

Legislative Assembly of Alberta

Title: **Monday, April 2, 1990 2:30 p.m.**

Date: **1990/04/02**

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

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

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

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

Amen.

head: **Introduction of Visitors**

MR. HORSMAN: Mr. Speaker, it's my pleasure to introduce you today to a distinguished visitor who is seated in your gallery, His Excellency Dr. Peter Kishili Palangyo, the high commissioner of Tanzania. He is on his official familiarization tour of this province and has received briefings today and will later this afternoon from various departments of our government. He seeks to promote closer links between his country and our province. He is a distinguished author and noted scholar in the area of African literature. He served as an educator in the United States as well as in Tanzania prior to becoming his country's representative here. I would ask him to rise and receive the warm welcome of our Assembly.

head: **Presenting Petitions**

REV. ROBERTS: Mr. Speaker, I would like to present a petition which is exactly the same as I presented last year but has 250 more names on it this year asking for government to increase home care services, particularly support services for people under the age of 65.

MR. SPEAKER: Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Speaker. I have the pleasure to introduce a petition signed by 1,122 students and concerned Albertans. They are asking the government to stop the erosion of quality and accessibility in our colleges, universities, and technical institutes.

MR. MITCHELL: Mr. Speaker, I have the pleasure of presenting a petition that was initiated and distributed by Joe Martinez, a grade 12 student at St. Francis Xavier high school. It's been signed by 231 people who are very concerned about the pending strike by teachers of the Edmonton separate school board and are asking that the Legislative Assembly of Alberta understand their concern and take actions as necessary to avert that strike.

head: **Reading and Receiving Petitions**

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'd like the Clerk to read the petition which I tabled Thursday last, please.

CLERK:

The undersigned request legislation to delay all proposed pulp and other forestry developments in the province of Alberta until such time as:

1. a class environmental assessment that reports the cumulative impact of all existing and proposed forestry developments has been completed, and
2. full and complete environmental impact assessments, equivalent to the federal Environmental Assessment Review Process (SOR/84-467) including public hearings, have been completed for each proposed forestry development.

head: **Tabling Returns and Reports**

REV. ROBERTS: Mr. Speaker, I'd like to table a report by the New Democrat Official Opposition called Action on Immunization, which outlines seven key recommendations that must be undertaken to ensure that 95 percent of three-year-olds in the province are immunized.

MR. DINNING: Mr. Speaker, I take pleasure in filing with the Assembly today four copies of the spring 1990 action plan as presented by the Premier's Council on the Status of Persons with Disabilities. This report was released on Friday, and copies have been made available to all members of the Assembly.

head: **Introduction of Special Guests**

MR. SPEAKER: The Associate Minister of Family and Social Services.

MR. BRASSARD: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to all members of this Assembly 30 members of the Evergreen Seniors Club from the town of Olds. They are accompanied by Margaret Clayton, Jean Hertz, and the bus driver Larry Wilson. I would ask that they stand and receive the warm welcome of this Assembly.

MRS. OSTERMAN: Mr. Speaker, it's a distinct pleasure for me today also to be able to introduce a group of seniors that my colleague the hon. Associate Minister of Family and Social Services and M.L.A. for Olds-Didsbury has also met. Many of these people are from his constituency as well. They are the Berghal Seniors, which is a rural community in my constituency. As I said earlier, some of them also reside in Olds-Didsbury. The 36 members of the group are located in both the members' and public galleries. I would ask them to rise and receive the warm welcome of the Legislature.

MR. SPEAKER: Calgary-McKnight, followed by Edmonton-Jasper Place.

MRS. GAGNON: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the Assembly a group of Girl Guides from my constituency. They have been working on their citizenship badge and are here to see government in action. There are 26 girls in the 11th guide company. They are accompanied by five leaders: Laura Tonhauser, Pat Letizia, Michelle Strudwick, Annette Glynn, and Judy Fortini. They are sitting in the public gallery, and I would ask that they rise and receive the traditional warm welcome of this Assembly.

MR. McINNIS: Mr. Speaker, I would like to introduce today a constituent of mine, Mr. Robert Porter, who is struggling with MS. He is working very hard to attempt to maintain a residence in the community. With Mr. Porter today is his wife, Mrs. Gerri Porter, and her brother Elvyn Lander. I'd like them to receive the recognition of the Assembly, please.

MR. MITCHELL: Mr. Speaker, I would like to introduce to the Assembly Joe Martinez, the grade 12 student from St. Francis Xavier whom I mentioned earlier. He is responsible for initiating and distributing the petition which I introduced earlier today respecting the teachers' strike. I'd ask that he rise and receive the welcome of the Legislative Assembly.

MR. SPEAKER: Thank you, hon. member. Thank you.

MR. DINNING: Mr. Speaker, it's a pleasure for me today to introduce a friend and colleague of many of the members on this side of the Assembly, from Calgary, Mr. Brent Shervey. Mr. Shervey has recently been appointed a member of the board of governors of Mount Royal College in Calgary. He's here in Edmonton with colleagues from his company. I'd ask Mr. Shervey to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Before we have Oral Question Period, could we have unanimous consent to revert to Notices of Motions, please?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: **Notices of Motions**

MR. HORSMAN: Mr. Speaker, I'd like to ask leave of the Assembly for unanimous consent to deal with Government Motion 12 in Votes and Proceedings, which would put into place the special committee's recommendations for the committees of the Assembly at the earliest possible opportunity. I understand this has been agreed to by the House leaders.

MR. SPEAKER: Thank you.

head: **Oral Question Period**

Alberta-Pacific Project

MR. MARTIN: Mr. Speaker, to the Minister of the Environment. Last week, after a lovers' quarrel, we learned that the Premier and the Minister of the Environment were on the same wavelength. That's scary to begin with. Now it's becoming increasingly clear that this wavelength is bad news for Albertans who care about the environment. Over the weekend there have been some disturbing reports that the Minister of the Environment is preparing to sell out and won't necessarily require a public review of a new proposal for the Alberta-Pacific project. I hope the reports are wrong. We'll give the minister a chance to tell us if they're not. My question: can the minister assure us once and for all that a new proposal will get a new review with full public hearings?

MR. KLEIN: Well, Mr. Speaker, like his caucus colleagues the hon. Leader of the Opposition hasn't been listening. He hasn't

been listening. Right now I do not have before me a proposal. How can one talk about something that one does not have before him? I referred earlier to a phantom proposal. That's what we have at this particular time. I understand that my officials have been in discussions with members of Alberta-Pacific. I have not had an opportunity yet to discuss with my officials their discussions with Al-Pac. Until I have in front of me a proposal, a plan, I can't address it. When I do get the proposal, if I do get the proposal, then I will have something more than this mysterious new plan, new proposal, to consider. I'll be glad to answer the question at that particular time, Mr. Speaker.

MR. MARTIN: What we're talking about is policy and principle here, Mr. Speaker, similar to what they called for. We don't need a hypothetical situation. I say to this minister that he's got to be aware that either he's going to stand up for the environment or be a flunky for these misguided economic policies. You can't have it both ways, Mr. Minister. My question is then, following from the minister's answer: how can the minister stand there and waffle about something that's as fundamental to the environment movement as a full public environmental impact assessment process? Mr. Speaker, it's not hypothetical at all.

MR. KLEIN: Well, Mr. Speaker, I disagree completely with the hon. Leader of the Opposition. It is indeed hypothetical. Anything is hypothetical that you don't have before you, and I don't have it before me. Therefore, it's hypothetical. Therefore, I'll give him a hypothetical . . .

MR. SPEAKER: Whoa. Thank you very much. Supplementary.

MR. MARTIN: Mr. Speaker, under 9.4.9 in the Al-Pac report it says, "All major proposals should be reviewed at public hearings." That is not hypothetical; that's what they're saying. I want to say to this minister and ask him one more time: on principle, does he agree with that proposal, and if so when will he announce another hearing before we move into this?

MR. KLEIN: Had the hon. Leader of the Opposition been paying attention, he would have listened carefully to the throne speech where Her Honour the Lieutenant Governor announced quite clearly that we were going to form a new natural resources conservation board. Now, the formation of that board and the terms of reference for that board will be brought to this House in the not too distant future. At that time the kinds of projects that will be reviewed in a formalized fashion will be considered, certainly by my cabinet colleagues and this caucus, and the terms of reference will be established. We'll be in a position to answer the hon. member's question more concisely and clearly at that particular time.

But right now we're dealing with ghosts. I don't have a proposal before me. I don't know what it is I'm supposed to be considering at this particular time. Until I do have a proposal, I really can't give the hon. Leader of the Opposition a definitive answer, and he should understand that.

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

MR. MARTIN: You know you can't, because you don't get invited to the secret meetings.

Agricultural Assistance

MR. MARTIN: Mr. Speaker, my second question is to the Minister of Agriculture. Rural Albertans are sick and tired of opening their newspapers and reading reports about farm sales, local businesses going under, declining school enrollments. The list goes on. Now, two weeks ago my colleague from Vegreville urged the minister to speak for Alberta farmers and get them the same kind of support the feds were offering Saskatchewan farmers. I recall it very well, Mr. Speaker. We had a lot of happy talk from the minister; there were no serious problems. He doesn't seem to care about what is happening in rural Alberta. I say that it takes more than happy talk to put a crop in the ground. My question to the Minister of Agriculture is this: now that the federal government has offered assistance to Alberta farmers, would the minister indicate what he plans to do to go after that \$80 million in assistance, or are we just going to get some more happy talk?

MR. ISLEY: Mr. Speaker, I'm afraid the hon. Leader of the Opposition hasn't been listening to a couple of questions that have been asked in the House recently, one as recently as last Tuesday when I reported on a meeting held in Regina with the ministers of agriculture from the other western provinces and a joint communiqué dealing with problems in the grains and oilseed sector going to the federal minister. I also indicated to the House at that point in time that the province of Alberta is dramatically impacted for a couple of reasons, which I won't repeat today. But I would suggest that response to the hon. leader for his reading.

The leader makes reference to an offer from the federal government, which came out of our agricultural meetings in Ottawa on Thursday and Friday, of not \$500 million to western Canada but of \$500 million to agriculture in Canada, an estimated \$450 million of which would be made available to the farmers of western Canada to offset depressed prices in the grains and oilseed sector.

The position I have taken and that I will continue to take is that this government, under the leadership of Premier Getty, in making agriculture the number one economic priority of this province has been out in the field responding in a significant way for a number of years now. One of the dramatic moves made by this government was in 1986 with the farm credit stability program, which protected interest rates at 9 percent. What I am currently saying to my federal counterparts is: "Welcome to the playing field. Look at what we have been doing. Match what we have been doing. Flow our share through to our grains and oilseed producers."

MR. MARTIN: Mr. Speaker, it's nice to talk about ancient history. Right now there is a serious crisis in many parts of this province. The minister should be aware of it by now. I asked him what he was going to do. I want to ask him again about the \$80 million that the federal government is offering. Are we just going to say to the farmers, "Too bad; we don't need the money"? Is that what the minister's attitude is?

MR. ISLEY: Mr. Speaker, now we've got \$80 million on the table. I'm not sure where he's carving that up from. Currently assessments are going on at the official level between the various provinces and the federal people as to what would be a fair and equitable distribution of the \$450 million. I am not prepared to accept, as the hon. member across might be, that Alberta's share

is \$80 million out of \$450 million. I would repeat that the programs we have out there are significantly attacking the problem, and I welcome the federal government's participation. The farm credit stability program alone this year is probably bringing \$130 million in benefit to our agricultural community. That is not history; that is this year. The farm fuel distribution allowance is going to bring \$90 million in benefits this year.

MR. SPEAKER: Thank you, hon. minister.

MR. ISLEY: I'll save the rest for my estimates, sir.

MR. MARTIN: Mr. Speaker, this minister doesn't seem to realize that there is a crisis. His own department says that there'll be a 54 percent decline in real income in Alberta.

Let's talk about the farm fuel. You just taxed people again. You took a 2-cent benefit away from them. That's taking \$20 million out of the rural economy. Would this minister at least, then, give his commitment here in the Assembly today that they will help farm families by restoring the 2-cent benefit under the farm fuel distribution allowance as part of your commitment to getting some of that money back from the federal government?

MR. ISLEY: Mr. Speaker, if the hon. Leader of the Opposition wishes to use Stats Canada's projections of net farm income in Alberta, he should be aware that they have now reduced that drop from 54 to 48 percent. We're still speculating on market prices. As the hon. member and other members should be aware, we have retained the differentiation under the farm fuel distribution allowance so that our farmers still enjoy a 14-cent benefit on purple gas and a 19-cent a litre benefit on diesel fuel. We've made some other significant moves, and we welcome the federal government to come in and assist with that industry.

Pharmaceutical Dispensing

MR. DECORE: Mr. Speaker, my questions are to the Minister of Health. The Alberta government presently spends millions of dollars a year either totally paying for or subsidizing people getting drugs either on social assistance or under Blue Cross programs. The Alberta Pharmaceutical Association has indicated that about \$24 million a year could be saved if generic drugs were dispensed through dispensaries in Alberta. The Auditor General in our most recent report indicates that for social assistance alone about \$2 million or \$3 million a year could be saved if we went the generic dispensing route. My first question to the minister is this: given that Alberta now only dispenses about 5 percent of generic drugs whereas the average in Canada is between 25 and 60 percent, what is the minister going to do to encourage greater dispensing of generic drugs in Alberta?

MRS. BETKOWSKI: Mr. Speaker, currently under way are negotiations between Alberta Blue Cross and the Alberta Pharmaceutical Association with respect to a '90-91 and a '91-92 contract with respect to drugs. Without going into the negotiations, because certainly the Department of Health has been a keen observer of the negotiations, I can confirm for the hon. member that in addition to looking at some targets for generic usage, there will also be discussed the issues of the base price for drugs, the dispensing fee which pharmacists levy for professional services, and the overhead fees for the actual pharmacy in which the service is located. All of those are

presently subject to negotiation. Without getting into details, which I think would be inappropriate, I would be pleased to report to the House once those negotiations are completed.

