hon. member did today. But what I did do is I indicated what I thought the case to be . . .

MR. McEACHERN: You're not supposed to change one thing in that budget.

MR. ELZINGA: . . . and I confirmed it. And I confirmed it. [interjections] Hon. member, I didn't interrupt you once. I recognize there is no courtesy within the New Democratic Party, but I only ask you to listen so that maybe you'll learn a little something and you'll know what amendments we're voting on, because hopefully we're going to vote on this amendment. It'll be interesting to see how he votes, or if he remembers that he voted. But I can share with the hon. member how I'm going to vote. Does he want to know how I'm going to vote? After all those complimentary things he said about me the other night when we had our estimates before here, I know how I'm going to vote.

Plus I want to share with the hon. member, and I do this in a serious way, because he raised some serious questions, notwithstanding his -- I won't say what it was. I'm happy to repeat as I did to his colleagues the other night too -- he raises again international aid. Well, if he would read *Hansard* -- recognizing that he was here and didn't know what was going on, he could read *Hansard* -- whereby I indicated that we are still the leading province as it relates to international aid. I went through the list Mr. Chairman, of what the other provinces are doing, what we're doing, how I had sent out a note asking these non-governmental organizations to let me know their thoughts. But I'm not going to repeat it because the hon. member -- hopefully he can read -- can read that in the *Hansard* of the date that he didn't recall he voted on.

Also, I want to share with him that the reason we removed vote 5 is because the economy has strengthened to such a degree that in the event we feel that there has to be an added stimulus, we will come back at a later time. Plus we instituted three major programs, programs that again he complimented the government on, and I thank him for his kind words.

The export services. It's important to note that we access federal government funding, and I want to leave the hon. member the assurances that we're not going to allow our export services to suffer. We're going to continue with our strong emphases in that area, plus add a greater emphasis on accessing federal government funding . . .

MR. McEACHERN: You're supposed to be on the amendment right now. [interjections]

MR. CHAIRMAN: As far as the inquiry of the Member for Edmonton-Kingsway is concerned, I believe the minister is attempting to respond to the questions you asked him, and I think that should be in order.

MR. McEACHERN: Yes. But that should be after the debate on the amendment should it not Mr. Chairman?

MR. ELZINGA: Mr. Chairman, if the hon. members don't want the answers, I don't mind sitting down. I recognize they don't even know what's going on in this Legislative Assembly, because he doesn't know when he votes or when he doesn't vote. I'm not even sure if he knows what he presented today. But I'm happy to do whatever the hon. member wants. If he wants answers, I'll give them to him. If he doesn't wish the answers, that's fine.

MR. CHAIRMAN: Will the hon. Member for Calgary-North West want to participate in the debate on the amendment or is the House ready for the question on the amendment before we proceed further?

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: All those in favour of the amendment. . . . Oh, sorry.

MR. McINNIS: Mr. Chairman, I would like to speak briefly on the amendment because, I don't know, there must be something wrong in here. The minister comes in with a budget, gives \$1 million dollars to a nonexistent company. What does he want? An increase in pay for that?

I think there's some reasonable basis for looking at the job that the minister's doing in this department and I think that's the basis for reconsidering the salary that this Legislative Assembly is going to vote for him. Because it's not just a matter of purporting to give grants to companies that don't exist; it's also a matter of giving corporate welfare by the steam shovelful across this province in ways that are rather difficult to understand. We heard earlier today about \$6 million being paid over in respect of a pork plant that hasn't been built yet. I suppose that's not much different than giving money to a corporation that doesn't exist. I'm also concerned that this minister was a failure when it came to saving the Redcliff glass factory, because that glass factory is a part of a very important industry in this province known as recycling.

And when I look at the kind of moneys that this government is prepared to give to international pulp companies to bring in mechanical harvesting of large areas of the north and to ship raw material off in unprocessed form to Japan and the United States, I have to wonder what kind of job the hon. minister is doing. Daishowa corporation: \$65.2 million infrastructure grants. Weldwood of Canada: a loan guarantee of \$285 million; roads and infrastructure, \$10 million; another \$8 million utilities grant for good measure. Alberta Newsprint: a loan guarantee that I believe is up to \$220 million right now, even though it was budgeted at \$200 million to begin with; infrastructure grants totaling \$8.3 million. Sunpine Forest Products . . .

AN HON. MEMBER: Let's get on with it

MR. McINNIS: I appreciate the members don't want to hear about this, but this is what this government is doing today, and it's this minister that's doing it. It's the reason why he's overpaid in the estimates that are before us today.

As I was saying, Sunpine Forest Products: loan guarantee, \$8.6 million. Alberta Energy Company: a \$96 million loan guarantee; infrastructure grants of \$3.5 million. Alberta-Pacific debentures -- not even a guarantee, Mr. Chairman. They're going to take money, I presume from the Heritage Savings Trust Fund, \$150 million now, \$150 million later, and loan it to Alberta-Pacific Mitsubishi/Honshu corporation; and a further \$75 million grant -- not a loan -- for infrastructure. Millar Western: something they call a participating debenture for \$120 million; perhaps the minister can explain the difference between a debenture and a participating debenture. B.C. Forest Products: purchase of preferred shares, no less, \$5 million. Pelican Spruce Mills: purchase of preferred shares, \$27 million.

So you add up the loan guarantees, the infrastructure grants,

the debentures, the participating debentures, the roads, the infrastructure, the utilities grants, the preferred shares: \$1,211,600,000. That's what the government is prepared to do for the international pulp industry coming to the province. Meanwhile, we have a glass factory in southern Alberta which quietly recycles glass products that are consumed all over the province, and the minister comes up empty when it comes time to save that plant.

What I really wonder is whether one arm of this government knows what the other arm is doing. We have a Minister of the Environment who says he's in favour of recycling. We have the Environment Council of Alberta that's spending all kinds of money on studies and promoting recycling. I heard a long lecture from the minister of public works the other day about what a great fan he is of recycling industries and what a wonderful job he thinks he's doing. But we can't maintain one little glass factory in southern Alberta.

I heard the minister explain the other day, and he was wringing his hands. He said the problem is that people are buying beer in cans, that they're buying juice in Tetra Paks, they're buying milk in cartons, and nobody uses glass any more. I would like to know why it is that we are promoting and making it possible to use containers that aren't even manufactured in this province, that can't be reused, and in many cases aren't recycled. You don't recycle paper milk cartons, but studies have shown that dioxins leach out of bleached kraft paper cartons into the milk, and the children and other people are ingesting dioxins courtesy of this form of packaging. Why in the world are we in this province, through this ministry, promoting -- through not millions, not hundreds of millions, but in the billions of dollars -- bleached kraft industries that produce packaging that leaches dioxins in the milk when we can't save a glass factory in southern Alberta? Why are all the incentives in the direction of disposable, throwaway packaging?

