

Legislative Assembly of Alberta

Title: **Thursday, December 13, 1990 2:30 p.m.**

Date: 90/12/13

[Mr. Deputy Speaker in the Chair]

Prayers

MR. DEPUTY SPEAKER: Let us pray.

Our Father, we confidently ask for Your strength and encouragement in our service of You through our service of others.

We humbly ask for Your gift of wisdom to guide us in making good laws and good decisions for the present and the future of Alberta.

Amen.

head: Presenting Petitions

MR. SHRAKE: Mr. Speaker, I beg leave to present a petition with 49 names. It's a petition requesting that the provincial government set up a committee to review our policies regarding day care.

head: Tabling Returns and Reports

MR. MAIN: Mr. Speaker, I've got two reports to table today. One is the annual report for 1990 for the Glenbow museum in Calgary, and the second, the 12th annual report of the Alberta Library Board for the year '89-90.

MR. DEPUTY SPEAKER: The hon. Minister of Recreation and Parks.

DR. WEST: Yes, Mr. Speaker. I'd like to table four copies of a letter to the Hon. Robert de Cotret, Minister of the Environment, in response to a question brought forth by the Member for Edmonton-Meadowlark in regards to logging in Wood Buffalo national park.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Speaker. I wish to table the results of a telephone survey of university and university transfer programs conducted two weeks ago. This survey shows that not only are the university programs full, but there is very little space in college university programs as well. In fact, most are turning students away.

Thank you.

head: Introduction of Special Guests

MS M. LAING: Mr. Speaker, it gives me great pleasure today to introduce to you 83 students from Holy Trinity school, which is situated in the constituency of Edmonton-Avonmore although it is in the community of Mill Woods. These students are seated in both the members' and the public galleries, and they are accompanied by teachers Joan Hunt and Phyllis Schumacher. I would ask that they now rise and receive the warm welcome of this Assembly.

Mr. Speaker, we have another group of students also from Holy Trinity school, which again I would introduce to you and through you to the members of the Assembly. There are 76 students; one person is in a wheelchair. They are again seated

in the members' and the public galleries. Holy Trinity high school is in the constituency of Edmonton-Avonmore, but many of the students live in the constituency of Edmonton-Mill Woods, which is represented by my colleague from Edmonton-Mill Woods. They are accompanied by teachers Mr. Georges Robert and Cynthia Winter. I would ask that they, too, rise and receive the warm welcome of this Assembly.

MR. R. SPEAKER: Mr. Speaker, it gives me great pleasure today to introduce the parents of Lance Losey, Lance being a page in our Legislature. Sherrill and Mike Losey, his parents, are in the gallery today, along with his brother Landon and sister Lisa. I'd like his parents and Landon and Lisa to stand and be recognized here today by my colleagues.

MR. SPARROW: Mr. Speaker, it's a pleasure to introduce to you and through you to Members of the Legislative Assembly a group of students from the Peace Hills Adventist Academy in Wetaskiwin. There are 13 students. They range from grades 5 to 9, and they are seated in the members' gallery. I wish they would rise and receive the warm welcome of the House.

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

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to members of the Assembly 11 students from the Alberta Vocational Centre, the Winnifred Stewart campus, in my riding. They're in the members' gallery, and they're accompanied by their teacher Lorna Wilson. I would ask that they rise and receive the warm welcome of this Assembly.

head: Oral Question Period

Business Assistance

MR. DEPUTY SPEAKER: The hon. Leader of the Official Opposition.

MR. MARTIN: Thank you, Mr. Speaker. To the Minister of Economic Development and Trade. We have the ongoing saga of waste and mismanagement of this government. This government has made its position absolutely clear: it's free enterprise for average citizens and corporate welfare for its business friends. We're probably going to lose \$7.6 million with the bankruptcy of Climate Master, but now the list goes on. The Official Opposition has just learned that Alberta-Pacific Terminals, a corporate welfare bum to the tune of \$12 million, has decided to close its corporate office in Calgary and move to Vancouver, take the taxpayers' money and run. First the government won't stick up for Calgary jobs lost to the CBC cuts, and now Calgarians lose even more, even though Alberta taxpayers have \$12 million on the hook. My question is simply this: what plans, if any, does the minister have to stop this move, or is he just going to let Alberta-Pacific Terminals take the money and run?

MR. ELZINGA: Mr. Speaker, I should indicate to the hon. member, as it relates to the lead-in to his question dealing with Climate Master, that it's far too soon to indicate what the write-off will be. We acknowledge that there will be some losses, as I've indicated to him in the past. Let me deal with Climate Master for a moment and then turn to Alberta-Pacific Terminals, since he did raise it. I've indicated to hon. members in

the past that the export loan guarantee program under which we involved ourselves with Climate Master has a success rate of 96 to 97 percent. In other words, this falls in the category of a 3 percent failure, which is an excellent success rate, creating jobs in this province for the exportation of Alberta goods.

As it relates to Alberta-Pacific Terminals Ltd., I should indicate to the hon. member that the head office was located in Calgary. I question as to whether or not there will be any jobs lost as it relates to that move. As it was only a corporate office, there might be one individual employed there. So his allegation as to loss of jobs is totally inaccurate, as he usually is.

Let me also indicate to the hon. member the hypocrisy he raises as it relates to our support for business. I get letters from his members in the New Democratic Party suggesting that I offer loan guarantees to companies they're working for. I've got a letter right here if he wishes to see it. So don't give me that hypocrisy.

MR. MARTIN: Table it.

Don't give us "hypocrisy." No money for hospitals, no money for this, no money for that. Two hundred and fifty million dollars down the tubes, Mr. Speaker. That's the hypocrisy from this government.

Now, Mr. Speaker, I want to ask a question about Alberta-Pacific Terminals. They are moving, those are jobs, and that is important when they move out of Calgary and move to Vancouver with \$12 million of taxpayers' money. My question is a very simple one. Alberta taxpayers want to know why this government would loan Alberta-Pacific Terminals \$12 million when its debts were \$20.5 million and its assets were only \$3.9 million. What kind of nonsense is that?

2:40

MR. ELZINGA: Mr. Speaker, the hon. member shouldn't exercise himself so close to the festive season. I should indicate to him, too, that the reason for the investment is so that we would have access to tidewater, as was our investment in the port of Churchill. We put millions of dollars into the port of Churchill so that our producers within this province would have access to tidewater. That is why originally this government involved itself with Alberta-Pacific Terminals also: so that we would have greater access, so that our producers within this province could export their goods outside of the province. Contrary to what the hon. members feel, we think it's important to have greater trading ties with other countries. They would like to see us isolated here as a province so that we could slowly deteriorate.

MR. MARTIN: Just hand out the money to the corporate friends. I notice they donated a thousand dollars to you. I'm sure that had nothing to do with it, did it, Mr. Speaker?

AN HON. MEMBER: Question.

MR. MARTIN: My question, to come back. I mean, this is just one. We could go on forever in question period on their bungles, Mr. Speaker. He already talked a bit about Climate Master, and we're going to take a bath there – he admits that – probably close to \$7.6 million. The reason we're at risk is that this government did not secure the taxpayers' money that it advanced. My question is a very simple one. Anybody that understands business as well as the Treasurer should understand this question. I want to ask why the government forked over \$7

million to a company without taking any security in exchange. Some business government.

MR. ELZINGA: Mr. Speaker, I'm not sure where the hon. member is coming from, because first he deals with a thousand dollar contribution to my campaign. I must say I find it distasteful that the hon. member would judge me on his own low standards whereby he would think it would be affected.

Secondly, he has suggested that we have lost some \$250 million, which again is totally inaccurate. If we go through the list of the figures as to what they've included, there is no reality to them whatsoever. As it relates to Gainers, we haven't lost one cent yet. Again it's turned around, as the Provincial Treasurer has indicated, to a profitable position. He indicated a \$7 million exposure. I'm not sure if he's talking about Climate Master or Alberta-Pacific Terminals. I've indicated to him that there were securities in place.

We involve ourselves, Mr. Speaker, so that we can create jobs and opportunities for Albertans. We don't apologize for that involvement. There are going to be occasional failures, and yes, I have the responsibility to clean up those failures. I'm going to do that also. We've also indicated that we are going to pull back. We are pulling back considerably from our involvements in the past. We went through a real downturn a number of years back when we went through that recessionary period, but we felt an obligation to create jobs for Albertans, unlike the New Democratic Party.

MR. MARTIN: Yes, create jobs for their good Tory friends. Here it is: the list of all the campaign donations. That's why they got . . .

MR. DEPUTY SPEAKER: Order please. [interjections] Order please. Order.

Carbon Dioxide Emissions

MR. MARTIN: My second question is to the Minister of Energy, Mr. Speaker. Yesterday his Conservative friends and buddies in Ottawa broke another promise to Canadians. We find the toothless federal Green plan coming up. Mr. Mulroney and his gang had promised to reduce CO₂ emissions by 20 percent by the year 2000. Now they say in their disappointing Green plan – as I say, the toothless Green plan – that they will instead target a freeze by that year. But what does our Minister of Energy say about this? He says he is happy about it; he is pleased that the single biggest contributor to the greenhouse effect will not be reduced and that the energy industry, a major contributor to CO₂ emissions, is not required to start reducing emissions. What a totally irresponsible attitude. My question that has to be asked is simply this: is the minister not aware that CO₂ emissions are a major source of the greenhouse effect?

MR. ORMAN: Mr. Speaker, I ask that the Leader of the Opposition not be so sanctimonious. He drives around in a big Chrysler Fifth Avenue. [interjections]

MR. DEPUTY SPEAKER: Order. Order.

MR. MARTIN: Mr. Speaker, at least I can read the books and understand what CO₂ emissions do to the environment, unlike this minister. He so flippant. You're not going to be the leader with that sort of attitude.

I want to ask him the question again: is he not aware of the seriousness of CO₂ emissions? Why would he make the comments that he did, Mr. Speaker?

MR. ORMAN: If he understands the impact of CO₂, Mr. Speaker, why doesn't he turn his car in and take the bus?

MR. MARTIN: Mr. Speaker, it's just typical of this government to think it's a joke, the most serious matter that we face. It's a shameful performance, Minister of Energy.

I want to ask the minister this question.

AN HON. MEMBER: Too embarrassing, eh, Ray?

MR. MARTIN: No, I'm not embarrassed. I'm driving the same car that you are over there, hon. member, and the same car he is over there.

My question. The government's own Research Council report – has the minister looked at it? – has found that there's a problem with global warming and that we can expect a temperature rise of 5 to 7 degrees by the year 2010 if we stop producing CO₂ immediately. This is a very serious question. Does the minister disagree with the Research Council then, and is that the reason he's making these statements?

MR. ORMAN: Mr. Speaker, we have dealt as energy ministers with this three times in the last 13 or 14 months. What we have asked the federal government with relation to the Green plan is that we agree and understand that global warming is occurring. We agree and acknowledge that something should be done and something should be done now. We just ask the question about levels, about whether stabilization over 1990 rates is appropriate, whether reducing it 20 percent over the 1988 levels by the year 2005 is appropriate.

What we've decided to do in Alberta, Mr. Speaker, is put together the clean air strategy for Alberta made up of environmentalists, industry, public interest groups, city councils. They are right this moment consulting with Albertans to determine the extent to which achieving certain levels of CO₂ emissions in Alberta would create dislocation for jobs and would create modification of life-style. If Albertans believe that we should take the steps that are suggested by the atmospheric conference that was held in Toronto in 1988 or the Green plan, if Albertans believe in it and communicate that to us, we will move to achieve those levels, but we will not move until we have consulted Albertans.

Logging in Wood Buffalo National Park

MR. DECORE: Mr. Speaker, my questions are to the minister responsible for forests in Alberta, but I would like to start by thanking the Minister of Parks and Recreation for the letter he sent to our offices indicating that he has sent a letter to Mr. de Cotret, the Minister of the Environment for the federal government, setting out the concern that he has with respect to the logging that is going on in Wood Buffalo national park.

Mr. Speaker, logging in the national park is morally wrong. It doesn't matter who made the decision. It was a mistake, and it is a mistake. But we have the opportunity of correcting the mistake before the most magnificent white spruce stand in Alberta is lost forever. This is a stand that has the highest tree in Alberta and amongst the most beautiful trees in Alberta, trees along the Peace River valley that go right through Wood Buffalo national park. The tragedy is this: the kind of logging that is

taking place is so harmful, so complete that the people involved in parks in that area believe that reforestation will never take place. My first question to the minister is this: given that we have this potential of losing the most magnificent of tree stands in Alberta, will the minister agree that this is an issue that transcends jurisdictional concerns and requires the minister and the other minister and all of the government members and all Albertans to become involved in stopping this mistake from being total and complete?

2:50

MR. FJORDBOTTEN: Mr. Speaker, it's quite an impassioned plea from the hon. member. I wonder if he's looked at the trees in that particular area. We are not going to lose our last stand of white spruce in the province of Alberta. One of the things we have to recognize in the province is that we want to make sure the federal government doesn't interfere in forestry practices on provincial lands. That's a provincial resource, one where we have the highest standards anywhere in the country. We are enhancing those standards to make sure that the logging practices take into account not only wildlife habitat but reforestation and that everything is properly done.

With respect to the national park, Mr. Speaker, that is under federal jurisdiction. There are three things I will say with respect to the logging practices: first of all, make sure that the cut block sizes they're doing are ones that are properly done and up to the same standard as the provincial standard; make sure that wildlife habitat is taken into account would be the second thing; and thirdly, that the reforestation practices are of the high standard that we've established in the province and are not any lower than that.