MR. DECORE: Mr. Speaker, the reports are that the minister has already committed the government to a scheme much like the scheme we've had, really saving no moneys for Albertans. Is that in fact correct?

MRS. BETKOWSKI: Well, Mr. Speaker, I think the answer to the first question of the hon. member stands. Negotiations are currently under way. I am not about to stand in this House and give out information which I think is inappropriate when a negotiation is going on, and when I'm ready to do so, I will.

MR. DECORE: Mr. Speaker, just for the moneys that Alberta taxpayers pay for people on social assistance or people on low incomes or anything that the Alberta taxpayer has to subsidize, will the minister commit to a 100 percent generic dispensation in that area alone?

MRS. BETKOWSKI: Mr. Speaker, I'm very much an advocate for the use of generic drugs where appropriate. However, I don't think we should give to any Albertans who are having their drug plan paid for by this province, no matter who they are, an inferior level of service if that's not appropriate. Certainly to raise the level of the current 7 percent of generic use that exists within our province to a much higher and more appropriate level is part of the goal of these negotiations, but making a medical decision as to which drug is appropriate for an individual is one that I think best be left to a physician, although some incentives that encourage more expensive rather than generic drugs that are of equal value could be taken out of the system.

MR. SPEAKER: Smoky River, followed by Edmonton-Centre.

Federal/Provincial Agricultural Discussions

MR. PASZKOWSKI: Thank you, Mr. Speaker. On Thursday and Friday of last week our first ministers of agriculture met with their federal counterpart, Don Mazankowski. Would the minister be prepared to share with the House today some of the topics that were discussed and what the ramifications may be on the province of Alberta?

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

MR. ISLEY: Mr. Speaker, one of the areas that dominated the first morning was the topic that was discussed earlier on in response to the question of the hon. Leader of the Opposition. The balance of the conference and the original intent of the conference was basically to get an update on the various task forces and committees that are at work as a result of the ag food conference in Ottawa in December, dealing with such things as transportation and the way to try to address the payout of the Western Grain Transportation Act, compensatory rates, et cetera, et cetera. There were task force reports on supply management, both in the dairy and the feather sectors, sustainable agriculture, registration of insecticides, and on and on.

MR. SPEAKER: Supplementary, Smoky River.

MR. PASZKOWSKI: The supplementary is to the Minister of Agriculture. Last fall as a result of escalating sugar prices a sugar price protection plan was put in place to assist the honey industry. Would the minister share with the House whether indeed the program has been implemented? Is there an uptake in the program, and are cheques now being sent out to the honey producers of Alberta? [interjections]

MR. ISLEY: Mr. Speaker, honey production is definitely agriculture and was also a matter discussed in Ottawa on an another issue than the sugar reduction plan. But, yes, the program is in place, there has been a take-up, and cheques are in the mail.

Home Care Funding

REV. ROBERTS: Mr. Speaker, it was a New Democrat by the name of Evelyn Shapiro who first pioneered co-ordinated home care programs in Canada, and it was a New Democrat, Dr. Skelton, who first pressed for home care and single point of entry here in Alberta. My New Democrat colleagues and I have been pressing for expansion to the home care program not only for seniors but also for persons under the age of 65 with disabilities in the province. I'm wondering: given that even the council on the status of persons with disabilities report last Friday has now said that Alberta Health's lack of support on home care, ADL, and Blue Cross is unfair to Albertans with disabilities and that they've just had enough, will the Minister of Health announce today that she will provide home care support for Albertans under the age of 65 with disabilities and apologize for government's years of inaction on this basic issue of fairness?

MRS. BETKOWSKI: Mr. Speaker, I'm not prepared to give an announcement today of the type that the hon. member would like to hear. I can say, however, that our drive towards increasing home care support in our province, I believe, is working very well. When we look at the doubling of our home care budget over the last several years—in fact, as the budget speech on March 15 noted, we are now spending about \$50 million on home care in our province, and several years ago, of course, it was far less than that. We have certainly targeted the over-65 age group, Mr. Speaker, and that was a very intentional move. I think now that with the recommendations flowing out of the Premier's commission for support of the disabled as well as several other recommendations, we can look at how we can best target those resources into the under-65 age group. That's certainly a review that I have under way.

REV. ROBERTS: Well, Mr. Speaker, the council has targeted this minister and this government for unemployment, for family breakup, and for unnecessary hospitalization because of the lack of action on this issue. I'm going to ask the Minister of Health today, the minister who continues to jack up health care taxes for people, how, then, she can possibly turn around and in the case of Mr. Robert Porter, who's with us today, with multiple sclerosis, spend \$500 to \$600 a day for him to stay in a bed in the Misericordia hospital but doesn't allow the \$80—only \$80—a day that it would cost to have him be at home where he needs and wants to be. This isn't just lack of caring; it's bad health care economics. We've had enough.

MRS. BETKOWSKI: Mr. Speaker, I'm not sure what the question was in the last outline of the hon. member. I can say

that I am very familiar with the case of the individual mentioned because that individual wrote to me and I to them to discuss the issue of home care. I believe that we have to be ready to find resources within the health care system, to reallocate those resources as opposed to simply adding on the resources, as has been the case and really the way that the health system has been built, and not just in Alberta but across Canada. The reallocation of those resources takes some time. But in addition to the reallocation, we have committed a substantial amount of support to home care in this province. I would be pleased to go over the details of that kind of support during the budget estimates for the Department of Health, which I anticipate shortly.

MR. SPEAKER: The Member for Calgary-McKnight.

Advanced Education Funding

MRS. GAGNON: Thank you, Mr. Speaker. Last Monday the Minister of Advanced Education said during budget estimates, and I quote from *Hansard*:

Alberta doesn't have to take a backseat to anybody in terms of what our universities are able to do in . . . research and certainly in terms of attracting research people. I believe our level of support in terms of finances speaks for itself.

Yet because of funding cutbacks, on Friday the University of Alberta proposed shutting down the Boreal Institute, at a savings of \$250,000. This is one of the finest northern research institutes in the world. We have also learned that there may be a cut of 25 percent to the Developmental Disabilities Centre at the University of Alberta. To the Minister of Advanced Education. Now that our research is being forced into the backseat by this government's lack of commitment to funding postsecondary education . . .

MR. SPEAKER: Thank you. Hon. member, we're up to sentence number 7. Could we have the question please?

MRS. GAGNON: How does the minister respond to the proposed dismantling of the Boreal Institute?

MR. GOGO: Mr. Speaker, I thought I spoke quite clearly last Monday with regard to the funding of our postsecondary systems. Clearly our universities are unique in that they have a research component. I simply remind the hon. member that funding at the University of Alberta is certainly comparable with the University of Toronto and the University of B.C. I don't think the U of A has to take a backseat to anybody with regard to funding. In addition to the base funding at the University of Alberta they receive an additional \$10 million in the formula funding to help buy equipment.

MRS. GAGNON: Apparently, Mr. Speaker, this is not sufficient, and I would ask how much more will be cut before the minister realizes that research in this province will go the way of the dinosaur.

MR. GOGO: Mr. Speaker, I don't often get exercised, but I don't know anyone other than the Liberal opposition that would refer to an increase in budget as a cut. I have great difficulty understanding. Certainly . . . [interjections]

MR. SPEAKER: Order.

MR. GOGO: Certainly, Mr. Speaker, the taxpayers of this province, in contributing over a billion dollars to the postsecondary system, are making a very, very major commitment. If a board-governed institution cannot allocate its own priorities in the best interest of its own institution, perhaps the hon. member would like the government to take a new approach to the whole governing of the postsecondary system.

MR. SPEAKER: Calgary-Glenmore, followed by Edmonton-Calder.

Hospital Emergency Services in Calgary

MRS. MIROSH: Thank you, Mr. Speaker. Recently in Calgary there was a report submitted to the Minister of Health from the Calgary Area Hospital Advisory Council which recommended closure of emergency wards at the Peter Lougheed and Holy Cross hospitals. The citizens of Calgary felt they were getting a community hospital that would service, 24 hours, emergency problems. Further, the chairman of the committee examining hospital utilization services, Dr. Watanabe, also submitted a report to the Minister of Health regarding these emergency services. Could the minister please advise this Assembly as to her follow-up with regards to these reports and how her department will be responding to the concerns of the citizens in our community?

MRS. BETKOWSKI: Mr. Speaker, my interests in calling for a review by both committees referred to by the hon. member was to ensure an appropriate and reasonable access to emergency services by Albertans living in the Calgary metro area. It is not just a matter of single institutions and the emergency care that they provide but the network setup which provides emergency services to all those living in the Calgary metro area. The reports have been made public. I am reviewing them very carefully. I will be planning in the very near term to be meeting with community groups in various areas of Calgary who are most interested in the report, and will do so before any final decision is made with respect to the disposition of those reports.

MRS. MIROSH: Thank you. What directive have the two local boards been given to ensure that there will be a proper emergency service and a lesser emergency service? Constituents of Calgary are not quite sure as to which is exactly the emergency service.

MRS. BETKOWSKI: Actually, Mr. Speaker, that's a very interesting question. One of the very excellent parts of the advisory committee, chaired by Mr. Cornish of Calgary, was with respect to what constitutes emergency and what constitutes urgent care. There's a very important discussion, one which I'm reviewing very carefully, and I think the assurance that needs to be given is that the people living in the Calgary metro area are being provided with the most adequate and reasonable emergency services that we can possibly provide. That was the purpose of the two reports coming together, and I hope to have a response to them in the very near term.

In the meantime I can assure the people of Calgary that for the purposes of emergency services within the existing hospital framework, that is operating well. The question is can we

operate it better and more efficiently, and that was the purpose of the two reports.

MR. SPEAKER: Edmonton-Calder.

Social Policy Reform

MS MJOLSNESS: Thank you, Mr. Speaker. This government has cut shelter allowances by as much as 48 percent since 1982 even though rents have increased by 10 percent or more for substandard housing, increasing numbers of children are using the food banks, and this minister is refusing to increase this AISH pension even though people are suffering serious mental distress. The Minister of Family and Social Services promised in this Assembly on March 14 that he would introduce social reforms and adjust rental allowances in this session. Then we've heard that it will be sometime this year. To the minister. In view of the fact that so many people in this province are suffering, will this minister tell us when exactly he is going to announce his social reform and raise the shelter allowances for people on social assistance?

MR. OLDRING: Well, Mr. Speaker, I would want to begin by saying again that this government has recognized the need for social reform, and it's much broader than just looking at shelter rates, your food allowances. We want to have a very close look at the social programs that we as a government and we as a province are offering. Through that process I want to make sure that I have the opportunity of consulting with Albertans, consulting with some of the advocacy groups. I'm working with those groups already. I've had numerous meetings with some of the advocate groups here in Edmonton. But, again, I want to continue to work with them, and I want to assure that the reforms we announce are the reforms that are appropriate not only to address the immediate situation but to carry us into the '90s. [interjections]

MR. SPEAKER: Edmonton-Calder, not the whole caucus, please.

MS MJOLSNESS: Supplementary, Mr. Speaker. People have had enough of this minister dancing around, and they want an answer. People are in desperate situations. They're paying more than half of their income for rent. They're even selling their personal belongings to make ends meet. Yet this minister has cut his social allowance budget by \$12 million. To the minister. Will this minister do the proper thing and tell people of this province when they can expect an increase in their shelter allowances?

MR. OLDRING: Mr. Speaker, this minister is not dancing around. This minister and this government are committed to some meaningful social reform. We are taking some significant steps in that direction already. [interjections]

MR. SPEAKER: Order.

MR. OLDRING: Again, I want to reiterate that it's very important to those 68,500 caseloads that we're responsible for right now. It's important, Mr. Speaker, that we take the

appropriate steps, that we take the appropriate measures over this next little while, and we intend to do that.

Lead Poisoning in Medicine Hat

MR. GIBEAULT: Mr. Speaker, to the minister of Occupational Health and Safety. It wasn't until some 10 adults and three children became victims of lead poisoning at Alberta Recoveries & Rentals that this minister finally realized the situation was serious enough to warrant an investigation. If this is the kind of treatment we give to unsafe worksites in this province, it makes Albertans wonder how many other Alberta Recoveries & Rentals there may be here in the province, unsafe worksites. So I want to ask this minister now: can he tell the House what the result was of his secret internal investigation, and can he explain why it took 16 visits from his staff? Even then we still don't have their health protected.

MR. TRYNCHY: Mr. Speaker, on Friday last the question was asked of the Premier in regards to answers on my portfolio. I want to assure all members and all Albertans that there'll be no whitewash on the assessment we're doing. I want to assure all Albertans and every member in this House that no one—and I repeat: no one—will do a snow job on this minister.

Mr. Speaker, my visit to Medicine Hat on Thursday last was a visit to tour the worksite. In touring the worksite, I found that Occupational Health and Safety had provided material, and that material was on display at the worksite in several areas. I spoke to the employer, and he assured me that the information was conveyed to the workers and pointed to the regulations that were posted. I met with the workers thereafter. It's interesting that the workers agree that some advice was provided, but some of the workers suggested the information could have been more direct and enforced by the employer. Some workers were saying that the advice given was not enforced as well as it should have been, and in many cases some of the workers followed the procedures in regards to wearing masks and coveralls, washing hands, et cetera. The workers suggested to me that the communications between the employer and the employees was not as complete as it might be. In addition to the number of workers I talked to, occupational health will be contacting all other ex-workers who are there for their comments and concerns. Mr. Speaker, I'm satisfied that the policies that have been taken and the policies in place today will go a long ways to preventing this from happening again in the future.