Aluminum's another case in point. Every aluminum can that is used in this province is imported from the United States: every one. Every aluminum can takes a tremendous amount of energy to make. It's an electrolytic process. An awful lot of energy is consumed to make a can which now, thanks to recycling efforts, we can ship back to the United States for remanufacture. There ain't no jobs here in Alberta in the manufacture or the remanufacture of aluminum cans. Yet if you go to a liquor store, you only have to pay a five cent deposit on an aluminum can made in the United States. If you want a glass bottle, made in Alberta, you've got to pay a 10 cent deposit. That certainly affects consumer choice at the level of the liquor store and other places.

I could go on in this vein. But it does seem to me that this minister who's in charge of doling out the hundreds of millions and the billions of dollars to the pulp and paper industry should be doing something to promote environmentally sound, safe recycling industries here in the province. I think any minister who's incapable of doing that is overpaid, on the face of it.

MR. CHAIRMAN: The hon. Member for Vegreville on the amendment.

MR. FOX: Well, on the amendment moved by my colleague the Member for Edmonton-Kingsway,

That the Department of Economic Development and Trade estimate 1.0.1 in reference to the minister's salary and benefits be reduced to \$1.

I'm sure my colleague didn't propose that amendment in an attempt to be uncharitable with the minister. We recognize that the minister has needs.

MR. ELZINGA: We know how honourable the hon. Member for Vegreville is.

MR. FOX: So do the people in Vegreville, hon. minister, in spite of your attempts to convince them otherwise. I might add that I won every poll that you visited prior to the election, so I hope you come back.

MR. ELZINGA: I had nothing but good to say about the member.

MR. FOX: Well, thank you.

It's with some reluctance that I speak in favour of the motion, because I recognize that it would take more than a dollar to sustain the basic needs of the Minister of Economic Development and Trade. But he does get paid what the rest of us get paid as MLAs, and surely that should be enough to sustain him; he may have to modify his life-style somewhat.

Nevertheless, we're presented with this amendment, and I think we need to consider it seriously. It's not done lightly. I recognize that the minister's had a lot of things to do in his new portfolio to get a handle on the portfolio. It's a change of pace, there are new demands, new groups to meet with, new initiatives, new things to announce, like interest rate relief programs for interest rates that are higher than they currently are. I mean, all these things that he's got to work on, they take his time and he perhaps hasn't had the time to pay sufficient attention to what the department's promising to some of their friends.

We did discuss at some length what the minister now describes as a typographical error in his estimates, where they were pledging to give a million dollars of taxpayers' money to a company that was no longer carrying on business in the province of Alberta. And we'll take it at that, that it was typographical error; somehow the typewriter mistyped about 25 letters at the end of Tycor. Fingers sometimes slip; I understand that. We can forgive that.

But I think the more important thing here is that we want to demand some accountability on the part of the minister in respect to some loans and loan guarantees and grants that have been promised to their friend the captain of free enterprise in Alberta, Mr. Peter Pocklington. Now, for the life of me, I don't know what Mr. Pocklington has on this government, but there have been a litany of promises made to this gentleman, and we've got, I submit, very little in return for those promises.

We dealt at some length last year with a \$100 million loan from the Treasury Branches to Mr. Pocklington to buy a \$52 million company. Now, even the Member for Smoky River could succeed in a business adventure that gave him \$100 million to buy something for \$52 million. I mean, even the Member for Smoky River could succeed in that kind of a sweetheart deal. But nevertheless, that's what the Treasury Branch did for Mr. Peter Pocklington. And when it was raised in the House, the Provincial Treasurer said, well, I don't know anything about that; they operate arm's length; even though I'm the minister in charge of Treasury Branches, they regularly make \$100 million loans without me knowing. Then the superintendent of Treasury Branches corrected the hon. minister and pointed out that he had, in fact, been consulted on the issue. So that's deal number

one.

Deal number two is \$67 million in combined loans and loan guarantees to one Mr. Peter Pocklington in March of last year. This initiative was undertaken by the government, not to protect jobs as the minister said in question period today; it was to create jobs. I don't know if Mr. Pocklington had the minister over a barrel at the time, saying, "Either you give us this money or we shut down." I'm not sure if that's the kind of behind-the-scenes negotiations that went on behind closed doors, secret negotiations between the government and their buddies in business, but I'd like to know. I think Albertans would like to know, and Albertans deserve to know. There was a \$55 million loan guarantee involved there, and admittedly that's not our money; that's a loan guarantee. But that enables Mr. Pocklington to shop the commercial lending market for \$55 million, and he's likely to get it at a preferred rate because he's got the people of Alberta backing him up to the tune of \$55 million. It's not our money, but we're on the hook. If Mr. Pocklington and his complicated financial deals don't perform, we're on the hook. So it's of concern to people of Alberta.

In addition, there was a \$12 million loan over three years, referred to specifically in the estimates before us today, to build a hog processing plant in Picture Butte. It wasn't to build a plant in Picture Butte; it was at some yet to be specified southern location. Eventually it came to be Picture Butte. Four million dollars of that was advanced last year, and apparently \$2 million of the \$4 million allocated this year has been advanced already. That's a real concern to me and members of the opposition and to the Alberta taxpayer, Mr. Chairman, because the money has been lent out for purposes that are unclear. The minister admitted that no construction had taken place at the plant. He could go to the Gainers plant in Edmonton here and see if they've used any of the \$12 million or the \$55 million loan guarantee to upgrade, refurbish, and expand that plant, and you'll see that they haven't. He'll see that very little of anything has been done in exchange for that money, and I just think that's an unacceptable, irresponsible attitude on the part of a minister who has been trusted with a substantial amount of taxpayers' money.

People deserve to know. They deserve to know, Mr. Chairman, what secret negotiations have taken place between the government and their friends. What deals have we been committed to? What are the terms of those arrangements in respect to the plant in Picture Butte? You know, the opposition, being supportive of job-creating initiatives, being supportive of economic development and diversification initiatives in the province, is going to continue to demand that we get some performance guarantees. The Member for Calgary-Foothills has that frown on her face, but I think it's appropriate that in exchange for loan guarantees and loans and grants we get performance guarantees out of some of these jokers. I mean, who would lend . . . And let's add it up: \$71.4 million, when you include the \$4.4 million outright grant that will become Mr. Pocklington's when the plant is finally built. Seventy-one million dollars; divide that by 2.4 million people in Alberta. That's \$30 for every woman, man, and child in the province of Alberta. Okay, how many people in this Assembly would lend Peter Pocklington \$30 without any promise of return? Hands up. How many people?