Mr. Speaker, I would agree that there should be a concern among all people about logging that takes place in national parks, but instead of playing politics with the issue, let's be reasonable individuals and look at it. The federal government, I'm sure, has heard the concerns from Alberta. Certainly the Minister of Recreation and Parks is raising those concerns and properly so. We will highlight the issue, and we will be able to make sure that what is done in the national park is truly something that can make all Albertans proud.

MR. DECORE: Mr. Speaker, in my conversation with the superintendent of Wood Buffalo park this morning, I was informed that it is about a thousand hectares of land where the white spruce tree grows in fertile soil along the Peace River valley right through Wood Buffalo national park. It is these trees that Canfor wants the most; it is these trees that they're logging out. It is these trees that are the highest and the most magnificent, and we will lose them. This isn't a matter of politics. It's saving a gem within the national park. We don't need gratuitous advice about how to do it. The question is this, Mr. Minister: will you call on Canfor and Daishowa – you know these companies well – bring them to a room; will you sit down with them and say, "Look, we need to stop the logging," and act as a facilitator to bring the federal government into that same meeting to pay them compensation so they don't kill the gem in this park?

MR. FJORDBOTTEN: Mr. Speaker, I made it clear that the jurisdiction is rightly so with the federal government. If it would make the hon. member's blood pressure go down, I will be happy to talk to the federal minister, and he, in fact, can talk to the relevant companies. I've offered before that if there's any assistance we can give as a province to make sure that the high

standards we've established in Alberta are in fact the same standards as practised at Wood Buffalo, we would be happy to comply. I would hope the hon. member's blood pressure would stay down. It's an issue that's of concern to all, but we will raise it with the federal government, recognizing that it's their jurisdiction.

MR. DECORE: Mr. Speaker, the precedent in British Columbia of the provincial government working with the federal government is a good precedent; that is, Moresby Island, where citizens in British Columbia rose up and said: don't destroy this most magnificent of tree stands on Moresby Island. The provincial government got behind that initiative, and a proposal was worked out. My question is this, Mr. Minister: will you take for our tree stand in Wood Buffalo park the same kind of initiatives your counterparts in British Columbia took in saving Moresby Island's magnificent tree stands?

MR. FJORDBOTTEN: Mr. Speaker, with all respect, you can't compare the two; maybe in somebody's mind they can be. You know, I want to emphasize: all Albertans care deeply about protected areas, ecological reserves, natural areas, and national parks. We all want to make sure that we protect and enhance the environment that we live in. We will do anything to be helpful, but the bottom line is: we must recognize that if we ask the federal government to respect our jurisdiction, we must also respect theirs.

Videotape Access Controls

MR. MUSGROVE: Mr. Speaker, my question is to the Minister of Culture and Multiculturalism. We've been hearing a lot of suggestions that the government do something to control the distribution of adult videotapes. I'd like to ask the minister what he is doing in regard to correcting this situation and keeping these tapes out of the hands of children. [interjections]

MR. DEPUTY SPEAKER: Order please.

MR. MAIN: Mr. Speaker, the opposition seems very anxious to hear the answer. In fact, they're conversing amongst themselves asking for quiet so they can hear this answer.

It's an important issue. It has two components. One is the triple X rated adult soft porn videos, if you will, and the other is the regular affair that's available in most movie theatres. On the triple X videos there are several avenues that could be pursued to arrive at some control. Number one is the federal obscenity laws, of course, part of the federal Criminal Code. There are some problems there, however, because of a couple of pending Supreme Court decisions based on challenges raised in Ontario and Manitoba. Another way to do it would be to have local municipalities control the opening and closing and the business regulations of these shops, either through zoning, through their business licence requirements, or through some similar statute as respecting cigarette sales. Mr. Speaker, it would be my position that I would be favouring the latter, and I will be urging the Municipal Statutes Review Committee to implement it in their current review of municipal statutes.

MR. MUSGROVE: Mr. Speaker, children under 18 years old are restricted from going to R rated movies in the theatre, yet they can buy them or rent them from a local distribution agent. Is this consistent?

MR. MAIN: Well, Mr. Speaker, the current provisions of provincial legislation provide that films available for public viewing in a theatre would be classified in this province by the Alberta film censor board. Several attempts have been made in other jurisdictions to expand that to videotapes. Saskatchewan, Nova Scotia, New Brunswick, Prince Edward Island, Ontario, and British Columbia have tried it; Manitoba is about to. In the jurisdictions that have tried video classification, that have attempted to add a sticker to a box, they have found for a variety of reasons that it doesn't work. A number of jurisdictions are trying to get out of it. They've found it completely unworkable. Manitoba, I understand, will probably institute its regulations early in the New Year, and already there are rumblings of discontent amongst the industry, which seems generally fairly well self-policed.

Mr. Speaker, due to the experience of other jurisdictions, I would be reluctant now to advocate for the addition of a large provincial bureaucracy for a large system of enforcement for trying to solve all the operational problems that obviously exist. I would be reluctant to pre-empt a move towards a national film and video classification system that all provinces are working on and would be very hesitant to commit large sums of taxpayers' dollars to a system that already doesn't work. It would be my view that the same type of regulations that I suggested earlier for the triple X videos could be imposed on the local video stores, either through zoning, through a business regulation, or through a review of the municipal statutes.

One thing we should remember, Mr. Speaker, is that some movies that are classified – for example, PG-13 or M in Canada are classified R in the United States. Ontario right now has got a stack of 500 videos unclassified waiting for classification. They don't have anybody to do it. They don't have any mechanism to do it, and they're going to need hundreds and hundreds of thousands of dollars to do it. In a way, it doesn't require it, because it could be looked after another way.

Administration of Justice

MR. GIBEAULT: Mr. Speaker, my questions today are to the Acting Premier. In a landmark decision today the Supreme Court of Canada ruled against the renowned hatemonger from Alberta James Keegstra and upheld the constitutionality of Canada's hate laws. This decision represents an important statement on this country's commitment to the principle of dignity and equality of all citizens and the necessity that we not allow these pre-eminent values to be eroded by hatred and ignorance. Now that we have this Supreme Court ruling, will the Acting Premier end the double standard that exists in Alberta of prosecuting Indians, Lubicons and Peigans, while letting the hatemongers go free?

Speaker's Ruling Legal Opinions

MR. DEPUTY SPEAKER: Order please. In answering the question, the Chair would suggest to the Acting Premier that he be aware of the rule about a legal opinion.

3:00

Administration of Justice (continued)

MR. JOHNSTON: Mr. Speaker, first of all, there's no connection between the Supreme Court decision that came down today and the government's position on other minority groups. Our

policy has been very clear. We're out front in terms of advocating equal opportunity for all groups in this province. We've have gone a long ways to doing that. We've taken a very strong position against the Keegstra position, and we think all Albertans will support the Supreme Court decision.

MR. GIBEAULT: A supplementary to the Acting Premier. In light of this clear direction that has now been given by the Supreme Court, I want to ask the Acting Premier if he'll give a firm commitment today to launch vigorous prosecutions against the Aryan Nations and their hatemongers who were involved in that sickening display of hatred in Provost recently. Will you go after them?

MR. JOHNSTON: Again, Mr. Speaker, I acknowledge your comment about making any statements which may in fact interfere with ongoing review of that issue. The Attorney General is not here today, and he is the only one who's informed on any prosecutions which may be proceeding with any issue. I would not want to interfere with the judgment of the Attorney General in this case.

Housing Subsidies

MR. WICKMAN: There are thousands of families in this province living in poverty, in desperate need of subsidized housing. I do not understand, Mr. Speaker, how this government can allow such sloppiness that a person making in excess of a hundred grand a year can occupy a unit meant for someone that requires help, someone that requires that assistance. Maybe there are dozens or hundreds of similar situations throughout this province. To the minister responsible for housing: can the minister assure this House that every step will be taken immediately to ensure that any units under his responsibility are occupied only by Albertans qualifying for those benefits?

MR. R. SPEAKER: Mr. Speaker, yes, I will take that as a commitment.

MR. WICKMAN: Mr. Speaker, when a person receives excess social assistance benefits because of a bureaucratic error, the recipient is made to repay those benefits because of legislation passed by this Assembly. To the minister responsible for housing: will the minister assure this House that he will take the necessary steps to ensure that the Deputy Premier reimburses Alberta Mortgage and Housing for any benefits he received that he did not qualify for?

MR. R. SPEAKER: First of all, I want to make it clear that in this situation there's no direct subsidy that transfers between the provincial government and the owners of the respective apartment buildings or any individual that's in any one of the apartment units. The situation at the present time is between the renter and the owner of the apartment building or the property managers whereby a repayment can be made, and if that repayment is made, any excess above the operating costs of the facility would be returned to the Alberta Mortgage and Housing Corporation. It's a normal procedure, and it can be put into effect, and I'm certain, Mr. Speaker, that it would be put into effect in this case.

MR. DEPUTY SPEAKER: The hon. Member for Vegreville.

Pork Industry

MR. FOX: Thank you, Mr. Speaker. This government's agenda to undermine and try and ruin the reputation of the duly democratically elected representatives of the Alberta Pork Producers' Marketing Board is well known. It began with their support of Peter Pocklington following the infamous hog wars of 1985 and carried on through a series of not one, not two, but three reviews of the pricing policies of the pork board. They were vindicated in every instance. This sorry saga has reached a new low with a letter sent December 10 to the Pork Producers' Development Corporation from the marketing council signed by the Minister of Agriculture. It says here that

no meetings . . . either official or unofficial, scheduled or ad hoc, formal or informal, without sufficient notice of such a proposed meeting to Council

may be held without sufficient notice. I'd like to ask the minister, the minister who seems to prefer intimidation and threats to diplomacy: will he now stand in his place, admit that he's gone way overboard with this kind of heavy-handed tactic, apologize to the pork producers of Alberta, and get on with trying to negotiate a diplomatic settlement to the dispute that seems to exist?

MR. ISLEY: Mr. Speaker, the hon. member is apparently waving around a copy of some directives issued by the marketing council to the Pork Producers' Development Corporation, which did receive my approval. I trust he's got the ability to read the entire directive and relate it to the appropriate legislation. If he has the ability, I'm sure he will realize that this Assembly passes certain laws. Those laws set out certain ground rules that all public boards and commissions must adhere to. That law even sets a mechanism in place to ensure that they do, that mechanism being the marketing council. The marketing council is simply carrying out its regulatory supervisory functions under an Act passed by this Legislature.

MR. FOX: Mr. Speaker, the minister's halo doesn't fit very well. It's well known that there are some disputes among hog producers in the province, but he has clearly chosen sides and uses his position as minister to influence the outcome, what should be a democratically resolved decision. I would like to ask the minister: given the fact that at a meeting of pork producers last year, when for the first time their price was slightly above the Toronto price, he told them that they were being paid too much for their hogs and given this recent heavy-handed action, how can pork producers in the province of Alberta possibly believe that this Minister of Agriculture has their best interests at heart?

MR. ISLEY: Mr. Speaker, first of all, I would have to take some difference of opinion with some of the opening remarks suggesting that I have stated that pork producers were getting overpaid for their hogs. If that was his interpretation, he totally misunderstood the issue, and I don't recall the hon. member being there. Secondly, I can only reiterate that if we're going to take the time of this House to pass legislation, then we had better be sincere in seeing that that legislation is followed.

MR. DEPUTY SPEAKER: The hon. Member for Grande Prairie.

Highway 40

DR. ELLIOTT: Thank you, Mr. Speaker. My question is to the Minister of Transportation and Utilities. I'm going to continue with the saga of Highway 40 between Grande Prairie and Grande Cache. This is an important link, a primary highway, and I think it's important that we do not let this topic settle at any time until it is completed. We have important things happening at both ends of that highway. Grande Cache is a community that's on the move and growing; Grande Prairie is providing services that extend as far away as Grande Cache. Yet the highway does not seem to be gaining completion at a very rapid rate. We have the 1992 50th anniversary of the Alaska Highway. We have the 1995 Canada Winter Games involving Grande Prairie and Jasper. We'd like to see this highway completed before these major events. We've had petitions from both the Grande Cache and the Grande Prairie areas submitted to the department, and we'd like to have an update on where we stand with the completion of the highway.

MR. ADAIR: Well, Mr. Speaker, relative to the question about having . . . [interjections] We're not short of gas, are we?

Mr. Speaker, in relation to Highway 40 from Grande Prairie to Grande Cache, there's been one particular contract completed this year, and we have tentatively scheduled one for next year. There's a number of things that occurred. The request from the local committee to have it paved by 1992: I indicated to them that it was impossible but that we would work with the possibility of having the federal government work with us to see whether some other means could be in place relative, I guess you could say, to the safety of those who may be using that road. As a result of that we also have determined that we're going to have to rebuild a portion of the road from Grande Cache to the mine site, all of which will take time and money. I'm not sure that we can meet the 1995 schedule. I would suggest that it may be even a little later than that. Subject to the availability of dollars and the weather, we'll continue to work as we have done on almost all of the other primary highways in the province. Once we've started, we'll continue until we have it paved.

DR. ELLIOTT: Supplementary, Mr. Speaker. Reference is frequently made to the dollars involved, and we can appreciate that, but we're getting conflicting reports from people in the industry that are in this kind of work and members from the government as to what it would really cost to complete that project. If there's not enough money for hard surface, would there at least be something available for dust control and safety with respect to dust and loose gravel?