MR. GIBEAULT: Mr. Speaker, this is unbelievable. Let me just ask this minister one more question. Since this case demonstrates a clear case of negligence, if not open contempt, by Alberta Recoveries & Rentals with Occupational Health and Safety department directives, will this minister act under section 32 of his own Act and lay charges against this employer?

MR. TRYNCHY: Well, Mr. Speaker, on my trip to Medicine Hat and in response to the assessment . . . [interjections]

MR. SPEAKER: Perhaps we could have fewer conversations back and forth across the aisle and listen to the minister, please.

MR. TRYNCHY: . . . that I said I would undertake, let me advise this House:

- We have compiled information on 56 people . . .

- From information available today [this morning], there is no reason to believe there are any serious acute effects now occurring in anyone: workers, ex-workers, children or any other family members.
- No indication at present that further treatment of anyone is required.
- All workers above the action level are no longer exposed.
- Workers' homes have been checked by the local health unit. Alberta Occupational Health and Safety has been informed that, where necessary, clean up measures have been carried out to prevent any exposure of children to lead.

Further Action

- Health staff from Alberta Occupational Health and Safety will be following up on blood lead results to be sure all workers return to an acceptable level.
- Blood lead results are being made available to each individual tested.

Mr. Speaker, in closing, action taken today and policies in place now should go a long way in preventing this from occurring in the future. With that I'd like to table a copy of this report for each member of the Assembly.

MR. SPEAKER: Edmonton-Whitemud.

Public Service Employee's Resignation

MR. WICKMAN: Thank you, Mr. Speaker. According to *Hansard* of March 29 the Premier of the province said in response to questions I raised pertaining to the departure of Don McMann: "They are going to make sure that the minister involved will be responding to the additional questions." Just in case any of us has to be reminded of the issue, three times in an earlier *Hansard*, March 20 – not once, not twice, but three times – the Minister of Public Works, Supply and Services made reference to Mr. McMann not being fired, not being terminated, but leaving of his own volition. Mr. Speaker, it's come to my attention – I've learned that there were negotiations that went on for three months to arrive at an out-of-court settlement. To the minister. Why would department officials negotiate for three months and eventually arrive at an out-of-court settlement if Mr. McMann left of his own volition?

MR. KOWALSKI: Mr. Speaker, on several occasions here in the House I have indicated quite emphatically that one Mr. Don McMann resigned from his position with the public service in the province of Alberta, and that resignation took effect September 1, 1989. I have no way of knowing what the Member for Edmonton-Whitemud may be inferring. But on previous occasions in the Legislative Assembly, and of course quoted in *Hansard*, the inference has been made on several occasions that one Mr. Don McMann was terminated or fired – either directly or inferred. I have no way of knowing whether or not Mr. McMann has been making those statements or, in fact, has been asking the Member for Edmonton-Whitemud to make those statements. But quite clearly *Beauchesne* has a ruling with respect to any inference with respect to that. I do not believe that it's appropriate to have a man's career discussed, debated, and in fact destroyed in an Assembly such as the Legislative Assembly. Mr. McMann resigned effective September 1, 1989. [interjections]

MR. SPEAKER: Order please. This issue has come up a number of times. It's in danger of being ruled out of order because of repetition. It's the same question being asked day

after day. At least have the courtesy to allow the minister to reply without trying to shout him down.

Mr. Minister.

MR. KOWALSKI: Mr. Speaker, I want to make it very, very clear that Mr. McMann resigned from his position with the public service in the province of Alberta effective September 1, 1989.

MR. WICKMAN: Mr. Speaker, I'll direct my next question to the Minister of Labour, responsible for personnel administration. To the minister. Is it government policy to arrive at out-of-court settlements, to negotiate those settlements – and I'm talking government policy – when one resigns or leaves of their own volition?

MS McCOY: Mr. Speaker, we have a number of settlements and programs when people leave our service, but in this particular case I would refer questions to the Minister of Public Works, Supply and Services.

MR. KOWALSKI: Mr. Speaker, I have a dated document that quite emphatically uses the word "resign" in it. I have a signature; it has Mr. Don McMann's signature on it.

Mr. Speaker, there's an inference here that quite frankly puts the career and the reputation of one Mr. Don McMann in a very negative light. There's an inference being put forward here by the Liberal Party that the gentleman was terminated or fired. The gentleman resigned from the public service in the province of Alberta. I have no way of knowing how Mr. McMann can have his reputation established, and I want to convey a statement that I think it's very regrettable that an individual's career, an individual's reputation, can be brought forward to the Legislative Assembly of the province and the individual has no other protection to establish his own integrity, Mr. Speaker. I want to convey an apology to Mr. McMann for the position put forward by the Liberal Party, because quite clearly, in my view, they are harming the gentleman's reputation and his character.

Mr. Speaker, I am prepared to table with the Legislative Assembly the resignation document should I receive permission from Mr. McMann.

MR. SPEAKER: Thank you.

MR. WICKMAN: And the full details of the settlement.

MR. SPEAKER: Thank you very much, hon. member.

MR. WICKMAN: And the gun to his head.

MR. SPEAKER: Thank you very much, hon. member.
Grande Prairie.

Mental Health Services

DR. ELLIOTT: Thank you, Mr. Speaker. The citizens in the Grande Prairie area are deeply concerned about the delivery of mental health programs. We've been getting mixed signals as to what is happening with these programs and how they're being funded and whether they're going to be continued. I've been asked to put the question to the Minister of Health today so that they can read the answer in *Hansard*. This is not something they

want to read in the media; they'd like to get the quote directly from *Hansard*.

The deliveries normally through the Department of Family and Social Services apparently are in some jeopardy because of funding or from departmental reorganization. When inquiries are made about how these programs might be continued, the Department of Health becomes involved in the discussion. The question is: will the programs be continued and through what manner?

MRS. BETKOWSKI: Mr. Speaker, I want to assure the hon. member and the people of Grande Prairie and other areas of the province that moving towards a more effective delivery of community mental health services is clearly one of the priorities that I've set out while in this ministry. I can certainly report to the hon. member that the Grande Prairie mental health services – which serves a vast area, frankly, from the B.C. border north to Peace River, east to Little Smoky River and south to Grande Cache – is one that I believe will be complemented by the new Mental Health Act, which was proclaimed earlier this year. As well there are eight full-time therapists on staff at the clinic. The announcement within the budget of enhanced children's mental health services will be brought into that complement. While the hon. Minister of Family and Social Services may wish to add to my answer, I can also say that services provided, for example, by the coming on stream of the northern Alberta addiction centre under AADAC will provide a complementary service to people in the Grande Prairie area.

MR. SPEAKER: Grande Prairie, supplementary.

DR. ELLIOTT: Thank you, Mr. Speaker. The services that have been provided have been made available to certain members of the community by reference or by counseling from the people in the Department of Family and Social Services. If these programs are not available in that order or if people don't go to that department for referral to the services, how will people in the community get access to mental health services?

MRS. BETKOWSKI: I think, Mr. Speaker – and the hon. minister may wish to supplement my remarks – that clearly, for Albertans wishing to access counseling services through our mental health clinics, that is the point of first contact to which an individual should go. If there is additional support that is needed through services provided by the family and community support services department, then they would be referred there from the Mental Health Clinic. The minister may wish to supplement my answer.

MR. SPEAKER: Edmonton-Highlands.

Advanced Education Funding (continued)

MS BARRETT: Thank you, Mr. Speaker. Albertans are increasingly of the view that this is a tired old government that plays favourites, and people are saying enough is enough. Now, on Friday while the University of Alberta was handing out pink slips – and they may hand out up to 120 by the end of this week – the Minister of Advanced Education and the Premier were announcing that they were going to redirect a few hundred thousand dollars for the "Stettler community for enhanced post-secondary opportunities." Now, I use the word, and I quote

right from the news release; it said "redirect." My question is to the Advanced Education minister. From which institution did he take the money to redirect to this new project?

MR. GOGO: Mr. Speaker, part of the great success story of the postsecondary system is the community consortia, a system of five consortia that deliver credit programs throughout Alberta. One such consortium, Big Country, operates and has for some years in the area covering the Stettler area. The representation made by that community, its mayor, and various educational authorities had asked us as a department to increase the educational opportunities for adult students in that area. We listened closely; they made a good case; and we authorized not a new program but an expansion of an existing program in the community, in the Stettler area.

MR. SPEAKER: Thank you.

Question period has expired. Might we have unanimous consent to complete this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

MS BARRETT: Thank you, Mr. Speaker. I notice the minister doesn't want to say that he stole from Peter to pay Paul in this instance. I know also that he makes a good case about the importance of regional rural education. Right on. So will the minister tell us this then: why is it that since 1979 the students in Peace River have been asking for proper, safe facilities, instead of having to bring their own buckets to the facility to catch the rain as it comes through the roof, and they keep getting denied? Can he answer that question?

MR. GOGO: Mr. Speaker, the hon. Member for Peace River has made that case many times. The government and the department are seriously looking at it. That happens to be a major priority not just when it rains but all year round, and I'm committed as minister to seriously addressing the whole question, which is another consortia project in northern Alberta. I assure the hon. member that those in Peace River will get just as much attention as any other part of the province.

MR. SPEAKER: Thank you.

MR. SPEAKER: Point of order, Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I rise to make a point of order under *Beauchesne* sections 348 and 409(5). It relates to the nature of the question asked of the Minister of Agriculture by the Member for Smoky River earlier today in question period. My concern relates to the fact that the question asked for information that would more appropriately be provided through a ministerial statement at the outset of the agenda of the day rather than taking time that could otherwise be more effectively and better utilized in question period. Under *Beauchesne* 348 ministers are, of course, accorded the right to a ministerial statement, which is defined as, among other things, "a short factual announcement." The minister's response to a request to report on a conference and then to report on a program would certainly fall well within this definition of a short,

factual announcement. The definition of a question under 409(5) would exclude this question from appropriately being asked during question period because

there must be some present value in seeking the information during the Question Period rather than . . . through correspondence with the Minister or the department

or, in this case, in caucus. That information could very, very readily be achieved by this member from the minister either in caucus or, for that matter, by bumping into him in the hall.

Mr. Speaker, de facto, because you allowed that question and answer to proceed, you decided that it did qualify under section 409(5) and that it wasn't more appropriately dictated to be announced under section 348, ministerial statements, and I would request under Standing Order 13(2) that you would explain the reason to us for that de facto decision.

Thank you.

MR. SPEAKER: Does somebody else want to get in on this? Smoky River.

MR. PASZKOWSKI: Mr. Speaker, just in response, I'm sure my constituents would be very pleased to hear that our urban representative of the Liberal Party has made this accusation. During the past weekend I've been deluged with calls. Within the last two months the price of sugar has escalated very dramatically from where it was last fall. Last fall it had increased roughly 30 percent from where it was the year before. We've made some very dramatic changes in the honey industry. We've taken away from the honey people the opportunity to access, and that is why I was responding in the House, so that the people had the opportunity to see or to read what the actual facts were. There has been a lot of misinformation that has been circulated within the industry, I'm not sure by whom. Nevertheless, there is a lot of information that is indeed not factual, and I asked that question so it would be recorded in the House so that the beekeepers themselves could read and see what the actual, true information is. [interjections]

MR. SPEAKER: Hang on for a moment, honey.

Hon. members, the problem of question period, with the ebb and flow, is difficult without us then having to get down to nit-picking about some of these issues that have been arising at the end of question period, and this is about the second day in a row, if not the second day out of three.

With respect to quoting *Beauchesne* 348, it really does relate to statements by ministers rather than to question period. The question as raised by the Member for Smoky River was one that was not dealing with government policy; it was a question asking what transpired at a particular conference. I think the Member for Edmonton-Meadowlark would also realize that the Chair did intervene when the minister started to go on a bit too long. The Chair also had some discourse with the Minister of Agriculture about how the 'supplementary did indeed relate to the conference, and was assured that not only was it an agricultural issue—of which the Chair was well aware—but also the fact that the issue had been discussed at the conference of ministers of agriculture. So the Chair felt, indeed, that the question was in order.

Now, when other sections of *Beauchesne* start getting quoted, 409(5), for example, a matter "of some urgency," then that's a judgment call, and the Chair, under *Beauchesne*, has indeed the responsibility and the right to act with regard to question period. Now, hon. members, if indeed you want the Chair to be very, very strict as to what the quotations from *Beauchesne* really

relate to, then fine; I'd be quite happy to go ahead and do that. In that regard a number of questions will never see the light of day again, and the matter of repetition is one that has been seriously violated in terms of question period. There are a number of other issues here: expressions of opinion are being stated in the preambles, representation, argumentation—all these kinds of other matters that we can strain through the net if we wish. So hon. members . . .

MR. MITCHELL: Well, we don't have an alternative. They do.

MR. SPEAKER: Order please, hon. member. [interjection] Hon. member, you've been warned about this before. Edmonton-Meadowlark, if you wish to have a discussion outside—please; we're only too happy to accommodate your wishes. But this is not to become a shouting match with the Chair. It's not a point of order.

Now might we have Orders of the Day, and might we revert to the Introduction of Special Guests.

HON. MEMBERS: Agreed.

head: **Orders of the Day**

head: **Introduction of Special Guests**
(*reversion*)

MR. SPEAKER: The Member for Edmonton-Belmont, please.

MR. SIGURDSON: Thank you, Mr. Speaker. My colleague from Stony Plain has been called out of province to attend a funeral, and on his behalf I'd like to introduce to you and to all members of the Assembly some 14 students from the Alberta Vocational Centre, the Spruce Grove outreach. They're accompanied today by their teachers Brian Aaberg, Ron Guetter, and Keith Nixon. They're seated in the public gallery. I'd ask that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Thank you.
Deputy Premier.

head: **Government Motions**

12. Moved by Mr. Horsman:

Be it resolved that the report of the special committee appointed March 8, 1990, pursuant to Standing Order 49 be now received and concurred in and that the committees recommended therein be hereby appointed.