AN HON. MEMBER: You would?

MR. FOX: No, I wouldn't, hon. member. I'd want a guarantee.

I'm illustrating for the members here. I don't see anybody here who would lend him \$30 but the government.

AN HON. MEMBER: Nick would.

MR. FOX: Nick would. The Member for Westlock-Sturgeon would lend Peter Pocklington \$30. I admire him. These big shot oilmen from Calgary maybe have that kind of money, but most Albertans don't, Mr. Chairman.

I think what's at issue here is that there's been a substantial amount of taxpayers' money committed with no guarantee of performance, and worse than that no guarantee of return. In a sense we're making some sort of an equity investment without any return. The risk is ours; the profits are his: so typical of the arrangements that this government this business oriented government, makes. Look at the forestry projects that we hear about day after day in the Legislature here. All kinds of guarantees made to companies without them making any guarantees in return to the people of Alberta. It's a shoddy, shameless, weak-kneed approach to business, Mr. Chairman, and what I think we're trying to do in the opposition is tighten the screws on this government so they'll be a little bit more responsible and forthcoming with the people of Alberta when they dish out their money. And that's in respect to this amendment that we reduce the minister's salary to a dollar. It would only be this year, hon. minister. We'd be prepared to look at next year's salary next year. In the hope that you underscore a few more things with us and we learn more as a result we'd be prepared.

I'm sure my colleague the Member for Edmonton-Kingsway would be prepared to vote against his own amendment here if the minister were to table all of the guarantees and deals and negotiations and commitments that have been made to Mr. Pocklington in respect to the \$12 million loan and the \$55 million loan guarantee. If all of those documents were laid out before the people of Alberta so we could know what's going on, so they could be assured that their money is being well spent so they could be assured that it will, indeed, result in job creation and economic diversity in the province of Alberta, then we'd be convinced and we'd be urging that the minister be paid his regular salary. But they've refused consistently, Mr. Chairman, to table those sorts of agreements. We didn't see them last year when we asked his predecessor, Mr. Shaben, for those kinds of agreements; we don't see them now when we've asked this minister. There have been no performance guarantees from Gainers and no performance from this minister on the issue, and that's just not good enough.

One can wonder what's happened to the \$6 million, because the minister doesn't know. He told us he doesn't know. He's hoping that it'll result in job creation. I mean, that's the typical business approach of this government. They cross their fingers, close their eyes, and wish and hope that all of these things result in economic diversification. They don't have the fortitude to require bottom-line performance guarantees out of friends in business, but still they're wishing and hoping. And what do we get in return? Not very much, not very much of substance, Mr. Chairman.

What could happen to that \$6 million, the \$6 million that's been lent under this minister's budget? A 9.6 percent interest rate, hon. members -- are all of the hon. members aware of that interest rate: 9.6 percent? We're offering Albertans 11.3 percent on capital bonds. Now, I'm not suggesting that he's done this, but it is conceivable. It is possible that Mr. Pocklington

could take the \$6 million at 9.6 percent, invest it in Alberta capital bonds at 11.75 percent, and take the Alberta Treasury to the cleaners. He'd be getting money from the minister of economic development into one pocket and paying 9.6 percent, giving it to the Provincial Treasurer from the other pocket and getting paid 11.75 percent. What kind of a sweetheart deal is that? If he'd done that, and I'm not suggesting he did . . .

AN HON. MEMBER: Tory economics.

MR. FOX: Tory economics, yes.

If he'd done that, Mr. Chairman, he would have made himself a cool \$100,000 profit.

AN HON. MEMBER: They call that wealth creation.

MR. FOX: That's wealth creation. It certainly is. It certainly is.

He could have. And I must be very clear here, so the Minister of Culture and Multiculturalism can take an interest in this, that Mr. Pocklington himself and his officials have stated on occasion that the \$55 million loan guarantee and \$12 million loan were not tied specifically to any project. They did make an undertaking that they wanted to build a plant in southern Alberta, upgrade and expand the plant in northern Alberta, but they made no specific commitment that's tied to that money. And that's just a very loose approach to business in the province of Alberta, one that we've seen time and time again from this government, but one that we in the opposition are not prepared to accept. I suppose it's our responsibility as the opposition, as a forward-looking, progressive, positive opposition, to try and get the government to see the error of their ways, tighten up the procedures so the province can be run in a businesslike way that not only generates real wealth in the province but takes care of the needs of average Albertans.

It's interesting, Mr. Chairman, that this issue should come to light on a day like today when the Leader of the Official Opposition, my colleague from Edmonton-Calder, and my colleague from Edmonton-Beverly were grilling the government on the lack of attention and the lack of initiative in respect to the growing number of children in Alberta who live below the poverty line. Over 93,000 children live below the poverty line in the province of Alberta, and this government does nothing more than pay lip service to the family and doesn't take concrete action. It's a contrast here, contrasting that with a government that's prepared to give out \$6 million to their friend in business without any guarantees.

AN HON. MEMBER: Fair play.

MR. FOX: Fair play? You consider that fair play? That's fair? I think the needs of average Albertans ought to come before the needs of people who have more money than they know what to do with.

I don't see why this government is so blind to the needs of average Albertans when they're so willing to give all kinds of money to their rich and powerful friends. It just doesn't make sense to me. That's why we've come forward with this amendment to reduce the minister's salary to a dollar, because there's been no guarantee that the money advanced has done anything of benefit to Albertans, no guarantee that it will do anything. Maybe the Minister of Agriculture will jump to his feet and tell

us about his conversations with Mr. Pocklington yesterday so we can find out what he knows about progress on the plant in Picture Butte. Maybe he'll bail the minister of economic development out of this mess. I'm not sure. I'm confident that members opposite will jump to their feet and support us on this amendment, so I want to limit my . . .

AN HON. MEMBER: He'll still have his MLA salary.

MR. FOX: Yeah, yeah, we know that He'll still have his MLA salary, so don't worry. Don't worry. And the minister is an out-of-town member so there are some . . . [interjections]

Wanting to give government members the chance to speak on this important amendment, Mr. Chairman, I'll conclude my remarks.

MR. CHAIRMAN: The hon. Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I'm absolutely amazed at the traditional view of the NDP. They have come out again with their total tunnel vision on economic development and diversification within Alberta. I think their motion reflects their total ineptness to appreciate what this department is all about. On one hand, today we heard about the poverty levels in the province and the children that are unfortunate, and we're all concerned with those children and our hearts go out to every family. On the other hand, we have a department and a minister dedicated and committed to economic development and diversification to provide for the needs of Albertans, all Albertans. We've undertaken as a government a path that will provide a strong economic base that will help all Albertans.