MR. ADAIR: Well, Mr. Speaker, two things. We did approach the federal government relative to some assistance, through the Alberta North agreement, for dust control for the period 1992. Maybe I should also add that as a result of the number of requests that I got from the Grande Prairie area, I checked as to what the condition is of the Alaska Highway itself. Roughly 2,500 kilometres in length, 964 and a half are paved; 1,592 are not and they are basically covered with what they call BST, and that is bitumen surface treatment, or dust control. There are 23 kilometres that are straight gravel at this point.

3:10

MR. TAYLOR: Point of order, Mr. Speaker. I just drove it a month ago.

AN HON. MEMBER: Keep going; keep going.

MR. ADAIR: Keep going? Yes, I will.

On Highway 40 the pavement is 171.76 kilometres; 152.99 are unpaved. I have to take away from that the 16 we did this year. There is dust control that will be put in place, and that will be done partly next year and early the year after so that it will be in place for any of the visitors who may be traveling that particular route to the 50th anniversary of the Alaska Highway and to their destination in either Alaska or Yukon.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Beverly.

Landlord/Tenant Relations

MR. EWASIUK: Thank you, Mr. Speaker. The residents of the Evergreen Mobile Home Park in my constituency have been served notices of rent increases recently, in some cases as high as \$40 per month, to cover costs, in part at least, of the landlords' restructuring of their corporation. This clearly is not fair, as tenants are not expected to pay for necessary renovations and certainly for flipping of titles of properties between corporations. My question is to the Minister of Consumer and Corporate Affairs. Will the minister agree to protect tenants by creating guidelines to govern which costs are unacceptable to be passed on to tenants?

MR. ANDERSON: Mr. Speaker, I'm not familiar with the particular circumstance that the hon. member refers to, but I'd be happy to take a look at it. However, overall the market forces are those which determine rent costs and increases. We have over the past number of years looked at the increases that have been encountered and find that over the past year, for example, in terms of rent it's about 7 percent. In terms of mobile homes and the Mobile Home Sites Tenancies Act, we will be reviewing that Act as we review the Landlord and Tenant Act and the changes that might be suggested with respect to that particular legislation.

MR. EWASIUK: Well, Mr. Speaker, my other concern is for tenants in that Alberta law does not obligate a landlord to give a reason for eviction providing he gives his three months' notice, or in the case of a mobile home it's six months. This is unfair again, and I believe this might well be unconstitutional. It also means that the provincial human relations laws are virtually ineffective in protecting tenants. Will the minister commit today to protect tenants by changing the law so that landlords are required to provide a reason for eviction with their three months' or six months' notice?

MR. ANDERSON: Mr. Speaker, the concept of having a landlord give a tenant a reason for eviction in either of the time frames that have been suggested is one of those items which are being considered as part of the MacLachlan report recommendations that were reported last spring. We will be looking over the next couple of months at all of the input received and the two sides of that question which have been brought forward.

I should indicate to the hon. member and to other members of the House that we've had a good response from landlords and from tenants across the province in terms of their opinions on that report. We will now as a government have to balance those opinions before making that decision, taking into account the property rights that are there on the part of landlords and the desire on the part of tenants to know a particular reason. I might say that that is a particularly difficult topic in terms of

defining what reasons might be available. We've looked at other provinces where in some cases they require that reason to be given, and there are some difficulties attached to those definitions. I certainly undertake to look at that topic as we review the Landlord and Tenant Act items and, of course, once that's done, take a look at the Mobile Home Sites Tenancies Act and others that relate to this topic.

Day Care Funding

MR. PASZKOWSKI: Mr. Speaker, several months ago the hon. Minister of Family and Social Services introduced significant and positive reforms to the province's commitment toward delivery of day care. Somewhat disturbingly, however, I've had concerns expressed by a very few constituents that these reforms may have a negative impact on the flow of dollars. My question to the minister: has there been a cutback in the amount of dollars available today since the day care reforms were introduced?

MR. OLDRING: Mr. Speaker, absolutely not. There haven't been any cutbacks in dollars whatsoever. Our government has always felt very strongly committed to the day care initiatives in this province. I would first of all point out that in fact this year our dollar commitment increased. Last year our budget was approximately \$67 million; this year our budget is \$75 million.

I'd also want to point out to the Member for Smoky River that because of the strong commitment that we've had as a government, we have seen a day care program evolve just over the last decade in this province that's second to none in Canada. Clearly, the message that I got through the review that we've just undertaken was how good parents felt about the day care that was available for their children. I'd also point out, Mr. Speaker, that we're the only province in Canada that actually has a vacancy rate. There isn't another province that can stand up and say that.

We feel it's important to have day care in place. We have changed our focus somewhat. We're putting a higher emphasis on low-income families. We want to be able to help them with their needs, in particular single mothers.

MR. PASZKOWSKI: My supplementary, Mr. Speaker, is brief. First of all, I'd like to say that I am indeed pleased with the level of commitment made to Albertans who require day care services. I would now like to ask the minister if he could tell the House how Alberta's financial commitment ranks with the rest of the country.

MR. OLDRING: Mr. Speaker, certainly it can change from time to time. I don't have precise numbers in front of me, but I can assure the Member for Smoky River and the members present that if we're not at the top on a per capita basis, we're certainly near the top on a per capita basis.

Mr. Speaker, it was also interesting for me to note that an independent assessment by a management consulting firm by the name of Runzheimer Canada Inc. was evaluating day care costs in all the major cities across Canada and throughout the territories. Certainly through that review process they pointed out that although we weren't the lowest in Canada, we were the second lowest. Interestingly enough it was Saint John, New Brunswick, that was the lowest at just under \$3,000 per year, and we were just over \$3,000. That was based on a three-year-old child.

So again I think we can be pleased with the level of day care that we're providing in this province, with the cost it is being

made available at in this province, and we're going to continue, Mr. Speaker, to make sure that day care is there for those who need it.

Advanced Education Enrollment Limits

MRS. GAGNON: Mr. Speaker, because this government has not listened to the administrators and boards of governors of our postsecondary institutions when they've cried out for more funds, we have a situation where thousands of Albertans are being turned away from our colleges, technical schools, and universities. They have done a yeoman's job of cutting costs while maintaining quality. What they haven't been able to do, however, is maintain accessibility. This very afternoon the board of governors at the University of Lethbridge, in the minister's constituency, is voting to hold enrollment at that university to 3,669 students. If current projections hold, this means that 300 students will be turned away from the University of Lethbridge this fall. My question to the Minister of Advanced Education is: what will the minister do to prevent this ongoing betrayal of Albertans who strive for a postsecondary education?

3:20

MR. GOGO: Mr. Speaker, the hon. Member for Calgary-McKnight makes somewhat serious allegations about betrayals. One would have to look at the University of Lethbridge, which I submit is perhaps the finest undergraduate liberal arts institution in the country, and recognize that over the past two years enrollment has increased by almost 2,000. I'd point out that one of the reasons has been the access to excellence program that the government has funded. I want the hon. member and members of the House to be aware that, number one, institutions set their admission requirements, not this government, and that I think it should be viewed as an achievement by our institutions to be amongst the highest in Canada in terms of those who access those institutions. In other words, there's a strong demand for Albertans to be better and better educated, and I think we should be proud of that fact.

MRS. GAGNON: Mr. Speaker, my second question is to the Acting Premier, who is also from Lethbridge. Will the Acting Premier immediately review levels of funding of postsecondary institutions in light of all these quotas, quotas, and more quotas?

MR. JOHNSTON: I tell you, Mr. Speaker, I'd love to give a profile of the policy on advanced education in this province. It is the most outstanding policy of any province in Canada. I could go for about 35 or 40 minutes just on that policy alone, but the words of my colleague the Minister of Advanced Education are the words taken exactly from my mouth. He's right on point.

Point of Order Factual Accuracy

MR. DEPUTY SPEAKER: The hon. Member for Westlock-Sturgeon had a point of order.

MR. TAYLOR: Yes, Mr. Speaker.

SOME HON. MEMBERS: Citation.

MR. TAYLOR: Citation 414 and 417 out of the sixth edition of *Beauchesne*.

The reason I brought it forward is the answer by the hon. minister of transport, who is always very succinct and very

accurate in my opinion, but in this case when he talked about how much the Alaska Highway was paved, I was rather shocked at the answer. I just came over it this fall, and it's nearly all paved. I would ask him to go back and check his figures. To use 20-year-old figures to justify the rather sneaky way of not paving the access road to Grande Prairie is a very low blow indeed, because that gravel stretch is very bad. I'd ask that he check his . . .

MR. DEPUTY SPEAKER: Order please.
The hon. minister.

MR. ADAIR: I get to respond, Mr. Speaker. The point of order, whatever it was, I'm sure it was a case of either a wrong turn or being told where to go. In the case of where the statistics came from, they're probably three days old from the Yukon government and from the government of Alaska. When I said "BST," bitumen surface treatment, that is called dust control; it's not pavement.

MR. DEPUTY SPEAKER: Might there be unanimous consent to revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Avonmore.

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

MS M. LAING: Thank you, Mr. Speaker. It is my pleasure to introduce 76 students from Holy Trinity high school who are now in our public and members' galleries. Holy Trinity high school is situated in the constituency of Edmonton-Avonmore. Many of the students live in the constituency of Edmonton-Mill Woods. They are accompanied by their teachers Mr. Georges Robert and Ms Cynthia Winter. I would ask that they now rise and receive the warm welcome of this Assembly.

Orders of the Day

head: **Written Questions**

MR. GOGO: Mr. Speaker, I move that all written questions appearing on today's Order Paper stand and retain their places, except for the following: 402, 404, 410, 443, 444, and 445.

MR. DEPUTY SPEAKER: Did the hon. Member for West Yellowhead wish to withdraw a question before the question is put?

MR. DOYLE: Yes, Mr. Speaker. I decided not to go ahead with my question.

MR. DEPUTY SPEAKER: Which one? There are two, hon. member. Question 444?

MR. DOYLE: Yes. I withdraw Question 444. There was an error on my part.

MR. DEPUTY SPEAKER: Is there permission of the Assembly to withdraw that question?

HON. MEMBERS: Agreed.

[Motion carried]

Cargill Meat Packing Plant

402. Mr. Taylor asked the government the following question: With respect to the Cargill Limited meat packing plant at High River, what was the chemical analysis of the well water used as an input in the plant from January 1989 to June 1990 and, in particular, what were the levels of salts, nitrate, and nitrites in the input water?

MR. GOGO: The government accepts that, Mr. Speaker.

MR. TAYLOR: Thank you, Mr. Speaker. Progress is slow but sure.

MR. DEPUTY SPEAKER: Order.

Environment Publication

404. Mr. Mitchell asked the government the following question: What was the cost of printing Thanks from Alberta's Environment, and how many copies were printed and distributed?

MR. GOGO: The government will accept 404, Mr. Speaker.

Social Assistance Policy

410. Ms Mjolsness asked the government the following question: With which groups, individuals, and organizations did the Minister of Family and Social Services consult prior to developing the program called supports for independence, announced in the Assembly on November 26, 1990?

MR. GOGO: We reject, Mr. Speaker.

Grain Hopper Cars

443. Mr. Wickman asked the government the following question:

- (1) What is the total cost of placing the Take an Alberta Break promotional messages on the 994 heritage fund grain hopper cars?
- (2) Which Edmonton firm was awarded the \$4.7 million contract in late 1989 to repaint the 994 heritage fund grain hopper cars, and was this contract put out to tender?
- (3) How often have the heritage fund hopper cars been repainted since their purchase, what was the total cost of each repainting, and what is the future time schedule for repainting?

MR. GOGO: The government accepts that written question, Mr. Speaker.

Highway 40

445. Mr. Doyle asked the government the following question: Why did Alberta Transportation, after completing the necessary surveying work, not proceed with much-needed improvements to Highway 40 between Hinton and Cadomin in 1989 but instead require that some of that survey work

be redone before work can begin on that stretch of highway?

MR. GOGO: The government is pleased to accept Written Question 445, Mr. Speaker.

head: **Motions for Returns**

MR. GOGO: Mr. Speaker, I move that all motions for returns appearing on today's Order Paper stand and retain their places except for the following: 340 and 412.

MR. McEACHERN: Mr. Speaker, again that is totally unacceptable. That's three times in the last week that I've had to rise in this House and tell the minister that that's not acceptable to this side of the House. There are something like 35 motions for returns still on the Order Paper at this stage. There is not really a chance, and the minister knows that perfectly well, that this House will likely be here for another nongovernmental business period, yet he leaves a number of very important questions dangling.

I personally have about six or seven that should be answered, and I would like to point out a couple of them at least, if you look at motions for returns on pages 6 and 7 I believe they are. Number 418, a particularly important question, relates to the amount of money the taxpayers are on the hook for the repurchase of NovAtel if the Telus Corporation decides that that must be bought by the government, as the government promised in their updated prospectus of September 23 of this year. We know that there's a \$50 million bonus that Bosch built into the price they were going to pay for half of that company, and the government has said: if Telus wants us to, we will pay the appraised price for half of the company, but we'll pay the Bosch deal for the other half. Now, Mr. Speaker, we need some explanation on that. For the minister to suggest that that question should just be ignored is really quite ridiculous. I don't see why the taxpayer should wait till spring to see that back on the Order Paper and hope that the government will then decide to give us that information.