MR. HORSMAN: Mr. Speaker, with respect to Motion 12 I would like, first of all, with unanimous consent of the Assembly, to make one slight alteration; that is, to say that one of the New Democrat representatives on the Public Accounts Committee should read "Laing, Edmonton-Avonmore," rather than "McEachern." I would ask that the hon. members of the Assembly accept the motion with that slight alteration with unanimous consent.

MR. SPEAKER: First, could we have unanimous consent to make the amendment?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
Minister, now move the amendment.

MR. HORSMAN: I move Motion 12 as amended, Mr. Speaker.

[Motion as amended carried]

head: Committee of Supply

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: If the committee is ready to come to order.

head: Main Estimates 1990-91

Economic Development and Trade

MR. CHAIRMAN: The hon. Minister of Economic Development and Trade.

MR. ELZINGA: Thank you very much, Mr. Chairman.

AN HON. MEMBER: Question.

MR. ELZINGA: If the hon. member is serious, I'm happy to have the question, but if he's being his traditional self and not being serious, I'll share with you a few comments.

Mr. Chairman, I wish to share with the Legislative Assembly a few comments. I'll also take the opportunity to introduce the outstanding individuals we have within our department and then respond to whatever concerns or thoughts hon. members might have. It's important, as we examine our estimates, to remember that this province is fulfilling its potential as one of the most dynamic business regions in Canada, and the prospects for our future look even more promising.

Mr. Chairman, our economy has never been stronger. Our work force is growing. Our exports are growing: nearly \$15 billion in international sales by Alberta firms in 1989. Investment is growing strong. More than \$27 billion has been announced for major new projects or projects now under way. Total investment in Alberta is projected to increase by some 10 percent in 1990. Alberta's success is the result of years of planning which has resulted in creating a solid foundation for our economy. For the 1990-91 fiscal year, and indeed beyond, we within this department and within our government are going to work towards the goals of a balanced provincial budget and a continued diversification of our economy.

The Economic Development and Trade budget for 1990-91 contributes to all these goals. We have, for example, reduced our departmental budget by some 40 percent, excluding funding to be provided to the Alberta Opportunity Company. We have managed to cap growth in the department's salary budget. We've reduced our planned expenditures on both travel and hosting.

Mr. Chairman, these reductions notwithstanding, the department will continue to offer the services and programs Alberta businesses and communities find of value. For instance, in 1990-91 we expect to provide the following services: direct business counseling for approximately 35,000 businesses; one-on-one private-sector counseling via the management assistance program to some 440 businesses. Just recently we have had representations from a number of chambers of commerce to continue this program, and we're delighted that we can continue

it. We're counseling to new exporters, to some 60 businesses, via the export trade readiness for Alberta program. Assistance to 125 communities via the business initiatives for Alberta communities: this program is involved with the development and implementation of strategies that enhance business development in smaller communities. We have now established a western purchasing information network, delivering Alberta businesses the information they need to compete for government contracts across the west.

Mr. Chairman, with the importance of the environment and Alberta's expertise, the department is also actively working in conjunction with the Department of the Environment, with firms and organizations to take advantage of opportunities available in recycling industries. We are diversifying and expanding our economic base, and in doing so, we are going to continue with our efforts in gaining access to international markets and investment. The importance of this was underscored by our recently announced reorganization within the department, and I will have more to say about that later. But if we examine trade, it accounts for more than 22 percent of our gross domestic product. In 1989 exports were close to \$15 billion. We've had many successes this past year owing to our trade and investment activities, and I wish to highlight but just a few.

An oil and gas mission to Iran identified a number of export projects and led to the establishment of the Kala Naft purchasing office in Calgary. This office is expected to purchase some \$200 million worth of Alberta products in its first year of operation. Our department matched some 400 Alberta companies and 150 U.S. agents and distributors. We successfully matched Erith Tie Co. Ltd. in signing a joint venture agreement with Citic of the People's Republic of China to construct a \$35 million sawmill in Alberta. During the past year the department provided numerous seminars on exporting. The Let's Talk Trade seminars alone had over 1,000 registrants.

Co-ordinated again by our department, some 40 Alberta companies participated in the recent Globe '90 environmental trade fair in Vancouver which showcased Alberta's expertise in products, services, and technologies related to sustainable development. This coming year we will undertake a number of trade activities ranging from hosting incoming missions, leading trade missions, to attending trade shows. I'm delighted that at one of them we will have the opportunity to have two MLAs lead an upcoming trade show delegation to Neftegaz '90, an international petroleum and gas show to be held in late June, early July in Moscow. The two MLAs will be Dianne Mirosh, the chairman of the economic affairs caucus committee, and her colleague the hon. Bob Elliott, and we look forward to them leading in a very meaningful way this very important mission.

Mr. Chairman, in the 1990s we will continue to see a number of changes take place within our province and within the great country of Canada itself. We want to make sure that as a department we are ready to take advantage of those changes. If one examines the mandate of our department, we are responsible for the co-ordination, development, and implementation of the provincial government's economic development and diversification strategy. We're going to continue to offer that leadership in working closely with all the departments within government. Towards that end we announced on March 20 a restructuring of our department, and I wish to take this opportunity to introduce members of our department who are here with us, plus pay a deep and sincere tribute to them for the superb work they are doing in developing the economy within

our province and the role they are playing in further diversifying this great province of ours.

I start by introducing Mr. Al McDonald, who has recently been appointed the deputy minister of our department. As many of you are aware, he was the former deputy minister of Alberta Federal and Intergovernmental Affairs. He has extensive experience in both the public and private sectors, and we look forward to working very closely with him to promote the further growth and diversification of the business community.

Also joining our deputy are four assistant deputy ministers. Mr. Ron Blake is the assistant deputy minister of small business and industry division. He's going to continue to play a very important role in the development of our manufacturing strategy and new initiatives in environmental technologies and the recycling industries. We're going to work very closely with Mr. Blake in reviewing the small business assistance and rural economic development programs, and I wish to extend to him a very special thanks. As a good many of you know, he was hospitalized for a period of time, and we're delighted that his health has returned and that he is back again to offer such a valuable service to the public.

Also, Mr. Murray Rasmusson will continue on as the head of a restructured division exclusively devoted to trade and aggressively pursuing new opportunities for Alberta companies arising from the reduction of barriers to international trade. It's a tribute to him in no small part that in 1989 Alberta companies broke all existing records as it relates to trade: another individual who is so dedicated to the growth of this province.

An individual who is not new to our department, because he served as the executive director of business finance development, is Mr. Brian Williams, who will be the new assistant deputy minister of the new business and finance investment division. His experience serves him very well in the new task, and he is ideally suited to the new responsibilities of attracting international investment to the province and assisting businesses in assessing capital essential for long-term growth.

Mr. Stan Schellenberger also will join the department as the assistant deputy minister of a restructured sector, the policy and planning division. An individual who has contributed so, so much in his years both as an elected representative and as a public servant, we're delighted that he will add an additional dimension and have the opportunity to continue to serve in such a vital role.

Mr. Chairman, these changes in themselves send a message and a new mandate whereby we are going to continue the strong leadership role in the implementation of our government strategy for economic growth and diversification. The growth of Alberta's economy continues to outpace that of Canada, and our province continues to attract a higher per capita level of investment than any other province.

Mr. Chairman, there are a number of other individuals who have also joined to help with the estimates, and I wish to pay tribute to them, too, for their outstanding service to our department and to our government and to the people of Alberta. I begin by indicating our deep and sincere thanks to Terry Eliuk, who is the director of finance and administration; to D'Arcy Levesque, our director of communications and information; John Lavkulich—I didn't do a very good job of that, John; you have to forgive me—who is the director of human resources; Brian Huygen, finance and administration; Mr. Roy Parker, who many of you have had dealings with, is our president and chief executive officer of the Alberta Opportunity Company; and last but by no means least, Mr. Jim Armet, my executive assistant.

They're in the gallery, and I'd ask them all to rise so we could extend our deep and sincere appreciation for the superb work they are doing.

Again, my personal and deep thanks to you, gentlemen, for the excellent work and the calibre of work you produce on an ongoing basis.

Mr. Chairman, I wish to wrap up with a few thoughts; firstly, by saluting the small business community which we work very closely with. As you will note, a number of our changes within the department are geared specifically to the small business community, recognizing that they do play such an instrumental role in the development of our province. If one examines their activity, 97 percent of all Alberta companies are classified as small business, those being with sales and revenue of less than \$2 million or with less than 100 employees. They're responsible for 80 percent of our private-sector employment, and they are the cornerstone of our diversification.

In turn, that leads us to examine again the current economic climate we find ourselves in. Confidence is growing. Alberta is the most dynamic growth region in North America. We're a young province where in excess of 50 percent of our population is under the age of 30. We've got a superb educational system, with the University of Alberta being the second largest English learning institution in Canada. We're blessed with an abundance of resources, the greatest resource being the people themselves. We as a province are continuing to build on the strengths that we do have, exercising the use of the heritage fund, continuing with our competitive tax regime whereby we have the most competitive tax regime for the small business community of any province in Canada. Last year we saw the implementation of three new programs, two of them specifically directed towards the small business community: our capital loan guarantee program and our interest shielding program; the third being geared to our smaller communities, the business initiatives for the small communities themselves.

I've already mentioned too, Mr. Chairman, the importance of trade. But if you'll allow me just for a moment to divert back to a former portfolio—because these numbers, I think, really send home a message as to how important trade is—if we examine what we produce within the agricultural community as to what we consume, we recognize very quickly that we do need to have markets other than our own. We export 80 percent of our wheat, 70 percent of our beef, 60 percent of our pork, and 50 percent of our barley. Those figures send home very quickly the need for us to have access to markets other than our own.

It's noteworthy also that it is estimated that for every billion dollars' worth of exportation of our products, we create somewhere in the vicinity of 19,000 jobs. As I indicated, sir, our economy is strong. We have our government's spending under control, whereby we have one of the best expenditure records of any government in Canada, and we are continuing to create a climate that is productive for the small business community.

Mr. Chairman, we as a department and we as a government are going to continue to capitalize on the new opportunities that exist for ourselves, and we're going to work hand in hand with our private business sector to make sure that this does become a reality.

With those few thoughts, and since I'm getting a little hoarse, it's time for me to sit down, but I thank you for that opportunity.

MR. CHAIRMAN: Thank you very much.

The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. It's my pleasure today to rise and speak on the Economic Development and Trade estimates. I'd like to start by just running through a few of the questions I have regarding the actual specific estimates here and there in the estimates booklet itself.

I would start by looking at the 16 percent increase in the minister's allowance. I couldn't help thinking that was a bit unnecessary in a time of restraint for other people. Perhaps the minister could have taken a little smaller increase in his allowance for being a minister. I notice that 265 workers for the department had to put up with a 1.1 percent increase. I don't think that's quite right: the person at the top of the income scale gets the biggest increase, and most of the workers get a smaller one.

There was a program we were quite pleased about last year. I remember when the estimates were up, we talked about the small business initiatives for Alberta communities program. It was small money, but it did start a very important idea—some \$25,000 given to communities with less than 10,000 people to start making a business plan. I notice that the department has followed up with a series of booklets on developing local business plans for communities, and I think they're quite good, actually. A lot of it is just organizational: how to call meetings and get together and organize yourself and gather information. But I picked out the third pamphlet, which I think lays out the argument fairly carefully and fairly well as to why communities should go after small businesses and developing local industries as opposed to dreaming that they can somehow bring in somebody from outside, some big foreign multinational from some other country, and expect them to come in and solve their employment problems and other social problems.

I think that's really excellent. A number of the basic facts laid out there make a lot of sense. So I'm in favour of the government's drive to shift their programs from—well, I'm not sure they're shifting it. There seems to be a bit of a paradox, but the move to improve the small business programs is certainly a good one. I was just wondering if the minister could tell me what's happened to that program. Is there a follow-up? Is there money in this budget that I just don't see because it's not identified specifically enough for me to recognize? That was the second question to the minister on the specifics in the budget.

I wanted to look also at vote 2.2.4 on page 38 of the element details, International Investment Promotion. I notice it's up by 14 percent. I think by the time I'm done today, I'll be able to make the case, or at least I'm going to argue the case, that the way to develop an economy is not to look to foreign multinationals based in other countries and to talk them into coming here and investing and cutting down our forests at a great rate and taking away the pulp and having it developed to paper somewhere else: the kind of thing the government is getting into in the pulp industry, has been into for years in the oil industry; that sort of approach. So I wonder why that area got so much emphasis. That's sort of, I guess, part of the paradox of what I say about this government's policy. At one time they try to help the small and local and indigenous businesses in the community, and then at the same time they're trying to help foreigners come and own us even more—and I'll get back to that theme later. But I can't help wondering why that amount should have gone up. Chasing around the rest of the world looking for investment may not be the way to go, and I have some comments to that later in my general comments.

Vote 2.4.5 on the same page, the Small Business Equity Corporations. I notice it's finally down to zero dollars for that

program, and all I can say is, it's about time. That program should have been cut off a number of years ago when it was shown to be a failure earlier. I know the government tries to defend the programs, so perhaps the minister would be prepared to do a summary of the companies that got the money—how much they got, how many jobs were created, how many of them were in Alberta, how many were outside Alberta, that kind of thing—to see just how good or how bad that program really was. Albertans should know, and now that it's been wound up, it might be a good time to give us some specific details on that.