I'm looking at this estimate. You know, it's one thing, as usual, for the NDP to carry on and zero in on one function of an estimate and make a case out of a typographical error. I find that you've wasted so much time over a typographical error when you have such concern over the support for the family and the communities and the underprivileged. What you have to look at -- and I hope, I really hope, you're big enough to be able to oversee a typographical error that occurs in every office.

Surely you recognize that this minister has commitment not only to a Gainers fund, but look at the commitments he makes in his budgets. He's made commitments all along to small business development, small business diversification programs. Sure. Read the headings. Go down them and look at them. Can you read? Surely you people can read what's in this budget: small business equity corporations, new venture capital corporations. We're talking about expanding the business horizons in this province. We know we can no longer depend entirely on oil and gas. This is the program. I fail to understand how a typographical error can bring up such a ridiculous amendment as this, when they know perfectly well that this minister and his department are committed to diversification and development within this province.

Examples of this kind of commitment have been that through our MBA program at the University of Calgary we developed entrepreneurship programs to help new entrepreneurs expand and go out and develop small concerns to employ people. From that, what was called a Centre for New Venture Development evolved. This program provides a vehicle for small people, large people, people from the community, all sorts of people from every walk of life to access an entrepreneurship resource base, to have guidance counseling, to have capital matching.

These are programs this government is committed to, and you people would come up with the audacity to insult this department over a typographical error. I find it absolutely unforgivable and amazing that you would carry on over that. Surely you've been in departments that have those things.

The commitment over the Gainers situation. Again, I don't know whether you all need hearing aids in here or what. That was explained in question period. It was fully explained. The minister explained it in his opening remarks. I don't know what your problem is. Read the *Hansards*. It's absolutely amazing, Mr. Chairman, that this group either can't hear or can't read, and it comes back time and time again. Maybe it's both. But I just find it absolutely disgraceful that they would waste the time of this House with such utter nonsense as this.

Thank you.

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

MR. BRUSEKER: Thank you, Mr. Chairman. In addressing the amendment, I just want to mention a few things I had addressed last time that the minister had overlooked as a result of the conundrum that resulted. Perhaps I can put those questions once again to the minister, because I think they are important sorts of things.

One of the things that happened seems to be related to the lack of a plan for the development of the financial industry. The minister has overlooked responding to that for whatever reason, and I'm still curious as to possible plans to redevelop the financial industry in the province.

MR. McEACHERN: Point of order. I believe the member is supposed to be on the amendment, not on the estimates at this stage.

MR. CHAIRMAN: I think the hon. Member for Calgary-North West should be stating his reasons why he feels the minister's salary should be cut to \$1 or why he feels it should not be cut to \$1. If he could try to frame his comments in the context of that question.

MR. BRUSEKER: Well, Mr. Chairman, when I'm attempting to decide whether I support this or not, I need some answers from the minister. The hon. members of the Official Opposition have raised some points, and I have some questions as well that I would like to have answered before I can answer how I choose to vote on this.

MR. CHAIRMAN: Hon. member, that's a very difficult position you're in, because you really want to make your speech on the estimates and, unfortunately for you, the hon. Member for Edmonton-Kingsway has moved a motion calling on the minister's salary to be cut to \$1. Really, we must confine our remarks now as to why the House should consider reducing that salary or not reducing that salary.

MR. BRUSEKER: Well, we'll reduce his salary then. I guess we'd have to support the amendment, but I would point out that given the likelihood of success for this, I think it's probably as likely to succeed as water running uphill. I have a question about it, however. Since we look at the spending habits, as has been pointed out a number of times, of the provincial government, since we're under estimates, it says:

the Department of Economic Development & Trade estimate . . . the Minister's Salary . . . be reduced to \$1.

I don't see how we have any choice. But if the minister comes back in a year's time and says, "Well, gee, I got \$44,000; the estimate wasn't right," I don't see why this wording is particularly valuable the way it's worded. But we'll let it stand as it is.

In speaking to this, then, I have some concerns reflecting the last time we talked. I would like to, I guess, speak in support of why the minister's estimates should be reduced. To that effect, there are a number of things where I see some weaknesses in what's happened in the past. For example, one of them is in vote 1.0.5. Communications and Information has been reduced. In the light of increasing information dissemination, I think that could be increased.

The minister has repeatedly talked about the development of high-tech jobs and increasing the direction of Technology, Research and Telecommunications, which I realize is a separate department, but specifically under vote 2.1, there is nothing indicating how much of the money is going to the development of high-tech jobs.

MR. CHAIRMAN: Hon. member, I hesitate and I regret having to interrupt you, but we really must stick with the amendment. Hopefully we'll get past this matter, and then we can get on to what you really want to talk about. It is in order for you to suggest the shortcomings of the minister, if you wish, in saying as to why you are supporting the amendment. But really, I don't think you can be asking questions.

MR. BRUSEKER: I'm not asking questions. What I'm pointing out, Mr. Chairman, are the shortcomings I didn't get an answer to last time. So what I want to point out is what those were that did not happen and how severe that is that we didn't get the response last time. That's why I'm supporting the amendment, Mr. Chairman.

If I may continue, then, I was concerned that there were a couple of other things that didn't get answered. There was an attempt to answer questions, but some weren't answered. I've been very concerned about them, and I want to point out those concerns. In vote 7, for example, I asked a question last time. There is a tremendous amount of money being allocated to the Alberta Opportunity Company. The question I asked that was not answered was: how much money will go towards educating these small businesses so that rather than just getting money in the bank, they actually get some direction on where they are going to go with the money?

There was also a question I raised with regard to vote 4. I'm prepared, since the minister is obviously having difficulty here . . . Vote 4: I raised a question that wasn't answered about the administration, \$132,000 approximately. I think it's important to help out this minister, who is clearly in difficulty. He's requiring \$132,000 to give away \$2 million, and I'm prepared to give away that \$2 million for a mere \$65,000. If he wishes to hire me, I'll take on the task of giving the \$2 million for half price. He can save the other \$67,000 for whatever.

AN HON. MEMBER: Hurrah. Good old Frank.

MR. BRUSEKER: Trying to be helpful. It's clear the minister has had some difficulties.