The next question, 419, is also one of mine, and that is trying to get at the essence of what happened with the NovAtel deal. Why was it that the prospectus said that NovAtel was going to bring in \$16.9 million this year when, in fact, in the first five months their earnings were negative to the tune of \$13.9 million? Anybody looking at that prospectus – in fact, I had a couple of people look at that prospectus and decide not to buy shares based on it. Then somewhere through the middle of the sale of shares the government gets some new information, and they wait till the end of the sale of shares and then decide to give this sweetheart deal to the people that bought NovAtel shares. In fact, Mr. Speaker, it may end up costing us more than the \$21 million they projected at that time if the company has continued to lose money, and certainly Bosch has decided that it isn't a good deal.

So these are some very important questions that should be on the table with this government, yet they are quite content to sit there and say, "Oh, no, we don't need to deal with these." These are motions for returns; they're legitimate questions. The least the government can do is put them up for debate and say whether they're going to give us the information or not and let us debate that point, but they don't seem prepared to even do that.

3:30

Number 420 I agree, could just as easily have been a question as a motion for a return. They could have treated it that way.

They could have just said, "Yes, here's the information." It's available to the government. We know the numbers approximately, but we'd like to see the details, and the people of Alberta would like to see the details.

Point of Order Relevance

MR. GOGO: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Deputy Government House Leader is rising on a point of order.

MR. GOGO: Yeah. Mr. Speaker, under Standing Order 23 I think it's very clear that the hon. member should be addressing the motion I made earlier that motions stand except for the ones I enunciated. That does not give the hon. member license to debate individual motions for returns.

MR. McEACHERN: I'm only making some comments about the individual motions in the context of telling him how important they are and how the people of Alberta should know the answers to those questions. It's the minister that's decided that they shouldn't be debated. I don't see why I shouldn't be able to point out the importance of the questions. That's a reason why that motion should be defeated and these questions should be brought forward to the Assembly, and it's fundamental to the debate that I be able to make that point.

Debate Continued

MR. McEACHERN: I can go on to a number of others on the Order Paper. The one to Technology, Research and Telecommunications on the financial viability or technical competence of Myrias Research Corporation is another of a number of examples that the Leader of the Official Opposition has raised about this government investing in companies and then losing taxpayers' dollars. There should be some answers on the Myrias situation, yet this government chooses to ignore the question.

Now, I can put it back on the Order Paper next spring, but if they go on ignoring it then, how long do we have to wait? A year? The public accounts are always a year to two years out of date, Mr. Speaker, and the minister knows that. So when the government stalls like this, it's contempt for the taxpayers of Alberta. It's like saying they don't need to know, when it's relevant and important. They can find out down the road, a year or two from now, when it's too late for anybody to say or do anything about it anyway and nobody's interested anymore. That's really what the government's doing.

I can't believe that the deputy House leader, who has a great respect for parliamentary traditions, will accept this kind of nonsense from the government. I don't know if it's a cabinet decision being foisted on him, but in any case he should know better, and he should know that the democratic tradition requires that the opposition ask questions and that the government answer those questions on behalf of the taxpayers of the province.

There's another important question that I didn't use as an example the last time we ran around this same debate, and that is Motion for a Return 437. Here I'm asking for information about the financial statements for Alberta Intermodal Services. I would like to point out that the minister, when I asked him a question in question period, jumped all over me saying that we hadn't done our homework, that we hadn't got the updated figures. The fact is that our researchers have been asking him for updated figures and he's been refusing to give them to us.

We have to work with the public accounts, which are now nearly two years out of date. Of course, I pointed that out to the minister. That's totally ridiculous. So here is some information that we should have telling us exactly what is happening with Alberta Intermodal.

Number 438 is related to the same topic, so I won't pursue that further. But I do have two more on the Order Paper, and these I really see no reason why the government shouldn't just say, "Yes, the information will be available," much as if there were a question. They're not ones that are particularly debatable and important in a sense of immediacy, but they are important from the point of view of overall government policy and development of policy. They are about the Alberta stock savings plan. The Alberta stock savings plan has been canceled by the government. It's run out its three-year course, and that's fine. Now, what we need to do is look back at the numbers. The Treasurer has them. In fact, he has given us installments along the way as the plan was in operation for the three years, but we don't have the final figures yet.

He could easily do them in the same format. That would be perfectly acceptable. He could give us some kind of a summary as to why it was assumed that this particular plan was not a good one or did not profit the province enough that it was worth carrying it on now. That's all I'm asking for. It's a perfectly reasonable question for a program that has been discontinued by the government, yet the government chooses to ignore the motion for a return. There is literally no excuse, absolutely no excuse, for this one, Mr. Speaker. There is nothing big, controversial about it; no particular embarrassment to the government, I'm sure. It's just a matter of giving some factual information to the opposition and to the people of Alberta so that we can look at how the Alberta stock savings plan worked, whether some modifications could be made to make another one or a better one, or whether we should just abandon the idea altogether. It's sort of long-term policy development, and there is no reason for this government to sit there and say, "This shall stand on the Order Paper."

Standing on the Order Paper is an insult to the people of Alberta right now, because this government knows that we will never get another chance in this session to have a nongovernment business day so that we can deal with motions for returns. By saying, "Leave them on the Order Paper," he knows that's it. It's saying they are dead, and if we want to revive them, we will have to resubmit them next spring, five or six months from now, and go through the same hassle, I suppose, that we're going through now of having them ignored and ignored and ignored.

When some of them are as simple and straightforward as some of the ones I've just enumerated and when others are important and crucial to know what's going on now with some of the fiascos that this government has created, I do not understand how the government can have the gall to just sit there and say, "Let them stand on the Order Paper." Standing on the Order Paper has no meaning today. It did on Tuesday and it did last week, but it has no meaning today at all, except to say that they are dead, defunct, done, that we don't intend to give this information, period. That's what it means, and that's totally unacceptable. I don't understand how the government can sit there and say that that's the way they're going to operate. You'll pay for it in the next election. That's just not the way to treat the taxpayers of this province.

Mr. Speaker, there isn't a member of this House that doesn't owe it to the voters in his or her constituency to vote down this motion and tell the government to get on with the job of putting these on the floor.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. I, too, want to rise and speak in opposition to the motion. Yesterday during Oral Question Period I asked either the hon. Minister of Career Development and Employment or the hon. Minister of Forestry, Lands and Wildlife if they could respond to a question about an untendered contract that went out to – I don't know if they were friends of the government, but the fact of the matter was that it was an untendered contract for \$70,000 that went out to a company, a consortium, to do a study.

You know, I was invited yesterday, sir, to put that question on the Order Paper. Any surprise that I was invited to put that question on the Order Paper? I think not, knowing full well that the Deputy Government House Leader or the Government House Leader, whoever might be in charge of government responses this day, would come in and say, "Well, let's not worry about that motion for a return," just as they don't worry about Motion for a Return 407, which has been on the Order Paper all this fall session.

The reason that motion for a return is on the Order Paper is because last spring when I put questions to the hon. Minister of Labour about what I believed to be some rather discriminatory literature that was passed around at a worksite, written by a friend of the government, what kind of a response did I get? She said: send me the information and I will get back to you. I sent information. I spent money from my caucus budget, from the budget that is supplied. It went to a forensic handwriting analyst. Do you know what? The handwriting analyst said, "Boy, we have 15 points of similarity between the signature and the handwriting of the person that wrote this discriminatory nonsense." So I put it to the minister: what are you going to do about it? Nothing. Absolutely nothing was done.

Now, Mr. Speaker, all I want to do is find out the evidence that the minister has to give me such a response that absolutely nothing is going to be done. Maybe with her budget, with the millions of dollars that minister has, perhaps she was able to go and find a different analyst to do some forensic study of the handwriting sample. Maybe she went to two or three or four or five analysts for handwriting samples and said: "Well, what have you got here? Are there points of similarity? Let's find the proof." But we haven't got it. The government stands up and says: "Oh, we're not going to answer the questions. We're not going to give you the response that you've asked for." They're not going to give me the response that people in Calgary who contacted me want to have. Why? Is it too embarrassing? Could it possibly be that there is some protection going on, supplied by the government to the friends of the government? Is that the connection? Because there certainly have been political contributions made. Is that the connection there? You scratch my back; I'll scratch yours. You give me a political donation, and, boy, we won't worry about any charges that come before you.

You know, the names have been said in the Assembly and outside of the Assembly and not once – not once – as a person who authored the question to the minister, not once as a person who gave an interview have I been contacted by the solicitor of the person that I've made the charges about. No defamation. I would love the opportunity to go into court, sir, and say, "Here's my evidence." But there's no point in pursuing a defamation of character suit, because I think we've got them cold.

All I want to do is get the hon. Minister of Labour to provide me with her information. If it's too embarrassing, it's too bad. But either way we have an embarrassing situation. The minister is either providing some protection, or the minister just doesn't want to answer. Either way it's a rather shameful response, and it's especially shameful that now we have the government just standing up and willing to say that these motions for returns will stand in their places on the Order Paper; the last day, perhaps, that we have to debate motions for returns.

3:40

But there is next spring, and it'll be on there again. I hazard the guess that we once again will be standing up and making pretty similar arguments, Mr. Speaker, because this is an issue that's important to me. It's important to workers in Alberta who have been discriminated against. If it's not important to the government, then shame on the government. If it's not important to the Minister of Labour, especially to her, shame on the minister.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud.

MR. WICKMAN: Mr. Speaker, thank you. I'm going to speak in support of the motion that was brought forward by the Member for Edmonton-Kingsway. I speak in support of that motion out of respect for . . .

MR. DEPUTY SPEAKER: Order please. Just for the purpose of the record, I believe that the motion before the House is the motion of the Deputy Government House Leader.

MR. WICKMAN: Oh, I'm sorry.

MR. DINNING: Go back to city council.

MR. WICKMAN: Mr. Speaker, I'm going to support the position taken by the Member for Edmonton-Kingsway. Is that more acceptable to you, Mr. Dinning?

MR. DINNING: You do whatever you want.

MR. WICKMAN: Mr. Speaker, we're in a parliamentary system here, and we have to show respect for that parliamentary system. I can see that at times on the other side there are some members that do have some difficulty in acknowledging that there is a parliamentary system that we work under. One of the fundamental bases of a parliamentary system is the opportunity to get information, the opportunity to provide that information not only to members of the opposition but also to the members of the public that are responsible for putting members in this very House. It's not a matter that should be taken lightly, and it's not a matter that should be joked about. It's a very, very vital part of the parliamentary system that we all participate in and we should all respect, although at times I tend to see some contempt expressed on the other side of the House because those of us on this side dare to question the methods by which this government operates and we dare to question as to whether we have the right to information that we feel we're entitled to so that we can do our jobs as representatives, as you chose to do your jobs as representatives.

There are many, many motions for returns on the Order Paper that have been put there by members of the Liberal caucus that have been there for a good period of time. They continue to sit

there, and they continue to sit there. Some of them have sat on the Order Paper since the spring. It is totally unacceptable, Mr. Speaker. It is totally inexcusable that the information that is requested is not being provided. The mechanism isn't there.

The member, from whatever portion of Calgary he represents, made reference to city council. Mr. Speaker, let me remind that member: at least with a city council, with municipal government, if a member of the public or any elected representative at that level wanted information, there were bylaws that ensured they had the right to ask for that information, and that information had to be provided. This government, the so-called senior government that the municipalities operate under the umbrella of, doesn't see fit to have similar type legislation that would ensure that there is freedom of information, that information sought by members of the opposition or by any Albertans or by the taxpayers would be provided.

It's becoming a joke that time after time, week after week we sit here, we stand here, we request this information, and we get the same nonsense that the motions for returns, with the exception of a small number, are going to remain on the Order Paper. The expressions that have been made that they'll continue to sit there until this House adjourns obviously are very accurate, are very correct. As to whether that's going to imply that today is the last opportunity, I'm not certain of that. We still have a number of amendments, incidentally, that we want to put forward on the electoral boundaries Act, and we intend to have the opportunity to do that. So I wouldn't make the assumption, to the Member for Edmonton-Belmont, that today is our last opportunity. We could very well have next week to exercise those opportunities. But I don't think that extra week is going to do us any good, because if the government chooses not to accept those motions for returns, they're simply not accepted and the information isn't provided.

The government continues in a veil of secrecy which they feel may serve their benefit, but it doesn't serve the benefit of the people that they're elected to represent.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. I, too, would like to place a few words in opposition to the motion put forward by the Acting Government House Leader today. You know, I get a kick out of this government. Sometimes if you raise a matter in the Assembly, they tell you that you should take it outside; you should write them a letter or something like that. If you raise a matter outside in the corridors, they tell you that you should bring it into the House and they'll answer it there. If you raise it in Oral Question Period, they tell you that you should put it on the Order Paper. If you put it on the Order Paper, well, I suppose they tell you that it will stand and retain its place on the Order Paper.

I would like to relate my concern over a particular motion for a return which is on the list of those which are supposed to hold their places. On December 11, Tuesday, I raised a question with the Minister of the Environment asking for some information about a policy decision which his department had conveyed to some Albertans about groundwater monitoring data. The policy decision was to the effect that groundwater data could no longer be made available to the public, and they cited a particular section of the Clean Water Act which refers to making emission data public. Apparently, some genius in the Attorney General's department has figured out that that means they can't release monitoring data. His answer, which I would like to relate, is a

classic. It says, "If the hon. member has a specific relative to this particular issue, I'd be glad to check into it." Well, Mr. Speaker, there is a specific relative to this, and it's sitting right there on the Order Paper. If the Minister of the Environment is so darn glad to check into it, why isn't the government dealing with the motion for a return? It's been there for a period of time. Motion 440 asks for ambient groundwater monitoring data for four specific wood preserving operations, those being Sunpine Forest Products at Sundre; Domtar chemicals group, wood preservative division; Natal Forest Products Ltd.; and Spray Lake Sawmills (1980) Ltd.