There is another question I have on vote 3.3.2, XL Foods Ltd., and that whole section. Why are they still getting government money? Has that been promised to them a few years back or something, and you can't get out? EDO also. Votes 33.3, 33.12, and 33.13 all indicate fairly significant sums of money to four particular companies, and by the number of blanks in the rest of the list, meaning that other companies are being cut off, why haven't these four companies also been cut off? What is it that they have that determines they should get some more government money when the government has said that's not the direction to go, of handing out money to reasonably large corporations in this case?

Vote 5: just a very cryptic comment. Since it's all totally blank on page 41, why don't we save a tree and eliminate it from the books?

Just a moment to go back to vote 4, the international aid. I think the people of Alberta have always been quite proud of the fact that this government used to match their dollars for foreign aid for nongovernmental organizations. Whenever an Albertan donated to one of these charitable organizations for foreign aid, the province would match them, and in some cases they were even matched again by Ottawa. So sometimes some of these organizations were getting four dollars for every dollar donated by an Albertan. I think most people were rather proud of that and thought that it was really important. I guess I would just like to say that I was really disappointed in the Treasurer's comments the other day when he sort of said, "Oh well, we shouldn't have forgiven the debt to the people in the Caribbean." I mean, those people are living in abject poverty by comparison to the wealth we have here in this province. It was a small gesture that Canada did for them.

I'm glad to see at least that we didn't cut back our funds even further to the foreign aid program. You did cut it back last year, and I don't think the government should have. I would like to see it back up to where it was, but certainly I'm glad to see they didn't cut it again. I'm rather disappointed in the Treasurer. I think it's a valuable and important program. Most of those countries are in such economic difficulty that the International Monetary Fund has come in and told them how to run their economy, and they have very little chance of ever getting out from under because the foreign banks are taking most of the money. Actually, we shouldn't, in this country, disparage that too much. The crisis precipitated, I suppose, by the high interest rates and the danger of the dollar when Michael Wilson brought in his budget—I don't know that we were all that far from having the IMF starting to tell Canadians how they should run their economy.

Vote 6 seems to be—I was a little bit surprised to find that there was \$30,000 there before the end of March 1989. Vote 6 is the interest shielding program that the government announced during the election. I didn't think that program was passed until after the election, and so I couldn't help wondering why the government was putting out money in '89 when in fact the Bill

making it legal couldn't have possibly been passed until after the fiscal year that ended March 31, 1989. I guess they've done it by order in council or some such. In any case then, the next year showed an amount of nearly \$26 million. On page 36 of the budget speech I notice that the Economic Development and Trade department showed a \$70.5 million estimate and then shows a forecast of \$46 million. So I'm wondering if part of that big drop wasn't in this program. Did people not take up that program, or did not very much money have to be put out? That \$26 million which was the estimate for '89-90 may very well not have been claimed, and one can't really tell. All you can see is that this year it's now down to \$5.6 million again. Perhaps at some point you could give an explanation of the reason for the drop from \$70 million down to \$46 million. I wondered if that program was one of the reasons, because of course you can't tell from the estimates book whether the \$25.9 million was spent or not, and the budget speech doesn't break it down finely enough to be able to tell either.

Those are my main questions from the actual estimates themselves. Personally, I'd just like to add that I think that program was a bit of a waste of time and a rather silly election promise that probably should not have been bothered with. It's rather ironic, actually, that if that program were to work or be any benefit to Albertans, interest rates would have to be very high, because it's above 14 percent. That's sort of like expecting that Ottawa is going to keep on with this insane high interest rate policy: you keep pushing it up and up to the point where – of course, that's supposed to kill the economy or at least slow it down, but we in Alberta are going to keep subsidizing it so that in fact it doesn't slow the economy down. It's kind of like a tug-of-war between the two Conservative parties, one at the federal level and one at the provincial level, and it doesn't make very much economic sense at either level.

I wanted to spend a few minutes just talking about different programs. I promised the minister last year that I would tell him those programs I liked and those I didn't, and I know he's just waiting to hear so he can adjust his programs. But there are some comments that should be made. As to Vencap, which is supposed to be one of the major economic development programs in this province, I don't have much use for that program, but I'm going to leave the comments on it to my colleague from Calgary-Mountain View, as he is on the speakers list for later. I've already mentioned that I didn't like the SBEC program; I'm glad it's finished. The Alberta Opportunity Company is now moving into some venture capital for small businesses, and that's good. I still think the Alberta Opportunity Company has been badly administered over the years, a lender of last resort and very bureaucratic, and probably it would have worked better if it had just been turned over to the Treasury Branches to run in the first place.

The Alberta small business term assistance plan is outlined on page 54 of the Budget Address, and I guess I'm wondering why, since this was supposed to be a \$1.3 billion program, there's not that many dollars in the program. It says, "Loans totalling . . . \$640 million were made under the program at a fixed 9 percent [interest rate]." I suppose it's because each person could borrow up to \$150,000, and if you divided \$1.3 billion by \$150,000, there'd be a limited number of people, then, that could actually get some money. But if they didn't take the full \$150,000, did you feel you had to hold it on standby for them in case they wanted it? Could you not have just taken an average and gone ahead and loaned some money to some other people? Or did you never envisage getting up to \$1.3 billion in the first place?

Perhaps the minister could answer that question for me when he gets up to speak later. That program, by the way, was mostly loans that were already in place, just rewritten under the new plan, so it really protected bankers and people that already had loans and didn't help an awful lot of new people, as was true to quite an extent for the farm credit stability program as well, but that's no longer under here.

Now, the export loan guarantee program. It's one that we got into a bit of an argument about the other day. The government argues, I suppose with some justification, that they were able to back a lot of business enterprises without a great deal of loss, but I would just say that it's still the wrong direction to go. The minister should be putting his money, in terms of diversification and developing this economy, into small businesses and into training and educating people. So I stand by my statement of the other day that the people in Lethbridge who are in this new ventures development program deserve to have a few thousand dollars to finish off their education program much more than these exporters need to have some \$75 million set aside for them. It would pay off more in the long run. Maybe it wouldn't show up immediately, but it would pay off more in the long run.

I suppose the thing that bothers me most about the export loan guarantee program is the refusal of the government to own up as to what's going on with it and to give us some details. They should have to list all the companies that get the money and pay back the money, those that don't, how much the government lost, and the details in all cases. If people are going to take government money, then they should make it clear where that comes from, who got it, and what was returned and what wasn't. I know the minister will say, "Oh well, that money shows up in the public accounts," but I would like to tell him that it doesn't show up in the public accounts in a way that you can tell what program it belongs to. Sure, it will show that company A received so much money or had a loan guarantee from the government or that sort of thing, but you can't tell which ones came under the export loan guarantee program. They are not isolated out in a separate place. Well, we do have one list from last year, but it is now a year out of date, and there should be an update for everybody. The one we got, it wasn't really intended that we would get it; the government didn't make it public voluntarily.

Now, I'd like to go back to the small business initiative program for just a moment and say to the minister that I hope he is following that up with some dollars which are tied to that program in the booklet that I was talking about a few minutes ago on how local communities can develop business plans for themselves and in control of the local community. I would listen for some more information about his intentions in that regard.

But I want to spend some time now, Mr. Chairman, talking a little bit about the government's other sort of more general economic policies. The minister spent a few minutes at the start of this session bragging about how wonderful it is here in Alberta, how our economy is being diversified, how Alberta is fulfilling its promises: we've a strong work force – it's growing; our exports are growing; investment is strong; years of planning have laid a solid foundation for the future, just to quote him on some of the things he said, and, of course, that we're going to have a balanced provincial budget. Well, that's another question I'll get into with the Treasurer. He's a billion dollars out in his numbers, but that's all right; I'll leave that to get into with the Treasurer later.

It's my contention that the government has a big paradox in their policies, that while you have an idea that you can help local

people develop local industries and have control of their own economic destiny – and I would like to add also that with the idea of sustainable development and concern about the environment in this day and age, they are also the people that are most likely to take care of that environment and to take care of the social concerns of the local people. So I think that's good, but the parallel thrust that the government has made of running off and chasing after foreign investment is a wrong direction, I would maintain, and there's a cost to it. The free trade deal has only been in force for a year; nonetheless, some trends are clear. It's mainly because they either have reversed some positive trends we had before or have increased and made worse some negative trends that were going in our economy in Canada before the free trade deal. In anticipation of the free trade deal a lot of companies started to act like free trade was already here and are acting that way, and the foreign ownership of our economy is increasing.

I have here a few comments from a magazine article I want to read, and then I want to give you some information from a set of graphs put together by Mel Hurtig, who has spent a lot of time detailing the cost of having a foreign-owned economy. The Treasurer and a number of other members around here the other day were busy holding up charts and showing us how wonderful things are in Alberta. I have some charts that show that there are some fundamental problems in this country with too much foreign ownership. I think you'll listen to the numbers with a certain amount of interest if you listen at all.

AN HON. MEMBER: There's a fundamental problem with your information sources.

MR. McEACHERN: No, that's – well, you'll have to judge that when I've given you the figures. If you can then go out and show me to be wrong, then I'll believe you, but the figures are very well collected and put together, as you'll see in a minute.

But first a couple of general comments about the free trade deal one year later. This is in an article called *This Magazine*, and the person who wrote this particular article is Stephen Dale. The article is called "One Year After: Free Trade Fallout." Just a few points that he makes that you should take note of in thinking about the economy of this country:

The July 17 issue of the U.S. newsmagazine *Business Week* reported that "the trade pact is turning into a one-way street," with Canadian investment in the U.S. predicted to soar to forty-one billion dollars, with no corollary investment by Americans in Canada anticipated.

So we're going to see capital flowing to the United States and no particular amount of American capital flowing to Canada. Now, that's not to say that the Americans don't own too big a chunk of this economy already, but they're not bringing in much new capital; let's put it that way.

The *Businessweek* story notes that the industrial exodus could substantially reduce Canada's "traditionally big trade surplus with the U.S.," which has already fallen by 27 percent in the first quarter of 1989 [compared to] the same [quarter] two years [ago]. And that's borne out by some of the statistics I'll show you later or read to you later from the charts. In another place:

We are about to become the only country in recorded history," he contends . . .

And "he" in this case is Mr. Newman of *Maclean's* magazine. . . . "to reverse the traditional evolution from underdevelopment to a manufacturing economy."

Now, we have a lot of resources and we were developing a manufacturing economy. What he's saying here is that the free trade deal is reversing that process. We are going to go back,

more and more, to supplying raw materials, and the manufacturing is going to be done somewhere else.

In April, Wood-Gundy recommended that the Bank of Canada keep the Canadian dollar and interest rates high, in order to "let rising unemployment in export-sensitive sectors of the economy discipline wage growth.

Guess what? The idea that we should have 8 or 10 percent unemployed people so that "Boy, if those workers don't want to work at that low wage, by golly, we'll just replace them with somebody else," that is the mentality of this globalization process of these big corporations that are taking over. Furthermore, if they can't get their way in Canada, they'll end up pulling out of Canada and heading for the Maquiladoras strip, where they can get workers for less than a dollar an hour. So free trade has its costs, mainly to the worker, and is to the benefit of the big capitalists based somewhere else in the world, usually, besides Canada.

The GST puts the lie to the government's pre-election claim that free will allow Canadians to enjoy the lower prices of consumer goods that exist in the U.S.: the price reductions promised as tariffs are removed from incoming U.S. goods, will now be offset by the new tax.

That's the introduction I wanted to use to get into the next part, which is to talk for a minute before I go to the Mel Hurtig charts on foreign investment. The free trade deal had a companion, and this government chose to ignore that. Right from the very first, Brian Mulroney and Michael Wilson made it absolutely clear to Canadians, for anybody who wanted to listen – and the Alberta government supposedly was listening, because they negotiated with them – that the free trade deal would be accompanied by tax reform and that that tax reform would include a consumer tax like the goods and services tax. Now, it may not be that they had exactly that tax in mind, but the fact of the matter is that they said clearly right from the first that the manufacturers' sales tax had to go, and that it would be replaced by either a multiple-stage sales tax or a national sales tax or a European-style V A T or whatever you want to call it. It ended up being a goods and services tax, as we've tagged it, but it's the same kind of consumer tax, the purpose being to shift the taxation from the manufactured goods that we were exporting to the consumers, so that our exports would be competitive on the American market. After all, there was not much point in having a free trade deal if you didn't have competitive exports on the American market.

This government bought that argument and used taxpayers' dollars and went around telling Albertans, "Oh, this free trade deal's good for us." Then half-way along the line, when the goods and services tax follows, which was part of the original deal . . . It wasn't written into the deal – I realize that – but it was clearly, in the minds of the federal government, part of the package. This government knew that, so I maintain that they were very hypocritical to the people of Alberta to go around and tell them, "Look; you can have the first half without getting the second half." They knew the goods and services tax was going to follow, like night follows day, the free trade deal. I do not understand how they could have the gall to sell out the people of Alberta in that way. Standing up now and making a great kerfuffle that they're against the goods and services tax is total hypocrisy. You cannot have it both ways. That was so obvious, that that tax was going to be part of that free trade deal, and they said it over and over again for anybody who was listening. We all knew it. Yet the Alberta government says, "Oh well, we'll take the free trade, but we won't take the goods and services tax." Nonsense; you can't do it. For them to now

stand up and say, "Oh, we're against the goods and services tax," is total hypocrisy.

Mr. Chairman, I'd like to make the argument that the directions we've been moving in Canada toward more foreign ownership, to deregulation, to changes in the federal investment review agency that these people's federal colleagues brought in – they changed it to Investment Canada and said, "We're open for business; we want more foreign capital" – going blindly into a free trade deal, and believing that what's good for big oil and big pulp mills is good for us: that kind of attitude and that kind of policy orientation has been wrong for Alberta. Where do sustainable development, care for the environment, social concern, and decent wages with benefits and pensions fit in to that kind of scene? They don't, Mr. Chairman.