There was one issue that is very urgent, and I asked the minister about it last time. In light of the recess we'll be taking next

week, I would urge the minister to respond to the question I raised regarding the Centre for New Venture Development, which the hon. Member for Calgary-Foothills alluded to earlier. This is a very interesting centre. It has great potential for diversifying the economy, which the minister has said he is keen on promoting. We will be taking a recess from the Legislative Assembly for some 10 days, and by the time we get back, they may actually end up without funding. So I would be curious to see if anything has developed. The minister said that he would have a response, presumably before we take the recess, and we still have not heard anything. I'm very concerned about that.

I will cut my comments off at that. Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Highwood.

MR. TANNAS: Thank you, Mr. Chairman. I wish to oppose this amendment. Indeed, I considered for a time proposing a subamendment to double the hon. minister's salary. However, as you can appreciate, as a rookie MLA I wouldn't be too advised to do that, so I'll confine my remarks to noting how the minister through his work has contributed to Alberta's economic prosperity. This man is certainly worth the vote estimate 1.0.1.

In opposing this amendment, first of all I'd like to commend the hon. Minister of Economic Development and Trade and his predecessor, the hon. Larry Shaben, for an exciting year in '88 and '89 to date and in the remainder of 1989. I particularly want to make mention of the initiative announced this week to give financial support to communities with a population of less than 10,000 and to establish the economic development committees there. I want to give testimony to the worth of this kind of thing.

Mr. Chairman, in 1982 the town of High River established an economic development commission and attracted a number of local citizens. They soon began the task of developing a community profile, community inventory, and developed strategies for tourism, residential development, commercial promotion, and the attraction of industries, particularly on the Alberta processing and marketing agreement which, at one time, the hon. minister was in charge of. As a result of their work and with the co-operation of the economic development committee of the town of Okotoks, the council of the municipal district, and the economic development committee of High River, they attracted first the Magnesium Company of Canada to establish its refining plant between the communities of Okotoks and High River in the municipal district of Foothills. I want to say how important this plant is, and I'll talk more at a later time about how important it is to a constituency like Highwood. It's true, the government's co-operation and support made it become a reality. At a later time I'd like to speak on how important the jobs are that will come with this plant, now referred to as the MagCan plant.

Mr. Chairman, I only want to state at this time how important the plant is to Alberta's economic diversity and the economic diversification strategy, and how important it will be in the next decade as rolling mills, molding and fabricating, and other related plants are established. I want to address the amendment to the estimates and base it on the support for the development of secondary processing plants such as the one in my constituency that the hon. minister has given.

MR. TAYLOR: I hope it doesn't smell.

MR. TANNAS: I think it's a program that has many benefits for the people of Alberta. And that's the kind of thing I want to say, that he doesn't deserve a diminution of his salary to \$1. It might be better to double his salary.

The Cargill plant, as we mentioned, began operations last week, and two additional phases will come into operation in September. Now, some people in the opposition might classify this as another megaproject, albeit the total cost would be in the lower end of megaprojects. But its impact on my constituency, on all southern Alberta, does put it into the mega-opportunities category. It is for that reason that I oppose the amendment. An operation like the Cargill plant of course will provide, Mr. Chairman, direct employment for 300 or 400 people. However, the real impact is on the surrounding communities. They are the people who will benefit from this project: small and large farm feedlot operations now that they have a steady market for finished beef, the barley growers, forage producers, cow/calf operators, all cattle ranchers, truckers in the area. When the plant gets going full stream, it will take four cattle liners every hour 16 hours a day just to support one shift -- and they do have plans to go to a double shift -- and of course countless trucks to haul the product away. Machinery agencies, special feed stores, veterinary doctors, irrigation equipment suppliers, welding machine shops, and the like: all will benefit from this minister's programs.

My point, Mr. Chairman, is that it's all too easy to dismiss an important part of strengthening Alberta's economy by saying "Oh, it's another megaproject." Well, a plant like the Cargill plant doesn't stand alone. It has a wide-ranging impact on many people to help them to earn a living and enjoy life in a prosperous society like we have in Alberta. The Department of Economic Development and Trade -- and that's why I oppose the amendment -- in their estimates are continuing farsighted economic development strategy. This minister is worth more than a buck. His contributions to this House and this province are above and beyond the current stipend.

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

MS BARRETT: Thank you, Mr. Chairman. First of all, in response to the minister's so-called explanation for the error regarding Tycor Electronic Products versus Tycor International, I'd like to point out that a typographical error involves maybe replacing one . . .

MR. CHAIRMAN: Hon. member, are we on the amendment?

MS BARRETT: Absolutely. Absolutely. If you have any doubt on where I stand on this matter, you just let me know and I'll spell it out. I'm in support of this amendment.

MR. CHAIRMAN: Hon. member, I know you're in support, but we've got to have the reasons why you're in favour.

MS BARRETT: That's exactly what I'm talking about, Mr. Chairman. The minister's feeble excuse with respect to the little fiasco that happened here last Thursday night is just that, a feeble excuse. I think he's lost the confidence of this Assembly insofar as managing his department goes.

I further think it's appalling that he would blame an error on a typist, Mr. Chairman. In the first p l a c e . . .

AN HON. MEMBER: Picking on women.

MS BARRETT: Picking on women; that's right. Because there's a big difference between a small typographical error that is, you know, one key versus the other and a complete change in the name of a company listed in this minister's estimates. If he wants to go about blaming his typist, let him go ahead. But I say shame on him, because he's got a responsibility to review those estimates before they're put into this package, Mr. Chairman. He should have done that. He wasn't doing his job; that's what I say.

Now, the Member for Calgary-Foothills argued in opposition to this amendment that we're just picking on the minister over a typographical error and also that he answered the questions today with respect to Mr. Pocklington's support from the Alberta government. That is not at all true. He did not say what's happened with that money. He hasn't got a plant, he hasn't got land acquisition, he's got nothing to show for the first half of that loan, and I think we stand by our position. Until there's land acquisition, until there's purchase of capital and the commencement of plant construction, then this minister is walking into the House saying "Trust me" and nothing else in support of his little pet projects. I don't buy it.

I do have another issue I would like to raise, and it is an example of the left hand not knowing what the right hand is doing. It's another reason I support this amendment. This minister's department is in charge of the Alberta Opportunities Company and Vencap, plus his department is entitled to give out grants and loans and loan guarantees directly to companies upon application. I'm really curious about one company in particular, Chairman, and that is the Myrias company. I see they're into the Alberta government now to the tune of \$19 million, and we still don't know if they've gone anywhere past their original parallel computer system known as SPS-1. I'd like to know if the minister can explain what's gone on with this company and if anything is going to happen for the recent amount of money. In fact, they got money as recently as January 16 through a special warrant. Now, my understanding is that the project known as SPS-2 -- the prototype is not yet ready even though it's been promised to be ready, and we don't know when it is going to be ready.