Now, there is some urgency in seeking that information because it has been denied – this is a matter of record – by the Environment department to some of the people who are directly affected and need the information. The reality, Mr. Speaker, is that a lot of rural Albertans, whom this government claims to represent in matters such as electoral distribution, happen to depend on groundwater as the source of their drinking water. They use well water. Now, well water doesn't sit still in one place waiting for somebody to come along and drink it. In fact, well water tends to move around. There are underwater rivers called aquifers which move contamination relatively quickly.

MR. MAIN: What's this got to do with the motion?

3:50

MR. McINNIS: The minister of culture is having difficulty relating the concern over the government continuing to refuse to deal with the motion for a return asking for groundwater monitoring data with the fact that some rural Albertans drink that water. Now, perhaps I could draw a picture for him. You dig a hole in the ground, and you put in a pump, and you pump the water up, and the water comes out of the pump, and you drink it.

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

MR. DEPUTY SPEAKER: A point of order by the hon. minister of culture.

MR. MAIN: Yeah. He's stealing my ideas and making up speeches on them. Why don't you just deal with the motion?

MR. McINNIS: Mr. Speaker, I would have to say that that minister hasn't had an idea worth stealing in his life.

MR. MAIN: Now, was that nice? Was that nice?

MR. McINNIS: You know, the people who live in the vicinity of these wood preserving plants have some concern over whether some of the chemicals that are used in the process may have got into their groundwater. Well, why is this such a big concern? I think the easiest way to put it is that none of these operations are allowed to leak any wood preservative into the groundwater. So if there's anything in there, it would be pretty clear where it had come from.

Now, when I asked for another bit of information, a list of companies that are in noncompliance with provincial statutes, the Minister of the Environment went on to say, "If [the member] has a specific problem, a specific issue to be addressed, we'd be glad to address that issue." Well, you know, if he's so darn glad to address the issue, why is the government moving that the motion stand and retain its place on the Order Paper?

I think we have to say to the government: why wait for spring on matters like this; do it now.

REV. ROBERTS: Mr. Speaker, I can't believe it. You know, we've been as patient as Job with this sorry lot over here, and we can't wait any longer. I've got at least eight or nine motions for returns on here, and every time after question period the Minister of Health just gets up and walks out. I don't know what's wrong with these questions. Members across the way must know that these are not frivolous matters. These are matters that help us as members of the opposition to do some planning both in terms of our own understanding of certain policy and then being able to respond to certain government budgetary plans. I know they're all busy over there working out their A and B budgets to be tabled in the Provincial Treasurer's budget next spring.

We need to know, for instance, as I said before, about the health care premiums. Are they going up or not? What's the basis upon which they're going up? I've got a number of others, some of which, if I'd get the information, I really feel I could be far more supportive of certain government actions; for instance, if they're going to start implementing these plastic smart cards. I mean, if you look at my Motion for a Return 427, you'll know there's a lot of talk about that. I'm of two minds whether to support the introduction of it. Instead of everybody getting their annual paper Alberta health care insurance card – if it's a plastic card, it's going to be embossed; it's going to have a magnetic strip on it; it's going to have a microchip on it. If we're going to move in that direction like other provinces are, it could have some cost savings, and I'd like to have some information about that.

So we go on in terms of the different items that are on here, but the point is that to hear this motion time and time again that all of this information, all of this potential for either co-operation or confrontation on matters important to the people of this province, continues to stand and retain its place in the black hole of whatever government bureaucracy it is over there that's responsible for these things, is just not acceptable.

I guess that's another question. Maybe the Deputy Government House Leader could in wrapping up debate even indicate what the mechanism is. I mean, is it just lost over there among deputies and assistant deputies? I'm sure there must be some researchers who dig out these questions for the minister, obviously, whether it's going to be coming forward or not. Couldn't there be some mechanism? Instead of, as members have said, waiting months and months and months and having to have this debate time and time again, is there some mechanism of just saying, "By the way, don't wait around for a response to 434; we're just not going to give it." Then we can get our research our own way, get other ways to get that information. But it's futile for us; it's futile for government. We get into these long, protracted debates about this matter. We could expedite things enormously if they could just do a quick review once it appears on the Order Paper, have whoever the officials are say, "Well, if we're going to accept this, we will keep it on the Order Paper for some time, because we're going to dig out that information," but if it's clearly not going to be accepted, if some determination can be made about that quickly, then just tell us, and get it off the Order Paper, and we can get about our business in other ways.

Almost three-quarters of these motions for returns in my experience have not been accepted, and if that's going to continue to be the pattern, why waste your time, why waste our time and have them sit in this state of limbo? Let's just get on

with some mechanism to assess whether or not they're going to be accepted so we can go about our business. [interjection] Well, I'd like to know more about what the process is, because it's not clear to me. They sit here for such an interminable length of time, and then they get up after months and say, "Oh, we're not going to accept it," with no explanation about that. So it seems to me, Mr. Speaker, that there is great frustration, great anger mounting about this every Tuesday and every Thursday at this time. I mean, we're not going to sit back in some passive and placid manner and just continue to be patient about these things. Our job is to stand up. We aren't here to be Tory toadies and just accept things that this government wants to find its way with. We are here to call into question, into account, and to provide information that the people of this province want and not to just sit passively by and say. "Oh, well, it's your agenda. It's your timetable. You can do with these as you want."

So unless there's some better mechanism for dealing with these motions for returns, we're going to continue to get in this debate every Tuesday and Thursday at this time for at least a half an hour if not longer. It's going to continue to thwart Motions Other than Government Motions and other Bills that might be on the Order Paper and the rest. We're not happy about it; I know you're not happy about it. Why don't we get together and do something so that this situation can be remedied? It's not, as I say, serving either side, not just the information not forthcoming but the whole process not being understood in terms of what the delay is all about. Again, as members have said, now we're just going to have to sit down and wait till spring for these matters to be determined. A whole host of issues which I had hoped to get some inkling about, information from the Minister of Health so that I could better prepare policy and understand certain budgetary implications as they come between now and next spring, could help me to be far more helpful and effective as someone who wants to improve the health care system in this province. But to just leave these in the state of limbo and thwarted by this process is entirely unsatisfactory, and we're not going to just sit back much longer.

Thank you, Mr. Speaker.

MR. GOGO: In closing debate, Mr. Speaker, I just want to make a couple of very important comments. Hon. members across the way may not have been here prior to 1986. That's no excuse for them not understanding the rules of this House and the Standing Orders under which they operate. Standing Order 8 spells it out very clearly. If they have trouble with that, they can go to *Beauchesne*. If they have difficulty with that, they can go to *Erskine May*. Surely to heavens with a million dollar budget they can get some fundamental answers to some fundamental questions. That's what democracy is all about. They have the daily question period. They make ministers defend estimates annually before 10 cents is spent. They have the prerogative and the privilege of asking for written questions and motions for returns.

There is no obligation for a minister of the Crown to answer any question in oral question period, no obligation of the Crown having to answer any question. There is no obligation. But here we are today. The Member for Edmonton-Kingsway, the great protector of the members' time . . . The Member for Calgary-Buffalo in good faith is sitting there waiting, because this government has the courtesy of advising the opposition parties beforehand which questions – I send them a copy of it – we're prepared to answer. What's going on? The hon. Member for

Edmonton-Kingsway is quite prepared for the Member for Calgary-Buffalo, at his expense, not to be heard.

I just simply close debate. Today, Mr. Speaker, after question period, under the protection of a Standing Order for the private members on Tuesday and Thursday, to answer six written questions on the Order Paper . . . A million dollars a year. I've heard ministers of this Crown saying, "Mr. Speaker, we'll provide that; that's public information."

4:00

Any information that is public that has to come from this government on a motion for a return, I'm going to propose shortly and I will do what I can to see that the cost of that is deducted from their budgets. We're prepared now on motions for returns, as I indicated earlier to members of the House, and I would simply ask hon. members to have the courtesy, when this government is prepared to answer motions for returns that another member requests, to let the government answer those.

Thank you, Mr. Speaker. [interjections]

MR. DEPUTY SPEAKER: Order please. The debate on this motion is concluded.

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: All those in favour of the motion by the Deputy Government House Leader, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

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

[Eight minutes having elapsed, the Assembly divided]

4:10

For the motion:

Adair	Fjordbotten	Orman
Ady	Gogo	Osterman
Anderson	Hyland	Paszkowski
Black	Isley	Payne
Bogle	Johnston	Severtson
Bradley	Jonson	Shrake
Cardinal	Klein	Speaker, R.
Cherry	Kowalski	Tannas
Clegg	Main	Thurber
Dinning	McClellan	Trynchy
Drobot	Mirosh	Weiss
Elliott	Moore	West
Evans	Musgrove	Zaruský
Fischer	Nelson	

Against the motion:

Barrett	Martin	Roberts
Chumir	McEachern	Taylor
Doyle	McInnis	Wickman
Ewasiuk	Mjolsness	Woloshyn
Laing, M.		

Totals: Ayes – 41 Noes – 13

[Motion carried]

Wild Rose Foundation

340. Mr. Chumir moved that an order of the Assembly do issue for a return showing the following information with respect to the Wild Rose Foundation:

- (1) the number of personnel in 1988 and 1989,
- (2) a breakdown of the amounts of \$22,881 and \$46,235 paid to members for 1988 and 1989 respectively, specifying amounts paid to each member and the basis upon which payment to members is determined,
- (3) an itemization of travel expenditures for 1988 and 1989, and
- (4) an itemization of the items making up the expenditure of \$12,979 for conferences and seminars in 1989, including details as to cost and participant of each conference and seminar.

MR. KOWALSKI: Mr. Speaker, the government has waited and waited and waited for an opportunity to provide useful information to the people of Alberta. This afternoon was an example of an unfortunate filibuster that has deprived the people of the right to know, a filibuster that's deprived the people of an opportunity to ascertain the information that was requested of it. I know the debate's now behind us. We've had a vote. I have to temper my comments with respect to this, because the government has always believed that useful information should be provided to the people when and if asked, and we're prepared to deal with that. We have this debate with respect to Motion for a Return 340.

But before we entertain that, I'd like to congratulate the hon. Member for Calgary-Buffalo and wish him happy Hanukkah. I know that I speak on behalf of all of the members of government to say happy Hanukkah not only to him but to all members of the Jewish community in the province of Alberta. It's my understanding that earlier this week the hon. member distinguished himself in a very solemn and important ceremony, the lighting of the menorah, in Calgary. I also understand that the Member for Calgary-Glenmore also participated, and it was a very nice event and an important one, of course, in terms of the Judaic people in our province.

Mr. Speaker, Motion for a Return 340 is requesting of the government a variety of bits of information. I think it is very important that when an hon. member puts a motion for a return on the Order Paper and when there's an opportunity given to the government to respond, this government has always looked forward to in fact dealing with that. There is a wide variety of specifics with respect to Motion 340, and I'd like to deal with them this afternoon.

Motion 340 says that the hon. member is requesting the following information with respect to the Wild Rose Foundation:

- (1) the number of personnel in 1988 and 1989.

Mr. Speaker, I'm very, very pleased to report that the personnel in 1988 was four full-time individuals. All hon. members will realize and recognize that in 1988 the Western Canada Lottery Corporation through Alberta Lotteries provided to the Wild Rose Foundation a grant of \$1,250,000. In 1989 the total number of employees associated with the Wild Rose Foundation was seven full-time members and one part-time member, and in that year the allocation provided to the Wild Rose Foundation was an annual grant of \$5 million. There was an adjustment

made at that time because of the important work provided by the Wild Rose Foundation.

Now, question number two with respect to 340 asks for

- (2) a breakdown of the amounts of \$22,881 and \$46,235 paid to members for 1988 and 1989 respectively, specifying amounts paid to each member and the basis upon which payment to members is determined.

Both very detailed, important questions, and the government believes that in fact those questions should be responded to.

So with respect to 1988 honoraria were paid to the following individuals: to Ross Alger, \$2,650; to Dianne Birenbaum, \$1,515; to Glen Chapman, \$2,350; to Gary Harris, \$850; to Marie Hohtanz, \$1,710; to Paulette Patterson, \$2,520; to Cay Sexauer, \$2,100; and to Dick Wong, \$4,300. Now, these individuals were the chairman and the members of the board of directors of the Wild Rose Foundation. That figure amounted to \$17,995. Committee meetings for these individuals and various expenses associated with it amounted to \$4,166. Travel insurance to convey these individuals from the various parts of the province of Alberta to the various board meetings amounted to \$720. So if the individual were to add up \$17,995, \$4,166, and \$720, they would arrive at a figure of \$22,881.

Now in 1989, Mr. Speaker – and responding very directly to the question contained in the motion for a return; the question asked for the breakdown in terms of fiscal 1989 – I'm very pleased once again to provide the information. By way of honoraria to the members of the board of directors of the Wild Rose Foundation, Diane Birenbaum received \$2,000; Glen Chapman, \$5,395; Morna Chorney, \$960; Gary Harris, \$3,600; Marie Hohtanz, \$2,510; Gloria Paquette, \$595; Paulette Patterson, \$4,570; Cay Sexauer, \$2,785; and to the chairman of the Wild Rose Foundation, Mr. Dick B. Wong, \$10,785. Total allocations added up arrive at \$33,180, the cost of committee meetings as well amounted to \$9,544, travel insurance was \$720, and there were a few miscellaneous expenses associated with the annual conduct of their business amounting to \$2,791, for a 1989 total of \$46,235.