We had a couple of conferences on sustainable development, and in the one here in Edmonton a couple of good bits of advice came out that I might like to pass on to the minister. One of the people from the Edmonton Recycling Society said that if you make a mess, you clean it up. That has not been happening in the past, and that's something this government should consider. The Minister of the Environment should hear that. The other bit of advice – and there was lots more advice than this; I'm just picking out two highlight points – was from Dr. Jim Beck from the University of Alberta, who said that we must learn to use our forests in all possible different ways that they can be used: as wilderness areas, as fishing and hunting areas, as tourist areas. There are all kinds of products there besides just pulp, and we must develop manufacturing of our trees and our forests into finished products as much as possible. He said that's the only sensible way, the multi-use idea of using our forests, and not just this quick fix, quick sale to Japanese pulp companies that take the pulp away to Japan and devastate the forest in the process and pollute our rivers. So that's a couple of thoughts I pass on to you.

Now, this free trade deal continues and increases the amount of foreign ownership in our economy. I want to spend a few minutes – and I don't have a lot of time, I realize – telling you some of the costs of that. Canada's trade balance with the United States was doing fine right up till 1984. As soon as the federal Tories came into power, it started on a downward trend from about \$20 billion in 1984 to about \$10 billion in 1988, and 1989 is going to be down some more and '90 very likely the same – there's no reason to assume that it's going to get turned around – and that was people anticipating a free trade deal, in effect to some extent overlapping into the free trade area. Canada's current account balance with the United States again peaked in the 1984-85 period.

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

MR. BRUSEKER: Mr. Chairman, I rise to debate the budget we have before us today. Almost one year later it seems we really don't see a much improved budget document. I have a number of questions I want to put towards the minister. If he doesn't find time to answer them all today, I hope he will undertake to get me a response at his earliest convenience, because I'm going to have so many questions coming at him from all sides, he's going to think he's surrounded.

Starting with vote 1, looking at the first page, page 97, we see a number of areas of reduction. Overall I think that is the correct direction for this department to be going. As we've heard in the budget speech and in the throne speech, the economy is booming along marvellously well. We've got all these

wonderful pulp mills that are out in limbo, and they're going to be creating all kinds of new jobs. So I think we're headed the right direction, and perhaps this department can undertake some reductions.

My first question to the minister deals with grants. I notice that on page 98 it says a reduction in grants from \$33 million down to \$11 million, a reduction of some 66 percent. No problem with that one, except that if we're going to reduce the overall department budget by nearly 25 percent, why is there not a comparable 25 percent reduction in terms of the number of staff? The permanent full-time positions stay the same, but we're only seeing a reduction in presumably the temporary help that's being hired of some 5 percent. Now, if we reduce the overall expenditures of the department by some 25 percent, there should be a comparable realization of reduction in the salaries, which could save an additional \$4 million in this department. I think we must work towards a balanced budget. We've seen recommendations to that extent from a number of different ways and a number of different directions.

With respect to grants, if I can just flip from front to back here, I can almost hear the minister whistling, "I love to dance a little sidestep," because we're cutting grants here, it says, by some 66 percent or \$22 million. Yet in AOC we see an increase in grants of 140 percent, increasing it from some \$11 million to \$26 million. So, on one hand, we reduce grants by \$22 million; on the other hand, we throw in on the back page an increase in grants of some \$15 million. So my question to the minister is: why are we reducing in one area and adding in the other area? Why is there not some rationalization across the board here?

On page 98 once again we see a couple of interesting numbers: investments of \$3.1 million. Again a reduction from previous, which is fine. A reduction in loans, but still we have some three and a half million dollars invested in loans. My questions to the minister regarding those two categories. What are the investments? What is the rate of return we are getting on those investments? Where are the investments being made? With whom are the investments being made, or with what banking institution and so on? What is the purpose of making those investments? How do we decide upon \$3.1 million worth of investments in something which has apparently no further description than simply investments?

Again with the loans. To whom are the loans being given? Why are we giving loans from the Department of Economic Development and Trade? Why are the loans not coming from the Alberta Opportunity Company? Why are those loans not coming through the Treasury Branches? To whom are the loans being made? How many loans are being made? What are the terms of those loans? Why are the loans being made? There's not enough information in here.

AN HON. MEMBER: You said that already.

MR. BRUSEKER: Well, you probably missed it the first time, so I thought I'd repeat it for you.

Turning to vote 1, the general expenditures here, I applaud the minister's reduction in his own department: 2.1 percent in his own office. I think that's a good direction. However, I'm wondering if that's perhaps not a little bit of smoke and mirrors once again. It is a reduction from the last time around, but it's still \$70,000 more than two years ago, and I'm wondering why we had a 25 percent increase and now we see a 2.1 percent decrease. Why was there a big increase and now a slight decrease?

With respect to vote 1.0.2, the Deputy Minister's Office, I see a substantial reduction in there of some 36.6 percent, and I applaud that drop in that department. The questions that I have there. We see a saving of nearly \$200,000; what was that \$200,000 being expended upon in the past that we don't need to expend it upon now? Is some of that perhaps related to a severance package which went to the former deputy minister? Is that salary that is no longer being paid? I mean, why can we suddenly afford this, if this is a true reflection?

MR. TAYLOR: He resigned, of course, so that . . .

MR. BRUSEKER: He resigned, of course; yes.

But the question is: why do we suddenly have this drop? If it's reasonable, great. I have no problem with the idea of a reduction, but I would like to know why.

Again, Finance and Administration: overall reduction in the department and yet we see an increase in Finance and Administration. If the department is doing 25 percent less, I find it hard to believe that there's need for a 2.6 percent increase in administration. So the question is, Mr. Minister: why are we seeing an increase in administration and a 15.2 percent increase in Communications and Information? Now, it's not a large dollar figure, some \$400,000, but I guess the question is: what is that \$400,000 going towards? Is it for brochures, flyers — what?

Moving on to vote 2. There are a number of areas in vote 2 which are of concern, starting with the very top one, Small Business and Industry. In the descriptions on page 100 it says, "Provides for the administration of the Capital Loan Guarantee program." I think that is a great concept, but again there's a lack of information here. Specifically, the questions that I have. Is this the interest-shielding program? How many people applied for the interest-shielding program? How many people were accepted? How many people were turned down? What is the average subsidy that was paid to these people who applied for it? How many dollars were there? What are the terms of the repayment, if there is a repayment plan involved with this?

Again, vote 2.1.1, Administrative Support, still a hefty sum; a small reduction, granted, in terms of the administrative support, which I believe is the correct direction to be going. I'm wondering if there's still not room for more cutting to be occurring in that particular area.

With respect to vote 2.1.2, Industry Development, I see nearly \$4 million allocated to that particular expenditure, a 12.8 percent increase. The question that I have is: why are we seeing a 12.8 percent increase? Could the minister tell us what research he's had done to show that a 12.8 percent increase is in fact necessary? What businesses are receiving that industry development? How many businesses? What are the dollars used for? In other words, what are they applied towards?

I have the same questions, really, about vote 2.1.3, Business Counseling and Development; again a slight increase of nearly 8 percent, 6 and a half million dollars. Who gets the counseling? Who provides the counseling? What type of counseling is it? How successful is the counseling? Six and a half million dollars on counseling: how successful is it? Does the minister have any kind of monitoring process to really evaluate whether the six and a half million dollars is expended wisely, or is it that people come in, they're given a few tips, they leave, and no follow-up is done. So how closely is that monitored?

Research and Analysis Services, 2.1.5, a half a million dollar expenditure. A substantial increase, a 25 percent increase, is

really what caught my eye in this particular instance. Obviously the minister or his department officials feel that this is a significant area that needs to be addressed. I'm wondering if the minister could tell me why we are seeing this increase. What type of research is being done and for whom, and by whom is it being done? Who is the beneficiary of the research?

Moving on to vote 2.2, Trade and Investment . . . It's getting awfully hard to hear things in here, Mr. Chairman.

MR. CHAIRMAN: Order, please, in the committee.

MR. BRUSEKER: Thank you.

Under Trade and Investment, again an increase in Administrative Support, 11.1 percent. I'm wondering if the minister could address why in a department which is declining we're seeing an increase in administrative support.

Trade development in the Americas and overseas: one has a slight increase, one has a slight decrease. I have a question regarding vote 2.2.3. Certainly the minister is aware of the impending Europe 1992 agreement, which is coming upon us, and we're going to find it more difficult to compete in that market. I'm wondering if the minister could tell me what it is he's planning on doing for Albertans and Alberta companies to compete when we're reducing our trade development overseas to some \$2 million. How can we help Alberta businesses compete in what's going to become a more difficult market?

For the rest in Trade and Investment, the next one which really springs to mind is vote 2.2.7, Petroleum Technology Training Centre. The question I have to the minister: not only is there an increase in here, but why is this even in his department? When we're talking about training, I'm wondering if it perhaps would be more appropriately allocated to the Department of Career Development and Employment if it needs to be supported by government at all. So my question is: why is it in his department? Why is it in any department at all? Should this not be the type of venture the private sector should be undertaking? We could perhaps save this nearly three-quarters of a million dollars expenditure here completely and pass it on to the private sector.

Marketing Strategies. I'm a bit concerned to see a reduction there. It's cut in half. I think that in Alberta we need to develop our marketing strategies. I'm wondering why we're seeing a significant reduction of nearly 60 percent there in that particular area. Again referring to Europe 1992, we're going to see more competition for our Alberta businesses, and I believe marketing strategies should be a priority. So my question to the minister is: shouldn't marketing strategies be a priority? Could the minister address what is Alberta's strategy for marketing our economy around the world? How are we going to market that? Because if we don't know the plan here in Alberta, then it's going to be difficult for our business leaders to get out there and really tackle the competition they're going to be facing in the future.

Vote 2.4 deals with Financial Assistance for Alberta Business. Again, drastic cuts in all these areas. I know that last time I spoke on the budget estimates, I spoke regarding my concern with the Centre for New Venture Development at the University of Calgary, the entrepreneurship centres at NAIT and SAIT, the one at the University of Lethbridge, and I would again express my concern that funding has been cut. I know the Centre for New Venture Development at the University of Calgary has largely been absorbed, but not completely, by the faculty of management. I guess a question springs to mind. As I recall

the dollars, for every dollar of government money put in, the analysis was that some \$32 worth of business development was generated. I would argue that if we can spend a dollar and get \$32 return on our investment, boy, that's a heck of a good rate of return. So I hope the minister will address that issue, because I think that's a wise investment of our dollars. I'm disturbed when I see that's not in here. I'm disturbed when I see under vote 2.4.4 the Small Business Incubators also cut. I think we really do want to promote small business, and these figures here do not support that. All sections of vote 2.4 have been cut dramatically; all of them support small business. The question I have is: how can this government say they're supporting small business when in fact they're cutting all those services?

Vote 2.5 deals with the Commissioner General for Trade and Tourism. Between the budget figure we see of nearly half a million dollars and also some money that is allocated from the Department of Tourism, we get a total of nearly \$662,000 for this commissioner. The question that springs to mind here is: where is the proof that we're really getting value for our dollar here? I know it's a very nebulous, esoteric area in which Mr. Schmid is dealing. Nonetheless, if we are supporting him with \$660,000, how do the government and this minister support that expenditure? Where is the evidence that we're getting, from this department at least, almost half a million dollars worth of value from that commissioner?

Moving on to vote 3, generally speaking we see substantial reductions in almost all areas and smaller reductions in all of them. Again, I have questions. Are these grants? Are these loans? If they're loans, what are the terms of the loans, what are the payback dates, what are the payback rates, what is the length of loan, and so forth? In this particular area, I notice that when we look at the total figures down at the bottom, we have nonbudgetary items of \$6.7 million and budgetary items of only \$92,000. I'm wondering if the minister could address why there is that large discrepancy between those two areas. What rationale does the minister have for granting loans to all these different companies?

Vote 4. Once again, I believe that in a relatively well-off province such as Alberta we do have an obligation to support those companies and areas that are not as well off as we are. The \$2 million in grants doesn't concern me as much as the administrative support going up here. Now, I recognize that salary negotiations have to be met, but spending \$142,000 to give away \$2 million seems to be a rather high ratio. So I would throw up my offer to the minister once again: I'm prepared to do it for half the cost here. That would give me \$71,000. I could probably get rid of that \$2 million very handily for you. I guess I'm looking for the minister to address the issue: why does it cost so much money to give away a relatively small amount of \$2 million?

Vote 5 is a curious page. It has no numbers, nothing on it other than a lot of words. I guess my question is: why is it here? Eighty-three copies probably could have been saved, and I'm not sure if there's any need for it. I guess the question that springs to mind is: is there a direction or an indication from the minister that we will see moneys put back into these departments in the future? We see nothing this year; we saw nothing last year. Why is the page there?

Vote 6, Small Business Interest Shielding Assistance, is decreased by 40 percent. I know the program is a front-loaded program—in other words, the start-up costs are very high—but we see a decrease from \$25 million last year to \$5 million this year. My question to the minister. Is it that heavily front

weighted, or is there a reduction in the total number of loans? Why are we seeing this tremendous reduction in the interest shielding grants under vote 6.0.2? My second question regarding this is: what interest rate did the government base its estimates upon? When you were looking at giving \$5 million, what was the interest rate we were looking at to determine how much this particular program was going to cost the province of Alberta?

Now, under vote 7, the Alberta Opportunity Company, again I quite frankly am baffled by the information presented here. I can only assume, since there is nothing in here for wages, that Alberta Opportunity Company must be staffed by volunteers who don't get paid. Because under vote 7 in the main book, on page 111, it says "Salaries, Wages and Employee Benefits": blank, blank, blank. So if nobody's working there and they're not being paid anything, how can they give away the money they're planning to give away, some \$44 million?