Now, that's a lot of money in this company, Mr. Chairman, and I don't think the minister has got control over this at all. Does he ever ask for reports on the specific projects from the AOC and from Vencap that he controls? When does he expect this stuff to come through? I think Albertans have a right to know how their money is being spent, and so far it looks pretty sloppy. Not only that, but it is my understanding that the SPS-1, one of which was purchased last year by the national security agency of the U.S. Department of Defense, is technology that will no longer really be owned by Myrias. Because in fact at any time Myrias ceases business, the nature of contracts from the U.S. Defense department is that they get to have exclusive rights to the information they bought. So I want to know if the minister is sinking all our public money into a company that if it goes down the tube, will end up forfeiting all the investment basically to the American Defense department. I don't think that's a very smart path for this department to embark upon.

The same would also be true with LSI Logic systems. I don't think the minister's department has got a handle on the money that's gone out to that particular agency, which stopped producing computers. I think one of the reasons is because they

couldn't get Myrias to agree to a merger deal. So I think the minister has got some big explaining to do, not just with respect to the loans that have gone out to Peter Pocklington -- for which there is no evidence whatsoever that they are being used for the purposes intended -- not only for the difference between Tycor Electronic Products and Tycor International, which this minister would like to conveniently blame on a typist but also with respect to the money that is going out into pretty highfalutin companies that have to prove they can sell or manufacture the products they're getting the money to do. The minister might also, if this one comes under his department -- I'm not sure if it was Economic Development and Trade that lent money out to General Systems Research -- ask what he's going to do with a laser cutter that nobody in the world can afford to contract.

So with those comments, Mr. Chairman, I would make my case for supporting this amendment. Thank you.

MR. CHAIRMAN: Is the House ready for the question?

SOME HON. MEMBERS: Question.

MR. McEACHERN: Thank you, Mr. Chairman, I'd just [inaudible] debate on the amendment.

MR. CHAIRMAN: You'd like to wind up the debate on the amendment? All right. Okay. Agreed?

HON. MEMBERS: Agreed.

MR. McEACHERN: I was rather bemused by the overreaction of the minister. He got rather excited. A bit like an animal that gets cornered, he really fights viciously, doesn't he? Wonderful. Mr. Minister, obviously we're getting to you. Obviously there are a couple of things in this budget that shouldn't be there, and you need to take a really serious look at how you conduct the business of this province. The taxpayers of this province should not be amused by either of these things. All the bluster and guff you put forward didn't have any substance in it in terms of replying to what guarantee we have that that plant is going to go in for the \$6 million we've given. You cannot by any stretch of the imagination get away with saying a typographical error was made when you change one 16-letter word for one 17-letter word. So the fact of the matter is that this motion reflects a very serious problem on the part of the minister and on the part of this department and on the way the tax dollars of this province are handled.

AN HON. MEMBER: You'd think the word processor was loaded.

MR. McEACHERN: Well, that's right. You'd think the word processor had a genie in it or a virus or something that caused the mistake, if the minister is to be believed. So, Mr. Chairman, I call on all members of the House to support this motion.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: All right. There has been a call for the question on the amendment proposed by the hon. Member for Edmonton-Kingsway.

[Motion on amendment lost]

MR. CHAIRMAN: The hon. Member for Athabasca-Lac La Biche, on the main question before us, which is the estimates.

MR. CARDINAL: Thank you very much. I'd like to congratulate Peter on his new job. They're well worth it, Peter. I'd also like to commend his departmental staff for a fantastic job they're doing in working toward economic diversification for our province, because that's very much needed.

But I'd like to speak in specific on one particular program this department has initiated recently, and that's the business initiative for Alberta communities. Being a rural MLA, especially in an area that faces regional disparities, socially and economically depressed, a program of this nature has been in demand and in need for generations. This program will enhance local businesses to grow; it'll enhance communities to develop short- and long-range economic plans.

As you're aware, in this House I've addressed the concern of regional disparities. I know this province in the past number of years has always expressed a concern over regional disparities in Canada, and they do exist. But let's not forget that they also exist in this province, and those regional disparities sometimes are rural Alberta as opposed to the cities. As you can see, the cities of Alberta, both Calgary and Edmonton, Fort McMurray, Grande Prairie, places like that have experienced very positive economic growth in the past, and there are very basic reasons for that. These large centres have always had the dollars to be able to promote their economies, and the majority of the businesses that were attracted to settle, of course, came to these large centres. What is happening to the rural Alberta communities, especially in the north, is that we're losing all our young people -- young people have to relocate to Edmonton or other growth centres to work -- to the point where our schools in some areas are even closing down.

I know the department's initiative in this area is going to be really positive. Look at one of the recent economic development councils that's in Athabasca-Lac La Biche, the Athabasca Regional Economic Development Council. Through this program, because they are involved in five municipalities, including Wabasca and Calling Lake, which are native communities under ID 17, these municipalities and communities should be able to get over \$60,000 they're going to be able to use, plus match it with municipal funding, which will give them over \$100,000 to promote their communities and develop long- and short-term economic action plans.

Now, if you listen to the opposition, they have a different plan. Just on Monday the opposition indicated that the Premier of British Columbia is saying "that the Alberta government is engaged in a bidding war" to attract industries to Alberta, which means jobs. Of course, they're opposed to that. The opposition also asked why we are "involving ourselves in corporate welfare." On the other hand, today they're worried about people that are in poverty and on welfare. Now I don't know where they're coming from. If you listened to them, I know my constituents would all be on welfare.

I want to close the comments in support of this new program. I want to commend the economic development branch, and I want to encourage them to continue promoting and encouraging industry to settle in Alberta, specifically in rural Alberta, where we do have regional disparities.

Thank you very much.

MR. HYLAND: Mr. Chairman, a few comments related to eco-

nomics development. I want to pursue with the minister some of the comments I made to the Minister of Agriculture during the agricultural estimates approximately a week ago, and that is economic development and secondary processing of agricultural products and the importance of that. I outlined some of the things that are grown in my constituency and what is processed there and some of the problems related to it and especially those related to sunflower seed production and, indeed, the decision taken by the federal government.

I believe that under western diversification, under the nutritive processing agreements, they will not fund anything under \$25,000. I think that indeed is a mistake, because it hurts our diversification to the extent that many of the small family operations that may not require anywhere near \$25,000 to be successful are being thwarted in their desire to develop a new project and a new business. I think that if we can look at a different program in conjunction with economic development and agriculture, where we look at those under \$25,000 -- sometimes for amounts less than that we can create one or two full-time jobs, and the people are happy that they have their own business, and they're promoting their own business.