Mr. Speaker, question (2) in Motion for a Return 340 wanted to know respectively the specific amounts to each member and the basis on which the payment was determined. I think that now fulfills that requirement.

Now, question (3) asks for "an itemization of travel expenditures for 1988 and 1989." The itemized level of travel expenditures for 1988 was \$19,038. Travel expenditures for 1989 amounted to \$25,911.

Now, question 4 with respect to the motion for return is

- (4) an itemization of the items making up the expenditure of \$12,979 for conferences and seminars in 1989 including details as to cost and participant of each conference and seminar.

Well, Mr. Speaker, there were a number of specifics associated with this. First of all, three individuals associated with the Wild Rose Foundation, S. Fisher, J. Lewis, and R. Burega, attended the Alberta Foundations Forum, and the cost of their attendance amounted to \$60. Two other individuals, J. Lewis and S. Fisher, attended another conference, the Alberta Tourism Conference; total amount of expenses related to their attendance at that particular conference was \$598. W. McConnell attended the Canadian Society of Fund-Raising Executives; attendance there cost \$20.

A number of individuals attended the Grant MacEwan Fund-Raising Conference. Specific mention was made of one aspect of that particular conference, Empowering the Volunteer Community. Attendees from the Wild Rose Foundation were S. Fisher, M. Chorney, and G. Paquette. Total cost of attendance and registration was \$360. There was also an Energize

Conference, Mr. Speaker, attended by R. Burega. Total costing involvement for that attendee was \$16. Now, the Live '88 conference was attended by S. Fisher and G. Chapman. The total cost for that international conference held outside of Canada was \$6,662. The National Volunteer Conference was attended by J. Lewis and P. Patterson; total cost, \$1,806. Shoot for the Summit Conference was another. It was attended by S. Fisher, J. Lewis, and R. Burega; total cost, \$652. The World Congress on Philanthropy was attended by S. Fisher; total cost of related fiscal activities with respect to that conference was \$2,805. If one were to add up those various figures, it would amount to \$12,979.

4:20

One other aspect of this particular motion for a return asks specifics with respect to honoraria. Mr. Speaker, the Wild Rose Foundation does provide honoraria remuneration for members of the board:

The chairman and members of the board are entitled to be paid traveling and living expenses in accordance with the Travel Regulations of the Wild Rose Foundation.

The chairman or person acting as the chairman of the board [will be provided with]

- (a) \$135.00 for up to and including four hours in any day, or
- (b) \$230.00 for over four hours and up to and including eight hours in any day, or
- (c) \$365.00 for over eight hours in any day, spent on the business of the board.

The members of the board, other than the chairman or the acting chairman, [receive honoraria of]

- (a) \$100.00 for up to and including four hours in any day, or
- (b) \$165.00 for over four hours and up to and including eight hours in any day, or
- (c) \$260.00 for over eight hours in any day, spent on the business of the board.

Mr. Speaker, all members will know that in addition to this very important information that was requested by the hon. member, we also do provide and make public an annual report for the Wild Rose Foundation. The report is dated to whatever March 31 it is, of a particular year, and the report lists all of the activities of the Wild Rose Foundation. The report also lists, of course, a complete listing of all the beneficiary groups who have received funding from the Wild Rose Foundation. I'm not sure it's a requirement of this request for information here that one need go through the whole list of all [inaudible] that were ever provided to the Wild Rose Foundation. But in that fiscal year that ended March 31, 1989, there were a number of very important initiatives that were funded by the Wild Rose Foundation, including the Aberhart Independent Recreation Society here in Edmonton, which received a grant from the Alberta lottery fund through the Wild Rose Foundation amounting to \$3,402. The Alberta Friends of Schizophrenics, the Calgary chapter, received \$50,000 for chapter development and a public awareness campaign. The Alberta Women's Institutes, located here in the city of Edmonton, received \$39,000 for leadership training. The Calgary Family Services Bureau received \$50,000 for the expansion of their Calgary widows' services program, for bereaved adolescents.

Point of Order Relevance

MR. CHUMIR: Mr. Speaker, a point of order. Would it be going past the point of kindness to suggest that the minister is going well beyond answering the question to the point of filibuster? He's got me wanting to put on the record my

statement that I'm sorry I asked this question. I think the question has been answered.

MR. KOWALSKI: Mr. Speaker, do I gather that the hon. member who raised the motion for a return is now saying that the government is providing too much information and is telling the minister, who spent a great deal of time in recent months researching this at great personal cost to himself and at great cost to a number of employees associated with him, that in fact we are providing too much information? I sat in this Assembly...

MR. DEPUTY SPEAKER: I believe the hon. member is suggesting that the hon. minister is going beyond what the question was, that the hon. member has got the answer but now the hon. minister is going beyond the terms of the question. I think that's what the point was.

MR. KOWALSKI: Then, Mr. Speaker, I'll be guided by that. I have in the past offered to provide information and have unfortunately, reluctantly had to sit down. The members have said that that's too much information. I think that's important.

Debate Continued

MR. KOWALSKI: So, Mr. Speaker, I just want everyone to know that the government will be pleased to accept Motion for a Return 340 and would be happy to file the necessary information to go along with it.

[Motion carried]

Lottery Funds

412. Mr. Chumir moved that an order of the Assembly do issue for a return showing an audited statement of disbursements of net lottery proceeds of the province of Alberta for the year ended March 31, 1990, and unaudited statements for April 1, 1990, through October 31, 1990, inclusive.

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

MR. KOWALSKI: Mr. Speaker, thank you very much. You know, the hon. members come forward and request information, and this government that I'm a member of, and the vast majority of individuals in this House are members of, would like to take every opportunity to be accessible with respect to required information that would be asked of a minister.

This Motion for a Return 412 is a very interesting one. It asks for "an audited statement of disbursements of net lottery proceeds of the Province of Alberta for the year ended March 31, 1990," and then asks for an "unaudited [series of] statements for April 1, 1990, through October 31, 1990, inclusive." Boy, Mr. Speaker, you know, most annual reports that are provided by particular departments usually come out a year or more after the fiscal year is over. This motion for a return asks for this information to be provided way ahead of the normal procedure and then asks for information right up to date. Of course, today is December 13, 1990.

Mr. Speaker, I'm very, very pleased to report today that with respect to the first portion of the motion for a return, "an audited statement of disbursements of net lottery proceeds of the Province of Alberta for the year ended March 31, 1990," I've recently received a report from the Auditor General in the

province of Alberta, a report dated September 5, 1990. I believe the Auditor General is going to make this report public. There's a bit of a protocol situation here that I got to deal with, because I think there's a protocol for the Auditor General to table his report somewhere. But because the government is so concerned about making sure that hon. members are as up to date as possible with respect to information, I hope nobody will get mad at me if I give the answer, assist the member in understanding the first portion of the question by bringing him right up to date. I hope he won't say: "Well, just a minute now. You're violating this trust that the Auditor General has, because he hasn't put this information out yet." The government really believes that when a member asks for this information, the government should take that chance of helping. I'm prepared to risk that credibility factor, for me personally as a member of the Crown . . .

Point of Order Relevance

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

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Buffalo.

MR. CHUMIR: Mr. Speaker, a point of order. The hon. minister sent me a note a little while ago, which I must say is in abominable English, in which he states that by ignoring me he has become very bored. Well, he should try listening to himself. I must say that this is the most boring presentation I've seen in four and a half years in this House. I wonder whether we could just have the minister table that information.

MR. KOWALSKI: Mr. Speaker, I'm prepared to provide the information requested by the hon. member. They can't have it both ways. They can't sit here in this Assembly, waste 45 minutes of this Assembly's time saying that the government will not respond to their questions, that the government doesn't care what their questions are, and then, when the government is prepared to respond to their questions, speak out of the other side of their mouths.

Now, a question has been put forward. This member is prepared to deal with it. If I'm being told I can't deal with it, that to me is abominable in terms of the trust of the democratic process. After asking the question, then the hon. member stands up and says: I don't want to hear from you; I don't want to hear what the answer is. Well, what's the game, Mr. Speaker? What's the game? If the question is to be put forward, I as a minister of the Crown on behalf of this government am prepared to stand in my place in this Assembly today and deal with that motion for a return. If I'm being told I can't, then I'm being denied my right . . .

Debate Continued

MR. DEPUTY SPEAKER: Order. Order please.

Does the Chair understand the hon. minister that Motion 412 is acceptable too?

[Motion carried]

4:30

MR. DEPUTY SPEAKER: According to Standing Order 8(3), the business of the Assembly must now proceed to Public Bills and Orders Other than Government Bills and Orders.

Point of Order Sequence of Business

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

MR. DEPUTY SPEAKER: The hon. Deputy Government House Leader.

MR. GOGO: Could the government inquire, Your Honour, as to your decision on Motion for a Return 412? Excuse me, Mr. Speaker, did you put the question?

MR. DEPUTY SPEAKER: I understood that I put the question "all those in favour." I thought I heard some ayes and I didn't hear any noes, and I said the thing carried.

The hon. Deputy Government House Leader did not hear the vote? Okay. All those in favour of Motion 412, please say aye.

MR. McEACHERN: No, you can't say it now. It's been done already.

MR. DEPUTY SPEAKER: All those in favour, please say aye. [interjections] Order please.

As we are moving past 4:30, the Chair did place the question on Motion 412. The Chair heard affirmative action. The Chair said it was carried. Now, it's past 4:30; we move on to public Bills other than government Bills.

head: Public Bills and Orders Other than Government Bills and Orders Second Reading

Bill 221 Alberta Employee Investment Act

MR. JONSON: Good afternoon, Mr. Speaker. Today I rise to initiate second reading of Bill 221, the Employee Investment Act.

Mr. Speaker, this Bill is designed to encourage employees to directly invest in companies and has the overall purpose of involving employees and employers more jointly, more co-operatively in the ownership and management of a company. By encouraging employee investment, this Bill would lay the groundwork for greater investment opportunities, the opportunity to pay down debt, the opportunity to provide additional financing for various purposes. It is a Bill that focuses on the players involved in a small business and aims to provide a structure and an incentive for a new dimension to investment in this very important sector of our economy.

I noted, Mr. Speaker, in a recent representation made to government that three different organizations or sources in the province had focused on the need for some new initiatives in terms of providing equity investment for small business. I'd just like to draw to the attention of members of the Assembly that the Canadian Federation of Independent Business as one of their priorities focused on various recommendations to govern-

ment with respect to attracting more equity and more venture capital into small business. Also, the Alberta branch of the Canadian Manufacturers' Association had as one of their proposals the establishing of legislation to provide for community bonds in this province, something that is somewhat related to the proposal in this Bill. Further, the electronics industry made a presentation. Their presentation really focused around a proposal whereby there would be a 30 percent tax credit for investors investing in small electronics companies in this province, one of the very healthy, very vital, very rapidly growing parts of our diversified economy. I just use those three examples to indicate that in a general sense there are a number of proposals being made and a great deal of interest in more investment, but also involvement by those who invest in the operation of the companies they invest in.

Mr. Speaker, legislation that promotes employee share ownership plans are becoming more and more popular in North America; 75,000 American companies and approximately 1,000 Canadian companies have some form of employee investment program. These companies move toward this type of arrangement as a way of making their companies more productive and more competitive. The results of this type of involvement have been very positive. There are a number of studies out, but one that I was reading and copied down some statistics from indicates that access to employee share ownership plans shows share appreciation between 2 and 10 percent higher than average, and these companies outperform other firms in earnings and growth.

Mr. Speaker, I'll talk more extensively on the benefits of this particular proposal, but first it's important to outline the two reasons why legislation is necessary in this area. First, it is through legislation that incentives can be made available to facilitate more employee investment. One of the things about Canadian tax law, at the present time at least, is that it tends to encourage debt as a means of financing business expansion rather than direct equity investment. The current Canadian tax laws provide for a tax allowance or write-off, so to speak, on interest paid on debt going toward investment. On the other hand, dividends that are acquired by people investing in small business are taxable. So our tax system at the present time tends to work in reverse of what one would think should be the desirable way to go. In addition to that, under my first point about this facilitating employee investment, I'd like to point out that in the Bill the method that is used to provide some incentive is that of the 20 percent tax credit.

Mr. Speaker, the second reason for legislation is that it's important to establish the rules for employers and employees to involve themselves in this type of process, in this type of investment. The Bill deals with the criteria for employee share ownership: who can buy shares in the company, the size of the company permitted to be involved, and the way in which funds can be used. The objectives of the Bill, therefore, are to raise more investment capital from within the province for small business, bridge the gap between workers and companies that employ them, and establish solid rules to go by.

I'd like to just take a few minutes, Mr. Speaker, to elaborate a little bit on just how this Bill would work, because it is certainly something of a new proposal to various business programs or our concept of business programs in this province. Bill 221 supports two kinds of employee investment. First of all, we have the employee share ownership plan – or ESOP, I guess it would be called if it came into existence – which provides employees with an opportunity to invest directly in the company which employs them. Second, we have a proposal in the Bill for

an employee venture capital plan. I don't know how the acronym would be pronounced; it might be EVCP or EVCC. Anyway, it would have some initials. In any case, the employee venture capital plan would encourage employee groups to purchase shares in their own employee venture capital corporation, and that company in turn invests in specific sectors of the Alberta economy. Funds raised under a plan may be used for business start-ups, business expansion, or debt reduction. Tax credits will be available to all employee investors who have been employed by the company for at least six months, providing they hold the shares for stipulated periods of time, three years in the case of ESOPs and five years for the venture capital section.