Following up on that, I think it's absolutely ridiculous that we're seeing an increase in grants from \$11 million to 26 and a half million dollars, especially in light of a couple of proposals that I believe the government has received, one from the Canadian Federation of Independent Businesses. They say that selective grants and subsidies to business and industry are also a high priority for spending restraint. I believe that applies also to the Alberta Opportunity Company. Similarly, the Alberta Chamber of Commerce in their brief, a prebudget submission, said:

The government should no longer provide grants to business. The only time government should become involved in assisting business is by providing infrastructure such as roads, providing research facilities, or if necessary, assume an equity position if it would provide a good investment for taxpayers.

Those are directions from two very strongly business-oriented groups, suggesting that grants should be cut, that business should be required to stand on its own two feet. Yet in one area we see a reduction and in the Alberta Opportunity Company we see a tremendous increase in the amount of grants being offered here.

On the other side of the coin, we see a reduction in loans. From what I read in the document here, it seems we're simply going to give more money away without strings attached. We're going to reduce loans from \$33 million down to \$18 million, some \$15 million, yet on the other side of the coin we're going to increase our grants by \$15 million and simply give it away. Well, if we're looking at balancing the budget and getting value for our money, people are likely to be more responsible with dollars if they know they have to pay it back, but if money is simply given in a grant with no strings attached or no apparent strings attached, it seems to me the money is more likely to be wasted. I would question simply this: under the \$26 million in grants, what proportion of that is going to pay the salaries of the people who work for the Alberta Opportunity Company? Clearly we have quite a number of people who work for the Alberta Opportunity Company, and I would like to know what their salaries are as well.

With respect to the loans, I have to wonder why it is that we're giving these loans out at \$18 million. In fact, my question really is: why do we have the Alberta Opportunity Company at all? It seems to me we have a regional lender, and that's the Treasury Branches, established in this province by the government. As far as I understand, they're doing a fine job; I haven't heard any complaints about them. Is it not possible for these loans to be administered through the Treasury Branches? And if that is the case, then perhaps the Alberta Opportunity Company could be abolished. Why can't the Treasury Branches

do the job the Alberta Opportunity Company is supposed to be doing? Since we already have a bureaucracy in place for the Treasury Branches, we already have loan officers, we already have people who are skilled and trained in evaluating loans within the Treasury Branches, why don't we use that expertise rather than creating a double system here?

Finally, with respect to the Alberta Opportunity Company, a question I would have is: what is the cost of having the Alberta Opportunity Company head office located in Ponoka rather than Edmonton or Calgary or Red Deer, some larger metropolitan area, and how was Ponoka selected for the location? I'm not sure whether that's a good thing or a bad thing, but I'd like to know what the rationale was behind that particular decision-making process.

MR. TAYLOR: It has a very good MLA.

MR. BRUSEKER: Oh, I see, an excellent MLA who lobbied for it and got it. I can understand that. [interjection] But he comes from a noble profession.

Finally, with respect to this department in general and with respect to balancing the budget in general, it's my understanding that not too many years ago the Department of Technology, Research and Telecommunications was a part of this minister's portfolio. In fact, I believe what we need to do is work toward balancing a budget, and when I look at this minister's budget for his office of some \$3.6 million – and similarly for many ministers – I think quite a number of savings could be recognized and realized if in fact we consolidated these two departments again. Now, I'm not going to suggest that we get rid of this minister in favour of the other one or vice versa. What I am suggesting, however, is that perhaps between the departments of Tourism, Economic Development and Trade, and Technology, Research and Telecommunications an amalgamation could occur. The net effect could be, number one, savings of ministers' salaries and ministers' offices. We would still have to have most of the programs, but I think some streamlining could occur that would eliminate some overlap and some duplication, as I mentioned with the training program earlier on. Perhaps the end result could be that between the streamlining we could in fact save some money. I did a little bit of calculating along that line, and I figure that we could save some \$36 million from this budget if the total departments were streamlined together and a lot of duplication eliminated. That would involve some of the recommendations I've made in the past here. So I would put that forward as a suggestion to the minister.

Going back to vote 2 here for just a moment, I see that there is a section Trade and Investment, vote 2.2. It talks about departmental representatives that this minister has located in the cities of Los Angeles, Hong Kong, and London, England. The question I have to the minister is: how were those three cities selected, and what is the cost for maintaining those three offices? Also, what is the return we get from the expenditures of those three offices? Again, we have people working there. We have a facility to maintain in those three different locations. Why not Amsterdam? Why not New York? Why not Paris? Why not Tokyo? Why do we have these in here?

MR. McINNIS: Too many ideas.

MR. BRUSEKER: Too many ideas. I know; it's tough.

Again we see Promotion of Trade and Tourism. Why is this minister promoting tourism under vote 2.5? Is that not the

Minister of Tourism's job? If it is the Minister of Tourism's job or this minister's job, perhaps again – on page 100 of the main book it says, "Promotes the Province as a tourism destination." There's no problem with promoting the province as a tourism destination. However, if this minister is doing it and the Department of Tourism is also doing it, I suggest there is some duplication there. Now, under that particular vote 2.5 it's only an expenditure of half a million dollars, but is that not money that perhaps should be allocated to the Minister of Tourism rather than this particular department?

Finally, Mr. Chairman, an area of concern is the New Industrial Development Projects, vote 3.2. In 1988-89 it was an expenditure of some \$1 million, last year zero, and this year zero is allocated. Again, a question I would put to this minister: is this now being taken up by the Minister of Technology, Research and Telecommunications? I strongly believe we need research and development – as it says here, "materials and products" – so my question is: how is the economy going to diversify if we don't support research and development? The Premier's Bill 1 says let's have a Premier's council on science and technology, and this minister is saying: uh uh, I ain't paying for it. So I guess the obvious question is: is there co-ordination between this minister's department and TRT? Because I see there is definitely a need for it.

I think with that I will close my comments and look forward to the minister's response.

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

MRS. MIROSH: Thank you. Mr. Chairman, it is indeed an honour for me to rise on behalf of my colleagues as chairman of the economic affairs committee. I would like the minister to know – if he doesn't already – that he has a dynamic committee of 22 MLA colleagues. They certainly do keep us on our toes. I'd also like to commend the minister for the staff he has chosen to help our committee and myself with the ongoing work in helping develop policies and our commitment to Albertans on diversification and growth in our province. I would like to actually speak to many of the areas I've been involved in and have had all kinds of praise about your department, Mr. Minister. It really is a pleasure to be part of this working committee and your department as well. One of the areas that I think we as a committee have worked on with you is this message that you have developed in working with communities throughout Alberta in developing their long-range plans in economics, and helping communities on the grow has been a major thrust. We on the committee have received numerous compliments from your department with regard to the work they've done with communities throughout the province. It's really been a very positive step.

I've had the opportunity also to visit with a Japanese delegation, the Funabashi-Higashi mission. My pronunciation of the Japanese words are not that refined yet. There were 31 members from Japan who visited Edmonton, and I hosted a luncheon with them. The objective was basically to have the interaction and to develop a relationship between Alberta and Japan. They, too, made comments and remarks with regard to Alberta's aggressiveness in moving into the Japanese markets and wanting to develop there. The relationship that developed has been very, very positive.

I also had the opportunity to host a luncheon in Vancouver, the third Pacific trade policy forum. I went on behalf of the minister and was really pleased, thank you, Mr. Minister, to be

able to do this for you. The main discussion again was the international trade policies that have been developed, and there again, many, many comments about Alberta's aggressiveness in moving into these markets in the Pacific Rim countries.

Also in Vancouver, about five members—colleagues of mine, and the chairman included—managed to have a wonderful tour of the ports in learning about how Alberta exports commodities, working with the people in the ports and helping develop better access to the ports.

I'd like to also thank the minister on behalf of my colleague for Grande Prairie and myself. Going to the Soviet Union is really an honour we take very seriously and plan to work very hard with you and members of your department in developing everything we should with regard to policy and with regard to trade in that country. Only last week we had met with the ambassador of the Soviet Union, His Excellency Alexei Rodionov, with the intergovernmental affairs minister, and he, too, made some complimentary comments about your department and the work we have done in relationship with the Soviet Union. Canadian/U.S.S.R. relations have acquired an unparalleled momentum, and at the initiative, I think, of Canadian businesspeople, Albertans particularly, they've developed commercial links, expanding into the field of joint ventures. Since 1988, 24 such ventures have been registered in the Soviet Union. Such ventures are food, pulp and paper, livestock production, printing, entertainment, and other services. Again, I had the opportunity to meet with delegates from the Soviet Union in Calgary, the people who are involved with Canadian Foremost and are very happy with that joint venture and that relationship they have.

I think we can be very, very proud of the work we have done with the Soviet Union. Albertans have been probably the most active and most visible of Canadian provinces in developing a relationship with the Soviet Union. Since 1971 the department of economic development began activity targeting the Soviet market for oil and gas equipment, and companies such as Foremost, Fracmaster, Farr International, and Dresco have been active for more than a decade and have developed an extreme rapport with the Soviet Union.

[Mr. Jonson in the Chair]

In October 1989 the hon. Minister of Federal and Intergovernmental Affairs signed the Alberta/RSFSR agreement, a memorandum of understanding making the Russian republic Alberta's fourth sister province. The memorandum of understanding encompasses co-operative efforts in a number of areas, including the environment and specific research and technology, oil and gas recovery process, along with sports, culture, and educational exchanges. The Soviet Union is an important market for Alberta, ranking fifth, as I had mentioned, among export markets. Alberta exports to the Soviet Union in total \$267 million, an increase from \$193 million in just one year. The exports in 1988 consisted primarily of durum wheat and electro boards and panels and data processing machines. The current Canadian trade balance with the U.S.S.R. is certainly improving.

There also has been activity with the Arctic. The Department of Economic Development and Trade sponsored an Arctic seminar in Moscow to discuss with the Soviets mutual interests and capabilities in the area of cold weather technology. Eight Alberta companies participated in that seminar.

Again in joint ventures, a recent significant development in Alberta/Soviet trade relations was the deal negotiated in March of this year between the Soviet ministry of oil and gas construction and Fracmaster Ltd. of Calgary, involving fracking and cementing equipment for enhanced oil recovery from the Siberian wells. Also, a joint venture agreement was signed in June between the Soviet minister of oil and gas and Foremost Ltd. of Calgary, which concerns the joint production of 700 tonne all-terrain vehicles for transportation of oil and gas pipeline equipment. Many of my own constituents have been involved with these joint ventures and have been very grateful for the interrelationship they have with our government in helping to develop this type of relationship.

Also in terms of imports, the Kanderon trading house limited of Calgary, thorough the Soviet ministry of geology, is involved in the import to Alberta of ivory mammoth tusks. In 1988 ivory imports totaled \$270,000, while total imports in '89 are expected to reach in excess of \$1 million. There is just a great number of groups with technology and engineering studies, and companies have had a lot of involvement with the Soviet Union consulting engineering services. Again, Mr. Bill Yurko, a past member of this Legislative Assembly, through AO STRA, and Horst Schmid amongst others have lent their support to a proposal aimed at an air link between Alberta and the Soviet Union. Again, agriculture co-operation is very significant in Soviet Union relationships. Science and technology and educational co-operation are all part of the relationship with the Soviet Union in particular and also the Pacific Rim companies.

Also, as chairman of economic affairs, the caucus members have worked with many other departments. The Economic Development and Trade department has certainly had an interdepartmental reaction, and everyone does seem to understand what the other person is doing. There's a lot of joint work in the departments in our government.

I guess, Mr. Minister, it would be important to outline how the Alberta international assistance programs do compare with other provinces. I know we certainly hear it all the time when we meet with all these groups, but perhaps in your remarks you could outline how we do compare with our sister provinces in Canada. As you had mentioned, the department will spend over a million dollars on international investment promotion in 1990 and '91. I think it would be important if you outlined some of the benefits. I've outlined some of them with the Soviet Union, but perhaps you could outline some of the other benefits, the foreign investments that have helped Alberta, particularly with the European countries as well.

The Alberta Chamber of Commerce has met with us as well and in 1988 established a trade office in Taiwan with the help of the Alberta government. I think, Mr. Minister, you could outline the work they have done in international trade and development especially. The Alberta chamber involvement with the government is a very important segment. Another question is: could you outline what trade initiatives the Alberta government has in place to access the European single market?

In your opening remarks, Mr. Minister, you outlined a lot of potential growth in the area, and perhaps I could just outline a few more of the province trying to fulfill its potential in the prospects of our future in the development of business in Alberta and right across Canada. I have talked a lot about international trade, but perhaps also you could outline some of the business regions and areas of development that your department is creating in other regions in Canada.

In 1986, when I was elected for Calgary-Glenmore, we experienced there, as everywhere else, a tremendous recession. Many of the small businesses in my constituency were certainly suffering financial difficulty, and some of them went totally under. I believe that the initiatives you and your department have taken have helped these small businesses regain and have given strength to continue.

I disagree with the hon. member across the way regarding the AOC. I've had a number of my constituents who have commended that program. From 1986 to 1989 they couldn't get a loan from the bank. They were reputable people who had worked in the industry for 20, 25 years, and the banks wouldn't even look at them, not even the Treasury Branch. I've had a number of business people in my own constituency commend you and your department for the AOC and the work they've done. They've helped a lot of businesses grow, and it's obvious by the economic strength we're seeing today. Alberta, as you mentioned, has been stronger and is growing stronger. In Calgary, particularly, our economic growth is outstanding, and it has been, I think, complementary, the government working with business throughout Alberta to do this.

You mentioned, too, that our exports are growing, nearly \$15 billion in international sales in Alberta. Those international sales have a lot to do with the work you've done with businesses in helping develop this abroad. The total investment in Alberta, as you mentioned too, is projected to increase by 10 percent in 1990. I think that is a reflection of the great work you and our government have done together in strengthening our economy. Again, Alberta's success is a result of years of planning. It just didn't happen overnight. As we mentioned, it's a decade at least. That is starting to show, and diversification is starting to take place.