I would also like the minister to comment on matters relating to the Consumer Glass plant in Redcliff, otherwise formerly known as Dominion Glass, and the comments made by the hon. Member for Edmonton-Jasper Place when he said that we had done nothing to assist the company in keeping that plant open. I wonder if the minister can outline how many times we met with senior management, what offer was made, and how they took that offer when that offer was made. I wonder, too, if the minister can outline what plans we have for dealing in the future with that situation and for attracting new industry to the Medicine Hat-Redcliff area, especially now with the decision by the company to close the plant. There is an approximately 500-person skilled work force that is available and would be a great asset to any other manufacturing industry or plant that government could assist to come into the area.

Also, obviously there is the other problem of attracting somebody or finding a way to use a new industry or whatever to use up the glass that is returned, somewhere in the neighbourhood of 18 ton a day that comes back into the area -- if there's anything the department could do to attract a new industry that could handle this product and find a use for it. As I understand it, the plant in Redcliff was the only glass plant in Canada that had the technology towards using the recycled glass in the creation of new glass. In some of the colors of the glass there's something like between 85 and 90 percent of the input in that new glass that was, indeed, old recycled glass. So there is a large amount of that going into landfills or somewhere now, or will be as of the beginning of this week. I wonder if there's anything the department can do to entice an industry, to work with an industry, to assist an industry that can reclaim and reuse that product.

Thank you.

MR. CHAIRMAN: The hon. Member for Bow Valley.

MR. MUSGROVE: Thank you, Mr. Chairman.

I would like to make a few comments about the economic development budget. I was wanting to get in on the amendment, but unfortunately I wasn't recognized.

The minister of economic development is trying to make Albertans so that they can live in some kind of assured income,

and the opposition seems to feel it is more important that the government feeds them. Now, the Member for Edmonton-Calder was saying that there's 63,000 children that live under the poverty line in Alberta...

MR. McEACHERN: Ninety-three thousand.

MR. MUSGROVE: ...and that we should be providing lunches in the schools for all these children -- and perhaps everyone, if the truth was known. What we are trying to do is create jobs so those people can live above the poverty line and they will be able to provide lunches in their schools. They don't seem to believe that that's the way to go.

Now, diversification is the word we use. During a forum I was at just recently, someone asked everyone involved in the forum to explain what economic diversification was. In this case there was a Liberal and an ND at the forum. The Liberal said that he wasn't sure but he thought it had something to do with high technology. The ND in that case said that he didn't have a clue what it was, and so he avoided the question. So this to me shows exactly what the pattern is of the opposition's opinion on diversification.

Now, diversification to me means changing the economy to keep in tune with the times, but it must also use your natural advantages to create an economy where you can do better than anyone else anywhere else. That's the true meaning of diversification. Now, certainly there are some places in Alberta where we should be putting some seed money into small industries. I certainly agree in most cases with the fact that in order to get a government guarantee or go to government loaning agencies, you're required to put 20 percent of your own money into the business before you can get a guarantee or a government loan. In some cases there should be a way of them getting seed money to start a business. Particularly I've been hearing this from my constituents in a lot of cases, and certainly there's some reason why they're saying that.

I'd like to give you an example of what diversification is. Now, back in the 1970s in my constituency the economy was based entirely on agriculture and the gas and oil industry. Since the gas and oil industry had some financial problems in the early 1980s, they started looking at diversifying. I would like to relate to Lakeside industries as an example of that. Lakeside started very small. There was a fellow sitting on a hill one day with a load of posts and lumber. A fellow pulled in with a backhoe and said, "What do you think you're doing?" He said, "I'm going to build a feedlot." He said, "Well, you're going to need some trenches dug, so how be if I apply for the job of trenching in your water lines?" Those two fellows are now in partnership. Lakeside feeders was such a huge success that now they have a capacity for 43,000 head of cattle at any given time. They started into vertical integration. So they then started a packing house. The packing house has been a success; it's been expanded. Now they're in the process of putting in a plant for processed meat, or boxed beef as we know it.

They also process all the hides from every packing house in Alberta for shipment overseas. Now, it's unfortunate that most of the hides from slaughterhouses in Alberta go to Korea to be tanned and then they're sent to places like Japan or other industrial countries to be made into leather goods. What we need to do is encourage a tannery, because the cost of transportation of these processed hides has got to have some factor on the cost of leather goods, to everybody in the world.

When Lakeside set up their packing plant, it was environmentally sound. Lakeside, I believe, is the biggest employer in my constituency, even though the gas and oil industry is still going very strong there. I believe the second highest employer is PanCanadian, which has a major gas field in that country. Yet Lakeside has now got a hog operation, a farrow to finish operation. They raise chickens; they've got a feed mill; they do their own farming; they raise a lot of their own silage for the feedlot. They now have become a very huge outfit.

AN HON. MEMBER: Fertilizer?

MR. MUSGROVE: Yes, they also sell fertilizer.

So that is an example of what diversification is all about. Now, Lakeside, I do know, got the nutritive processing grant when they built their slaughterhouse, and they probably have gotten some other assistance from the federal and provincial governments, but they have not been a drain on the economy of Alberta, and they have created many jobs in that area. Of course, they create jobs in other places because of what they produce. So that is an example of what diversification is all about and should be about.

Thank you, Mr. Chairman.

MR. ELZINGA: Mr. Chairman, what I wish is to do my level best to respond to a number of the questions and issues that were raised, but let me indicate my thanks to the House for their endorsement as it relates to my salary. I should indicate that my life-style is much more humble than the hon. Member for Vegreville, because I saw him and his colleague driving around in a big Lincoln last night. I can't afford big Lincolns. The hon. member's probably a capitalist/socialist. Is that what he is?

I'll go through it fairly quickly, but I want to thank, too, the hon. Member for Edmonton-Kingsway who moved the motion. Hopefully in future when he votes on motions he'll remember that, because I'm going to have hanging in my office his statement that he made in the House today whereby he didn't even remember voting on an amendment to my estimates that his party had moved. I'm going to hang that so I always will recognize the wisdom that exhibits itself in the New Democratic Party.

I also want to indicate to the hon. Member for Edmonton-Highlands my thanks for her contribution and indicate to her that if she read in my note to the Chairman of the committee that I was attempting to blame somebody, she shouldn't judge me by her standards. We're not trying to blame anybody. I accepted the responsibility in this letter. I'm the individual who has to accept the responsibility, and I accept that more so than what the hon. member does. He likes to blame everybody else, and he doesn't want to accept any responsibilities. But that's why they're in opposition, Mr. Chairman: because they don't want to accept responsibility. We're happy to accept it, and we're going to go on and make sure that this province continues to prosper. To ensure that, again, I'll do my level best.