Mr. Speaker, plans can be initiated by either the employers or employee groups. When initiated by employee groups, only one group from a company can be certified for the program. If more than one application is made, then the groups will be encouraged to blend their applications into one. If this is not possible, then the application with the majority of employees will be accepted. To ensure that their best interests are being protected, all employee groups are encouraged to seek independent financial advice in the formation of such entities, and if there's any doubt as to whether the management and/or shareholders are conducting the business or affairs of the company in a manner that is contrary to the spirit and intent of this Bill, then that company's participation in the plan will be null and void.

Mr. Speaker, speaking now about the employee share ownership section, under this plan the government of Alberta will provide employee investors with a tax credit certificate equal to 20 percent of the amount received by the company for shares issued to those eligible employees by the plan to a maximum of \$2,000 per year and a lifetime maximum of \$10,000.

4:40

Mr. Speaker, the criteria for a company eligible to participate in the plan are straightforward and are, of course, outlined in the Bill. The company must be incorporated, must pay not less than 25 percent of the wages and salaries to Alberta employees, must have not more than \$500 million in total assets, and must not have already raised more than \$5 million in equity under any registered employee ownership plan. These guidelines are designed to ensure that the plan assists those companies it is targeted to focus on, namely the small businesses of Alberta.

Quite often there is a debate, some reference in this Assembly and other places, Mr. Speaker, to the relative importance and relative emphasis that is placed on programs for big business and programs for the small. This is another program which focuses on new and innovative Alberta companies in the small- to medium-size range. It provides a complement to our Alberta small business interest shielding program, our management assistance program, and business initiatives for Alberta's communities program.

Further on the matter of protecting the participants in the plan, the amount of equity capital raised through the plan cannot exceed \$5 million in any two-year period. All shares will be of only one class. Shares will be registered in the name of each employer that purchases them, and the shares will only be issued from the treasury of the corporation after they have been fully paid for in cash. There are many other safeguards built into this Bill to protect shareholders, Mr. Speaker. For example, once funds have been accumulated, a corporation cannot lend to another business, purchase assets of another business, buy property, or acquire securities that are not already specifically laid out in the plan ahead of time. This program aims to

generate capital for small companies so they can grow. It is not a plan for people to use for high-risk ventures.

The other plan outlined in the Bill is, as I referred to already, the employee venture capital plan. The group involved here can establish an employee venture capital corporation, which is an employee-controlled investment company that pools employee capital for indirect investment in small- to medium-sized Alberta companies. The prime objective of this plan is to foster business creation and expansion in sectors of the economy which are value-added to the provincial economy; that is, sectors which result in export enhancement, import replacement, or economic diversification.

Mr. Speaker, an employee corporation will be registered and will raise capital through public or private share offerings, and it reinvests, of course. The corporation then earns a dividend income which is passed on to its shareholders. This plan provides the individual investor with the safest possible source for their investment and, of course, a dividend income if all goes well. As far as the safeguards are concerned, they are essentially the same for this particular program as for the ESOP that I referred to earlier.

There is also in this particular section of the Bill, though, an investment protection account provided for. An EVCC must deposit an amount equal to 40 percent of their equity capital in an investment protection account. This amount is roughly equal to the tax credits investors will receive as a result of investing in this type of proposal.

Now, I would like to make just one other comment with respect to the provisions of the Bill. I'd like to emphasize that the incentive certainly is that there will be this provincial tax credit. I'm sure one of the criticisms advanced against the Bill, perhaps in debate, will be that it is going to be a substantial loss to the Treasury in terms of revenue. However, Mr. Speaker, where jurisdictions have had experience with employee investment programs of this type, it is shown that through job creation, through the expansion of the small business sector, the amount of additional business activity and the resulting revenue and, therefore, taxes more than compensate for the amount that is paid out initially in terms of tax credits.

There's a lot more behind this Bill than just the tax incentives and employee shares, however. What this Bill represents is a re-examination of our small to medium business sector and its role in the economic future of this province. Mr. Speaker, we have displayed an exceptional record in developing and exporting our primary resources into the international marketplace from Alberta. Of all the major countries, Canada's overall levels of productivity in per capita income are closest to those in the United States, which is generally conceded to lead the world, although in manufacturing we have a legacy of suboptimal plants and our productivity levels measured at the industry level are considerably below those in the United States. This raises an important long-range question as to whether we are keeping up with other western developed countries in terms of higher value-added products, including skill-intensive services and high-technology manufacturers.

According to the most recent annual review of the Economic Council of Canada, Canada's manufacturing productivity still lags substantially behind that of the United States, and we were surpassed by West Germany, France, and Italy during the 1980s. These countries continue to gain ground. Also in that most recent version of the report, the chairman of the Economic Council of Canada put considerable emphasis on the fact that in Alberta we should be looking at new and innovative and creative and modern ways of developing working relationships between

employees and employers. We are aiming towards a labour force which will be increasingly well educated, increasingly interested not only in the day-to-day work they do but in the future of their companies, and they will want to contribute to both the management and the policy-making side of companies in the future as well as do their specific tasks. All of this, it is pointed out by the chairman of the Economic Council of Canada and many other authorities, will lead to more productivity and a better business environment in Canada.

Japanese manufacturing has dramatically improved its relative strength since 1951. Because of its annual growth, it has consistently outperformed all the other G-7 countries. Its relative productivity level has been rapidly catching up to the levels recorded by Canada and other nations. Referring back to the Economic Council of Canada, the council concludes that Canada is adapting more slowly than its trading partners to the new international environment. The productivity levels determine a nation's well-being and the incomes of its citizens, yet much of Canada's future productivity performance, the performance on which future income expectations must be raised, is likely to be limited by a failure of manufacturers to improve the competitiveness of their businesses. Mr. Speaker, a large number of Canadian firms lack the capacity to develop the new products and processes that will open up new industries and new export markets. Even worse, our industrial sector lacks many of the essential business practices that are being utilized around the world to improve efficiency and productivity.

I would suggest, Mr. Speaker, that topping the list of other countries is the practice of bringing together management and labour to restructure their operations in such a way as to keep pace with new workplace technologies. The older, simpler ways of employees acting as hirelings, so to speak, and being isolated from management decisions are rapidly disappearing. It is becoming more and more clear that business operates more competitively and efficiently when workers are involved in policy decisions and have their own money invested in the operation of the company. As I've indicated, other countries are moving in this direction. The often combative and unproductive relationships between management and labour are being replaced with employee ownership plans which pull together the interests of both sides. It is an approach to industrial productivity whose time has come, and I strongly believe that the Alberta business sector would benefit from this plan. With this Bill we can provide an important catalyst for companies to begin the critical steps towards improving their competitiveness, productivity, and management techniques for the future.

I would like to conclude by just itemizing in rapid form, but hopefully not too rapid form, just what benefits are possible under an employee share ownership plan and an EVCC, as I referred to it. Studies in the United States have indicated that with regard to employee ownership plans, the following apply. Number one, companies with ESOPs are 1.5 times as profitable as companies without these plans. Number two, companies with this type of program have twice the annual productivity and growth of companies without the plans. Firms in which a majority of the employees own a majority of the stock generate three times more new jobs than comparable conventional firms. Fourth, as employees gain interest in their work and company, their quality of work life and productivity increase. Fifth, employees are more receptive to productivity-improving technology if they share in the benefits of such technology. Sixth, firms with shared profit-based plans have less turnover and absenteeism. Firms using ESOPs tend to be able to better fend off hostile takeovers from larger companies. Whether this is good

or bad, we might want to debate: another feature that has come out of the application of such plans is that employers can sue ESOPs to avoid plant closings and to take over ownership of a plant in financial trouble.

4:50

Mr. Speaker, while still a relatively new concept in Canada, in the U.S. there are an estimated 9 million workers in 9,000 firms participating in employee ownership plans. The United States has enacted tax legislation which makes it in the economic self-interest of owners to share ownership with employees. Employee ownership is clearly a growing trend, and economies which encourage such plans will reap the benefits of increased productivity and smoother adaptation to new technologies in a modern world. I feel the Alberta government basically has two choices. We can wait and respond reactively/ to the economic management changes taking place around the world, hoping that our maturing small business sector can follow the lead of other countries on their own, or we can follow a proactive strategy, providing incentives for employee ownership plans and catapulting Alberta to the forefront in the area of increased employee involvement in the fortunes of their companies.

Mr. Speaker, I think this Bill represents a start and a strong stand on the side of the latter strategy.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I want to tell the members of the Assembly and all *Hansard* readers that I had quite a shock in the spring when I saw this Bill go on notice. I couldn't believe it. I thought: how did Halvar get my idea? [interjections] That's right. Hang on a second. No, no. You'll see why in a second. It turns out that the member sponsoring the Bill tabled the Bill a few weeks later and I saw that his ideas and mine were not quite the same, although there is a fair amount of similarity in the Bill I had been working on in the spring and which is on notice, the Employee Equity Development Act. So I want to say to the member who is sponsoring the Bill that I think the germ idea behind this Bill is very important and indeed timely.

I can't say that I agree with all the provisions in the Act – and I will go through that in a minute – but I would like to say that if there was a trend we could identify as being increasingly critical in the 1990s and the coming century in terms of people's sense of alienation, in terms of people's desire to have more and more participation and greater power of decision-making, aside from making politicians listen to what they say, for example, over the GST, it would be related to the workplace. I have little doubt that the tendency for democratization is going to move very quickly into the workplace, and that is as it should be. One of the ways we can facilitate that, in my opinion, is to enhance the opportunities for workers to have a vested interest in their place of work. But while we talk about the importance of the vested interest in a monetary fashion, we also need to address the importance of the vested interest in a decision-making fashion, and that is the first of the series of objections I'd like to address with respect to this Bill.

As I say, I thought the member sponsoring the Bill and I had suddenly come to a meeting of minds until I saw the provisions of the Bill. I first noticed, for example, that the equity to be gathered under the provisions of this Bill would not be matched on a dollar-for-dollar basis by the employer. Now, I've been keenly interested in this subject since the 1960s when I dis-

covered a plan that Imperial Oil has in Canada. That is a plan whereby the employees can invest up to a certain percentage of their weekly, monthly, or annual income in the company and that investment would be matched dollar for dollar by the company. It seems to me that you want a mechanism like this in order to prevent a capital grab. I realize that under the provisions of this Bill the company has to lay out all its books prior to offering a share of worker interest in the company, but quite frankly there are ways of making your books look good. There are also ways of intimidating people by a very complicated series of figures that really only very specialized people, not even all accountants, can understand. So you want to prevent against either baffle-gab, intimidation, or lack of information being the lure to invest. It seems to me that *one* of the really simple mechanisms for doing that is to ensure that the employer has to match dollar for dollar the investment encouraged by the company.

The other thing it would do is prevent a capital grab by a company that's going down. A few days ago I introduced into the Assembly a Bill that calls for public disclosure of the remuneration of executive officers of companies that come to the government for financial assistance. I think the same type of mechanism would be essential here, because you don't want the company almost on its last legs, where you've got a couple of fishy guys – and listen, Alberta's got a great history of this, I'm sorry to say – a couple of the chief officers, usually the chief executive officers, have managed to line their own pockets before allowing the company to go into bankruptcy. So again I just make the pitch that you want to prevent a capital grab that could leave the workers basically with a lousy investment.

I think another thing you want to do is encourage worker participation in the decision-making process commensurate with their equity involvement in the company, and there is no provision for that in this Bill. I've often argued, Mr. Speaker, that front-line workers know a lot more in many instances than do the so-called managers. A lot of them will go to university and study, you know, organizational methodology and blabbedy-blabb. They think they know the answers, and they're brought in like business doctors to fix the system. Very often they've never been to the front line of the plant, and they can survive in that senior position for years and years and not be at the front line of the organization regardless of the type of business. It is my view that front-line workers really do have valid experience in the way work is being organized and the conditions under which they work. Now, where you have a union shop, you will have those views expressed by the negotiators during the collective agreement process. Sometimes the views are heard and sometimes they are not. It seems to me that whether the shop would be unionized or nonunion, you want to make sure that the people who are putting up their own money have a say in how things are to be organized in the business. So if you allowed for proportional representation of workers or their elected representatives on the board which makes the decisions that affect the day-to-day operation, you've really invented the better mousetrap.

I'm a little bit concerned about the provision that says that only 25 percent of the company's employees need to be employed in Alberta.

I'm with the sponsoring member on the subject of diverting potential savings from what I consider to be nonproductive sources, like overnight money markets. I mean, a lot of people put their money in the bank or the trust company or the credit union and don't know that in fact that money often is being used to facilitate increases in the rate of inflation, certainly increases

in the rate of interest charged by our federal government or federal governments in other jurisdictions, and is not really productive, just as a lot of the investment that has occurred. In fact, 95 percent of the investment that has occurred in Canada since Brian Mulroney became Prime Minister has not been productive investment. It has been paper investment creating not one single job. So what you want to do if you want to sponsor Alberta business, which I think is really important and would be very attractive to Albertans, is make sure that the majority of their business activity – in other words, the majority of their employment activity – is being conducted within the province so that the province, through the growth that is sponsored by the equity program, enjoys the benefit of that economic growth. Certainly that will appeal to individuals as well.