In 1990 and 1991 we must work together towards a balanced budget, and the only way I see us doing this, rather than spend, spend, spend, as our opposition members want us to do, is to work together to again develop diversification of the economy and balancing the budget. [interjections] Certainly my constituents want to see that, hon. member across the way. I don't know who you've been talking to. You come from Calgary, and I think it's important that you start listening to the people there. They do want us to balance that budget, and they do want to work with us in developing business for businessmen. They don't want us spending.

You know, the Economic Development and Trade budget contributes to all the goals. An example in this department: they managed to cap growth in their own department internally, reducing expenditures both with travel and hosting, although I'm sure glad I get to go to the U.S.S.R. In spite of the budget we're managing, and we're planning long range so that we can work together in strengthening all the areas we have. The department, as you mentioned, Mr. Minister, will be making these reductions, and I have to admit that we're sorry this has to happen. A lot of good people have to make some very strong decisions, maybe not decisions that we all accept, but I know they'll be tough ones. I do hope that when your department does reduce their expenditures, it isn't at the expense of the work you've been doing over time to develop the rapport you have with our business community.

You know, another area my constituents are finding very important and very useful is the business counseling you have available to help them set up their business and help them look at their overall business plan and give them direction with their business. I don't believe for one moment that our business

people want direct handouts in the way of dollars, but they certainly do need a lot of help through counseling. The management assistance program that you have in place now has certainly been, I think, very, very well received. Certainly in Calgary they're very pleased about it, and your office people there have been . . .

MR. DEPUTY CHAIRMAN: Order please. I just would like to respectfully comment that while the minister is the subject of attention here, you should address the Chair occasionally.

MRS. MIROSH: Oh, I forgot about you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: I would advise all speakers of that.

AN HON. MEMBER: Naughty, naughty.

MRS. MIROSH: Naughty, naughty.

Well, Mr. Chairman, I'd like to include you in my remarks too. I know that there are a number of areas around your constituency of Ponoka-Rimbey that have had a significant impact on the economy as well.

To the Chair, also, I'd like to just make a comment with regards to the counseling of new exporters via the trader readiness for Albertans program. I don't know that there are a lot of businesses that know this program is available to them, and I would hope that businesses are made aware of this during the consultation. You did say in your comments that via the business initiatives for Alberta communities 125 communities have been helping enhance business development. Delivering Alberta information is not always easy, but I think the department has to be commended for the work they've done in this.

Also, with the importance of the environment, Mr. Chairman, the department is working actively with other departments in involving the private sector as well as the internal departments in organizing and taking advantage of the recycling programs that, I think, we have to become more cognizant of.

Mr. Chairman, I believe that the minister in his opening remarks covered a number of areas our communities have been taking advantage of, and there are just a couple more questions I would like to direct to him. One is the free trade agreement. During the election a year ago we were talking about free trade. We don't hear as much about it, and I think it would be important if you, in your closing remarks, would mention the positive effect, that free trade has helped Alberta, and how we've been able to take advantage of it with the private sector. Also, how does the business initiatives for Alberta communities program interface with existing provincial support in the rural communities? This is a question that I'm sure the Chairman would like to have answered as well. Again, what kinds of activities are being funded under the business initiatives for Alberta communities program, and how does the management assistance program contribute to business development?

I think, in closing, that it would be important to try to get as many answers as we can so that when our economic affairs committee does meet—and we do meet regularly with various groups throughout the province, in the urban areas as well as the rural areas. We've really been given a lot of questions to answer and have been very involved with the Alberta Community on the Grow program.

In closing, Mr. Chairman, thank you very much. I'm looking forward to the minister's replies.

MR. ELZINGA: Mr. Chairman, recognizing that we have had a number of questions, I thought I'd take this opportunity to respond to them as best I can. I wish to say again at the outset – I don't say it lightly, and I don't believe one can say it often enough – that I wish to pay a special tribute to our officials, a special thanks for taking an afternoon out to be so helpful as it relates to my responses to the questions. Also, a special thank *you* to the Legislative Assembly. I say that because last year they introduced a motion to reduce my salary to a dollar; as of yet they haven't done that, and I'm hopeful that – maybe I'm speaking a little too quickly, but to date they haven't done it.

Also, I wish to leave members with the assurance that we believe the private sector is the spark plug of growth within this province. Without the private sector we are nothing. Too often politicians get preoccupied with the redistribution of wealth rather than the generation of that wealth. I'm delighted that I can play a role with our departmental officials in the generation of that wealth so that we as a province can enjoy the facilities we do have, because, Mr. Chairman and colleagues, without that generation we are nothing.

I'm going to do my level best. I'll go through it as the questions were put, beginning with the hon. Member for Edmonton-Kingsway. I thank him sincerely for his genuine and thoughtful comments. As it relates to the business initiatives for Alberta communities program, we have some \$915,000 allocated. It is under 2.1.3. This past year we've had some 57 applications. We are hopeful that the numbers will increase. As it relates to his question dealing with XL and EDO, they are ongoing commitments that were made, and that is why they are included within these budgetary estimates. I thank him, too, for his comments as they relate to our support for the international community and for his support.

His question as it relates to interest shielding: I should indicate to him that the reason the reduction is there is because interest rates are lower than we had projected. We have had somewhere in the vicinity of 8,000 applications to date under this program, but because interest rates are less than we had projected, the dollar amount is less in this budgetary year. We are projecting that interest rates will continue at their present trend.

I thank him for his comments, too, on the Alberta Opportunity Company and for his comments on the export loan guarantee program. I should point out, though, that his comments are somewhat misleading in that there are no actual dollars put aside for the program other than administrative dollars. We charge a user fee – it varies, but it's usually in the vicinity of half a percentage – for the export loan guarantee that we do offer to those companies who are exporting outside of our borders. So there is no actual dollar outlay unless there is a drawdown or forfeit, whereby the company does not make good on the guarantee and we have to pay up the difference. It is a very essential component, as I mentioned to the hon. member before, as it relates to the exportation of products from our province. Since the inception of the program some 215 companies have received partial guarantees totaling \$168 million, generating over \$475 million worth of sales of Alberta products. I share with the hon. member that there are currently 72 outstanding guarantees worth some \$59 million under this program. We believe it's needed by the small and medium-sized companies within Alberta as they do go through the process of bidding on international projects, and it has proven very, very helpful to them.

I believe that covers, to a degree, his comments, and if I've missed any, I look to him to refresh my memory.

As it relates to the Member for Calgary-North West, again I repeat what I indicated to the hon. Member for Edmonton-Kingsway: the reason for the overall reduction in the greater part is because interest levels are lower. I should point out to him that our investments and loans are listed on page 39 under element details, as he is aware.

I appreciate his comments, too, as they relate to the decrease in the minister's office expenses and especially his comments dealing with the deputy's office. As it relates to the deputy's office, the hon. member should be aware that prior to this we had two deputies, both Clarence Roth and George de Rappard. Now we have the excellent leadership of Mr. Al McDonald, who is serving in that capacity and is going to offer overall direction as one deputy. [interjection] He's well worth it.

I should share with him, too, as it relates to his question as to budget reductions and the lack of staff reductions, that the budget reductions occurred in areas that are not manpower intensive, such as our interest shielding program. There has been considerable uptake, but there has been a reduction in the actual dollars paid out because interest rates are lower than what we first thought they might be. A few other examples are the product development grants, our export services support grants, and the interest shielding grants.

As it relates to overall administrative costs, I thank the hon. members for suggesting that individuals within the department should receive a little more by way of salaries, and that is why you see the administrative level somewhat higher, mainly because of salaries and the inflationary increases.

Dealing specifically with the communication sector, we want to make sure that the individual Albertan is aware of the superb quality of programs that we are offering. He questioned also Europe 1992. I should point to a number of the Let's Talk Trade seminars we've had to date. We opened one in Calgary last week and then in Edmonton, and I should share with the hon. member that we are planning new initiatives for this and the next year so we can take advantage of the exposure of Europe 1992.

His question on the petroleum technical training centre: we believe very strongly within our department that if we do offer that training to individuals outside the province, it will lead to greater trading as it relates to the specific technology we have within our province. I want to indicate to him, too, that if we had had it within our power, there's nothing I would have liked better than to see the additional funding go to the Centre for New Venture Development in Calgary and a number of the other groups that had similar programs within the province, but it's unfair for anybody to suggest that they did not know of this quite some time ago. Originally, when these programs started, it was done on the basis that it would strictly be seed funding and that it would only be there for a short period of time. Because of the strong representations of a number of our colleagues, the hon. member opposite included, we continued that for a period of one year, and I approached a number of other departments to participate. I indicated to them at that time that we would not continue the funding; it was up to them to find private-sector funding. I'm glad they have met with a considerable amount of success in doing that.

I've got to indicate to my colleague from Calgary-North West, though, that in looking at his presentation today, I believe there were one or two areas where he suggested reductions, but in all the other areas he suggested additional expenditures or an

additional outlay of cash. It's something like his party's paper and the resolutions that were presented to their Liberal convention, whereby at one time they're suggesting they're going to have a balanced budget but they have no suggestions at all as to how they're going to reduce the financial commitments we presently have. Just the opposite is true. They're suggesting, as the hon. member did today—and I can go through their resolutions one after another—further expenditures by the government of Alberta. I only raise that so all members are aware of the irony of the situation, whereby on one hand they are suggesting they are going to balance the budget but with the other they are suggesting we should increase our expenditures in a number of areas, one being international aid. I thank the hon. member for his kind offer to administer this program for half the levels that we're presently doing it. We've got two very capable people doing a superb job in that area, in my mind. If the hon. member wants to put his kind offer in writing, I would give it some consideration.

I will follow up for the hon. member, because I'm somewhat curious too, as it relates to vote 5. I believe there is some budgetary process that we have to include it for a couple of years after expenditures have been laid out under a specific vote. I understand that this will be the last year vote 5 will be included within our budgetary estimates. I stand to be corrected by my own officials, but I believe that is the case.

As it relates to the Alberta Opportunity Company, I want to indicate that I align myself totally with the comments made by the hon. Member for Calgary-Glenmore rather than the hon. Member for Calgary-North West, because they do provide such a worthwhile service. On Tuesday when I table the response to the question the hon. member has on the Order Paper—and I will be tabling that response tomorrow—he will recognize the good work they are doing and the very valuable service they do perform for the private business sector within the province of Alberta. As the hon. member is aware, it's unfair to equate it to Treasury Branches, because the Alberta Opportunity Company offers funding to those who cannot get funding from their traditional banking sources such as the Treasury Branches. The interest rates they do charge are competitive with that of large and successful businesses as to what they can access funds for from other lenders. It's presently around the area of 14 percent. I'm sure the hon. member will be happy when I do table the response to Question 215, I believe it is, on the Order Paper tomorrow.

He also raised the issue of other departments, the Department of Tourism and the Department of TRT. He didn't touch on forestry. At one time there wasn't the priority given to those departments. The Premier in his wisdom felt that we had to involve ourselves in a greater diversification thrust. He formed the Department of Tourism. They're very involved in making sure that it does become a prime source of private capital within this province. TRT: we recognize that the future relates to technology and research. Because of the initiatives of the Premier, we have given those added thrusts to Technology, Research and Telecommunications, to Tourism, and to forestry. The benefits have been manifold to this province. That was one of the two cost-saving recommendations the hon. member did offer us. I'd have to disagree with him as it relates to that.

Let me indicate, too, my thanks to the hon. Member for Calgary-Glenmore. As she indicated, she is our caucus chairman. She has a dynamic group that works under her direction. We appreciate her thoughts, too, as they relate to the superb work our department does. I want to leave her with the strong assurance that I appreciate very much working with her in her

capacity and with her caucus colleagues in promoting the greatness of our beautiful province and indicate to her, too, my personal thanks for hosting some functions, for taking a group on the ports tour, and for consenting to go to the Soviet Union along with our colleague from Grande Prairie.

She asked a couple of specific questions, and I'm going to . . .

AN HON. MEMBER: Did they hurt your arm, Dianne?

MR. ELZINGA: I'm sorry?

AN HON. MEMBER: Did they hurt her arm, twisting it?

MR. ELZINGA: I hope not.

She asked a couple of questions. One relates to our international assistance program and how it compares to other provinces. We have the largest program of any province. A number of provinces do not participate whatsoever, but at present there are three provinces that have programs similar to Alberta's, those being Saskatchewan, Manitoba, and Quebec.

SOME HON. MEMBERS: Question.

MR. ELZINGA: Is it time for the . . .

They have much more modest programs than we do.

Recognizing the time and the desire of our colleagues, I'm sure the hon. Member for Calgary-Glenmore will allow me to share with her the responses to her questions in a more personal manner or in a more personal way than in the Legislature. I would suggest, recognizing the time, that we do now adjourn this debate.

MR. DEPUTY CHAIRMAN: Having heard the motion of the hon. Minister of Economic Development and Trade, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

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

SOME HON. MEMBERS: No.

MR. DEPUTY CHAIRMAN: Carried.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of Supply has under consideration certain resolutions of the Department of Economic Development and Trade, reports progress thereon, and requests leave to sit again.

MR. SPEAKER: Having heard the motion, do the members in the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
Deputy Premier.

MR. HORSMAN: Mr. Speaker, it's proposed this evening to deal in Committee of the Whole with a number of Bills on the Order Paper, generally in order as listed on the Order Paper and, if time permits, to move to second readings of the two Bills which remain on the Order Paper. I would therefore move that when the members assemble this evening, they do so in Committee of the Whole for consideration of those Bills and that we now adjourn till the committee rises and reports.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.

[The House recessed at 5:27 p.m.]