I thank the hon. Member for Vegreville, too, for his comments. I'm not going to review, as I did earlier, the amount of groups that we do support on a continuous basis so that, again, we can enhance the quality of life for Albertans, so that we can create jobs, so that we can continue with our economic thrust. They zero in on one item. I'm just wondering, Mr. Chairman, what the good people from Alberta Bakery would say if they heard their statements about how we should withdraw all our

support for further diversification projects, what the Alberta Wheat Pool would say. You know, it's surprising. The hon. member can't always continue to play it both ways. He wants us to be businesslike, but I don't think the hon. member has ever involved himself in business. I want to share with him that in the event that they want to put their research funds to good use, and I'm sure they will, they've got a number of good people within the research department. All they have to do is keep track of the orders in council that we passed; examine the public accounts.

I want to also thank the hon. Member for Calgary-Foothills, as I will the hon. Member for Calgary-North West, for their representations on the New Ventures program. We are going to find some funding for that group. The funding was cut from my budget, but we're going to find it internally. I've worked with a number of my colleagues, and a letter should be going out this Friday. We might not be able to give them the dollars they would like, but we're going to continue with the thrust with the Calgary group, recognizing the importance it does play. But I want the House to also be aware that we're going to expect them to live up to a previous commitment whereby they will go to other sources of funding and that this will have to be matched, but we want to continue on this year.

There's another five proposals, too, from other groups: the Southern Alberta Institute of Technology, the University of Alberta here in Edmonton, and a couple of other groups have also applied for funding. So we're going to do our level best to accommodate that funding.

Just dealing with some of the comments from the hon. Member for Calgary-North West as they relate to our reduction of the communications dollars. We've injected greater efficiencies, and we feel we can do a good job of communicating with lesser dollars, recognizing that there are greater constraints because of the price of oil and the lesser amount of latitude that we do have.

I want to thank the hon. member, too, for his generosity, whereby he wanted to cut my salary to a dollar and he wanted an additional \$65,000 for himself. That sounds a bit like Liberal philosophy, all right. I should share with him that there are two people who work within that organization doing extremely fine and worthwhile work, helping our nongovernmental organizations in international affairs. Had I had my druthers, I wouldn't have seen any cutback in that area. But we are leaders in that area; we are going to continue to be leaders.

I want to pay special thanks, though, to the hon. Member for Highwood. I don't feel I should have an increase in my salary, but I want to thank him for his good wishes. I understand that now, after having this motion introduced, I'm in good company, because I gather a few other ministers also had the suggestion passed on to them that their salaries should be reduced to \$1. I'm not sure if that's true or not.

AN HON. MEMBER: But they're not here anymore.

MR. ELZINGA: Well, there's still a couple of them that are here. The hon. member has to do a little better research.

I want to indicate, too, to the hon. Member for Edmonton-Highlands that I would hope she would follow through and put her questions to the Minister of Technology, Research and Telecommunications, because LSI falls under him and I don't want to step into his area.

The hon. Member for Athabasca-Lac La Biche. I thank you,

sir, for your comments, and we look forward to working very closely, as I indicated to you when our estimates were before the House last week, to further involving ourselves with economic development in your constituency. I'm delighted with your comments as they relate to our recently announced community initiatives program, and I know it'll be put to good use in your constituency.

The hon. Member for Cypress-Redcliff. We thank him for his comments and his wise counsel. In fact, our department is already working closely with the hon. member in a community group in Redcliff to see if we can't attract other industry, in view of the fact that there is a rationalization, contrary to what the hon. Member for Edmonton-Jasper Place said. You know, he suggested that dioxins were creeping out of the cartons into the milk. Well, the milk would have to sit in there until it was pure butter before any dioxin escaped into it. And he's the environmental critic. But I thank you for your concern, and we're going to work very closely with you.

The hon. Member for Bow Valley. I thank him, too, for using examples such as the XL example of how we have been successful in providing help to industries that are so crucial to this province.

Mr. Chairman, I want to close with a few general thoughts, as I opened with, beginning by indicating my deep and sincere pleasure to the opposition parties for calling us forward again so that we could underscore the strong commitment we do have to the province. You know, they like to play a little 'hokery-pokery', and the population of this province sees through their motions and their games that they do play, because they recognize that it does lack a real sincerity, and this Chamber is not one for frivolity. It's for serious business. [interjections] Well, the hon. members -- it's typical. They're laughing. They don't have a concern . . .

MR. MARTIN: We're laughing at you, not with you.

MR. ELZINGA: That's right, because you haven't got a serious concern for this great and beloved province of ours.

MR. MARTIN: Peter for Premier. Peter for Premier.

MR. ELZINGA: Mr. Chairman, we're going to continue . . .

MR. FOX: We've identified just what you're after, Peter.

MR. ELZINGA: No, no. The hon. member shouldn't judge me by his own traits, as much as he would like it. You'd better watch out, Ray. He's already got two knives in your back. I can see you're turning a little red there, and Derek's head's getting a little red.

But I don't want them to sidetrack me into this nonsense that they're so good at. I want to close by highlighting the superb initiatives that we have been involved in and to indicate my thanks again to the hon. Member for Edmonton-Kingsway for acknowledging the superb contribution we have made. We've led the country in economic growth. The projections by the Conference Board are that we're going to continue to lead the country in economic growth this year. We've increased our funding for environmental projects, recognizing the importance the environment plays to this province. We've increased our funding to education, recognizing the importance of having a sound education for our children, and as I indicated in my open-

ing remarks, we've got some of the finest educational institutions in the world. We've got some of the finest educated people within the world. We've got some of the finest senior citizens' programs.

The only reason I say that is so we can relate back to our level of taxation, because that's where it plays such a crucial role in the development of our economy, and we still have the lowest taxation rates of any province in Canada. Because of that we can continue to encourage a sound business climate, and we are going to continue to operate on that basis, whereby in a partnership with the business community, those who are involved in labour, in government, we're going to work hand in hand so we can continue to prosper in a province that is blessed with many natural resources.

Mr. Chairman, I thank you for this opportunity again to thoroughly review our estimates, and recognizing the time, I would move that t h e . . .

MR. CHAIRMAN: I'll recognize the hon. Deputy Government House Leader.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. SPEAKER: Order please, Minister of Career Development and Employment. Thank you.

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

MR. SPEAKER: Having heard the motion, those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Motion carries.

MR. GOGO: Mr. Speaker, the Assembly will sit tomorrow evening in estimates.

[At 5:30 p.m. the House adjourned to Thursday at 2:30 p.m.]