5:00

Now, that would not be the case, for example, in the instance I cited earlier with respect to Imperial Esso. Their plan, you know, is irrelevant to the number of people they have working in Alberta versus any of their other offices. What I would suggest is that this plan in front of us be rewritten to a scale so that the tax advantage accruing to the company is maximized according to the percentage of their employees working in Alberta and minimized when the number of employees working in Alberta is few compared to their overall numbers. I think you can have sliding scales in proposals like this which both the company and the workers would find attractive.

I'm a little bit worried, I guess, about an inflexible provision within the Bill that says the company cannot raise more than \$5 million in the previous two years in order to qualify for the tax benefit. Again, I think we have to be sensitive to the size of the company and use proportional concepts as opposed to flat ceiling-and-floor concepts. If you had, for example, "the company may not be allowed to generate more than X percentage of the value of the company or its assets or its book value during any given year from this plan, including the money that's being matched by the employer," according to my proposal, you may have the sort of safeguards that I spoke about needing earlier. That is to make sure that people aren't investing in a house of cards where the top financial officer can pull the plug, leave the country with several millions or billions of dollars and the workers holding the bag. I think that if this Bill was to be reworked, it could be a very useful Bill, and it is, I think, the direction our society is going in. That is not to say that we don't address realities as they exist today, but look at the trend: the desire for greater and greater participation by workers in their day-to-day lives, just as they ask politicians to use their ears a little more often.

Another concern I have about the Bill is that it doesn't have, or at least I didn't see, a limit on the percentage of the individual employee's earnings. It may be in there and it could be that I just didn't highlight it, but I couldn't find that section. That's another area of concern that I have. You don't want employees to think, "Oh, gee, this is a really good deal and I'm going to invest every nickel of my disposable income in it" and find out that it isn't a good deal. You know, the reason I say that is because there's a lesson that's been learned by the Alberta government over the years, and that was investing all our eggs in one basket, so to speak, our utter reliance for so many years on one industry, the oil and gas industry. The same can be woven into an analogy for individuals, who should be encouraged to make sure their savings are spread around in such a way as to protect their safety and their long-term viability.

Oh, yes. I realize the Bill also suggests that the money that is generated from employee equity can be used for a number of things. There are certain limitations, and I'd like to congratulate the sponsoring member for identifying some of the important limitations on the expenditures. But I'd like to point one more out to that member, and that is the fact that the money generated can be used for debt of the company. Again, I think you want to control the application of that provision so that you don't have a company that's got \$3 million worth of assets generating \$1 million from its workers and using that simply on debt. You want to make sure that what you're doing is investing in the viability of the ongoing operation of the company, not just in its debt restructuring, because again debt restructuring is often an international affair or done through international mechanisms, such as is commonly done every single day by the majority of our financial institutions; in fact, I submit, by all our financial institutions.

In conclusion, Mr. Speaker, I would like to say that one other consideration the member might want to keep in mind is the need for diminishing tax advantage over a series of years after the company first takes advantage of the scheme offered. The reason for that is that you don't want an ongoing tax advantage to a company which is accrued primarily by this type of offering. Eventually they've got to pay their own fair share of the taxes just like everybody else. For instance, here's another sliding-scale example. I do payroll for my company every two weeks, and at a certain point you pay no tax, then you start paying some, and more and more, according to your earnings. Well, we don't want this company to get off the hook, regardless of the amount of money it is generating by its employees on a long-term basis at a fixed percentage. What you want is a plan over a series of years so that the tax advantage is very high when they first engage in the program and diminishes over the years. Presumably what would have happened is that the uptake on the offer would have been greatest in the first couple of years in any event, which again is to the tax advantage of the workers, but in the long run the company would have to start paying its fair share again.

My overall impression of this Bill is that it is certainly better than that which was introduced by the Socreds in British Columbia, and I acknowledge the work done by the Member for Ponoka-Rimbey. I don't think he copied it straightforward, because I looked at that one when it was introduced and it looked to me like it was totally oblivious to the need for protecting the workers. This Bill, it seems to me, has provided some protections against some potential problems that could occur if the Bill is implemented. I plan to talk to the member at a later time about this, but I hope that when we sit again in the spring, when my Bill is up for consideration and his Bill is up for consideration, he'll adopt some of the ideas I've proposed here. Who knows, maybe we'll end up with joint sponsorship of a government Bill. Wouldn't that be a rare day? But I'd love it.

Thank you, Mr. Speaker.

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

MR. NELSON: Mr. Speaker, thank you very much. I'd like to congratulate the Member for Ponoka-Rimbey for bringing this issue forward. The issue of developing employee shares, or ESOPs, as the member has identified, is not a new one, of course. As has already been identified, there are many countries in the world that participate in these; in fact, in Canada, British

Columbia and Quebec are two examples. Of course, one of the reasons they can be successful, in particular in Quebec, is that you have a tremendously large population base, which can certainly spread around a considerable amount of capital that can work for you, and you are close to a marketplace that generates a considerable amount of traffic of your products. I guess some of the downsides here in Alberta for some of these things are, of course, the market and the type of investments, the type of business you may propose, and so on.

5:10

As most of you know, I've come out of the private sector with my own business and working for large corporations in management and other things, and I've worked mainly in the area of profit sharing. Now, profit sharing is certainly different to some degree than the item that is before us today. The upside of profit sharing is that employees can develop a long-term investment in a company that allows them to develop some form of equity or investment for their future, whether it be retirement or otherwise. I think any employee that enters into a plan of investment, be it equity, profit sharing, or otherwise, of course is looking to the long term as to their financial ability, first of all, to look after the immediate needs of family and other things that we all enjoy in this part of the world, in Alberta, Canada. Of course, the other important area is the area of retirement and "How well off will I be when I retire to the pasture?" so to speak.

As we all know, as people who work – and I think most of us work extremely hard throughout our lives – there comes a point when we say enough is enough and it's time to leave the permanent work force but, at the same time, ensuring that we have provided ourselves with an income to ensure that we can look after ourselves without running to the social coffers of government to keep us for the rest of our lives after we have subsequently retired from the workplace. Of course, I think most of us agree that the government shouldn't be looking after us from the cradle to the grave, as is done in many cases. Certainly there are those that may think government should look after us from cradle to grave.

Mr. Speaker, employees investing in small business, as I've already indicated, is not new. It gives employees not only an interest in a share of that company but gives them some pride. It gives them pride to indicate that they're working to some degree for themselves. It also has been shown that when a person has an investment in the company or the project they're working with, it tends to make that operation a little more efficient; in fact, considerably more efficient. In fact, there is a study that indicates that productivity can increase as much as 24 percent, profits can increase up to 95 percent, and the return on equity can increase again at 92 percent from the more natural position of an employee/employer relationship.

The other thing that I think is important, Mr. Speaker, is that people who have an interest or financial equity in a company not only work harder but their productivity goes up. Now, "productivity" is an interesting word in Canada, because there are many of us who don't think productivity is very well balanced in this country as compared to many other parts of the world. How do you define "productivity"? I guess many times it's economical. What's your return on an investment? What is your output as against labour costs and so on? Well, one of the reasons productivity is low in this country *is* that certainly we have many people that are very energetic, but in many cases people don't work as hard as they could but expect a phenomenal return on the hours they place into a company's production. Again, having

been in business myself, we know that sometimes people look at what they're doing and they don't do it very well unless they're prodded continuously. I think a person that has an investment – I know that certainly many members on the government side have had their own businesses and certainly have had to ensure that they were profitable.

Making them profitable is done by one of two or three things: first of all, ensuring that your business continues to thrive by being there yourself for many hours of the day, by offering an employee a share of that business, or by utilizing profit sharing. The one downside in profit sharing *is* that sometimes employees think they can gain a better share of that profit by removing assets from the company in ways other than they should, rather than leaving the asset there to generate profit for the company. Of course, that creates another kind of concern, whereas if a person actually invests their own money in the company, they will ensure that some of these things don't happen, by collectively watching how the product is placed into the business and also removed.

Albertans generally have considerable resources available to them, and they're placed into our financial institutions in the form of savings, deposits, bonds, stocks, or other ways. Unfortunately, all we're doing is allowing our central bank, and that's the central Canadian banks, and other financial institutions to get wealthy off the backs of Albertans. That's in fact what is happening, Mr. Speaker. What we need to do is ensure that we free up free enterprise and allow our private sector and people – to ensure that we give them the opportunity to invest and, at the same time, have the tax incentives that we offer to others to allow them to grow within our province. The way our tax laws are developed, of course, is to encourage debt rather than investment in equity. By encouraging some debt, of course, many companies can write off a lot of things that normally they might not be able to.

The other thing is that we need to allow our people in Alberta, by being partners in the companies they wish to participate in, to drive our economy, rather than a bunch of central banks driving our economy continually, with the help of corporate lawyers. As you know, I'm not a fan of lawyers, the legal profession, because I think they're the ones that really gain by many things we do. The other thing I'd like to say is the one thing I have against this Act: it *is* developed in legalese rather than plain English, and I would certainly recommend that the Member redesign his Act to put it in plain English rather than legalese so all these young people that may participate in these small businesses can read and understand what they are going to be doing if we were to allow an Act of this nature to pass.

We should also recognize that in the Act we've identified an administrator. Now, I'm not sure how that administrator might be structured. What does concern me, of course, is that in having an administrator in another bureaucratic position, do we develop another empire of government? Certainly, as you may know, I am totally opposed to further development of empires of government. I think we have too many of them now, quite frankly, that we should be tearing down in all governments, not just here. This administrator, not knowing totally what he might address, may also be a stopgap to some of these people investing.

The other thing, Mr. Speaker, is that we often talk in this House about our competitiveness in the marketplace. As I've already identified, to be competitive we have to ensure that the product we send out of the province can compete against countries that have lower wages and other considerations within that environment of those countries. I guess this gets back to

considering the area of productivity within these organizations. The only way we're going to continue to be anywhere near competitive in the world marketplace is to increase our productivity in our businesses.

5:20

Years ago I made a general public statement that governments do nothing for small business. It was a nice big article in the *Calgary Herald* on the front page of the business section; it was about a sixth of the section. My statements certainly were criticized by the leadership of the government here at the time, suggesting that I was incorrect. However, I did address the issue very appropriately with the particular individuals and certainly still feel confident that what I said at that time was correct. At the same time, Mr. Speaker, I must say that in addressing the issue of governments' assisting small business, there are many things we can do rather than use some rhetoric that in some cases happens from time to time.

Albertans, of course, as we know, are risk-takers. They are free enterprisers. They believe in the system of free enterprise and the entrepreneurial spirit. That is why our small business sector continues to grow and in general terms remains very healthy. What I think the Member for Ponoka-Rimbey is asking through this Bill is that we offer our small- and medium-sized businesses to grow and prosper, to allow them the same opportunities as some of the large corporate entities that base themselves in central Canada or other parts of North America. Let them become more competitive, and let them generate some interest and profit dollars to their employees.

At the same time, as identified in the Bill, some protection has to be ensured for employees, and I suspect that's the reason for the administrator, to ensure that some of that will happen. However, as risk-takers – I guess the word "risk-taker" has to be emphasized, because what happens as an investor: you or I as an individual will have to assess the investment before we make it to determine what our risk is. What financial risk are we making to our family, to ourselves, and what would be the downside of us making that investment? I'm sure any person that's made an investment in a small company, worked for that small company, or otherwise has made that assessment. There are those companies that will find some difficulties, and the unfortunate thing that will happen is that because we have had some agreement or some approval process through the administrator, those people who have invested may deem that the administrator has given some form of approval, and they will ask the question: does this give credibility and/or protection to the plan, to a prospective investor or employee investor? Now, that is going to be one of the concerns I would have with this type of plan.

Of course, regulations would have to be developed to ensure that when an employee invests – because of the structure that's being proposed here with an administrator, we're going to have

to ensure that people understand that investing in the company you are presently an employee of does not necessarily mean it has the acceptance or the long-term investment guarantee that some people may be looking forward to, that it is a risk, that it's based on their ability to perform, to buy right and sell correctly, to ensure that the company is profitable and that they get a return on that investment. They will have to ensure that that is done themselves through their auditing of the company prior to them investing and so on, as the regulations may develop.

Mr. Speaker, the Member for Edmonton-Highlands made a couple of comments. One was related to intimidation and capital grab and so on. I guess there can be some form of intimidation when you're working for some organizations, but, you know, people that are actually working in the structure in many cases probably know as much about what's actually going on as management. Certainly there are – and I've personally seen some of these things happen – buyers that will buy at the wrong price because they'll get a kickback. There are certainly sellers who will have a two-price system, where the principal will sell at price A and they will possibly get a kickback through a sale. So these kinds of things will all happen.

Mr. Speaker, considering the hour and some more comments I'd like to make on this issue, I'd like to move we adjourn debate.

MR. DEPUTY SPEAKER: Having heard the motion of the hon. Member for Calgary-McCall that debate be adjourned on this item, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

AN HON. MEMBER: No.

MR. DEPUTY SPEAKER: Carried.
Deputy Government House Leader.

MR. GOGO: Mr. Speaker, I move that when members reassemble this evening, they do so in Committee of the Whole.

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

HON. MEMBERS: Aye.

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

[The Assembly adjourned at 5:27 p.m.]