

**Legislative Assembly of Alberta**Title: **Thursday, May 2, 1991**

2:30 p.m.

Date: 91/05/02

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

We give thanks to God for the rich heritage of this province as found in our people.

We pray that native-born Albertans and those who have come from other places may continue to work together to preserve and to enlarge the precious heritage called Alberta.

Amen.

head: **Introduction of Bills****Bill 33****Landlord and Tenant Amendment Act, 1991**

MR. ANDERSON: Mr. Speaker, I request leave to introduce Bill 33, the Landlord and Tenant Amendment Act, 1991.

This Bill is designed to ensure the continued fair and honest relationship between landlords and tenants. The major amendments included in this Bill include reorganizing the tenants' rights to privacy and adequate security of tenure. This Bill will provide landlords with a more effective means of dealing with tenants who breach their tenancy agreements in a substantial way and will provide for the holding of security deposits in trust and limit rent increases to once every six months.

I look forward to discussing these and other aspects of the Bill with hon. members.

[Leave granted; Bill 33 read a first time]

head: **Tabling Returns and Reports**

MR. ANDERSON: Mr. Speaker, further to the introduction of Bill 33 I would table draft regulations for discussion only outlining the proposed reasons for the termination of tenancy and concerning the proposed frequency of rental increases.

MR. ISLEY: Mr. Speaker, I take pleasure in tabling with the Legislature the annual report of the Alberta Dairy Control Board for the year 1989-1990.

head: **Introduction of Special Guests**

MR. HORSMAN: Mr. Speaker, I'm pleased today, on one of those rare occasions, coming as far as I do from my constituency, to have in the gallery 74 alert and bright students from Crestwood school in Medicine Hat. They are accompanied by their teachers Doug Lamarche, David George, Shelley Reisdorf, Bev Slater, and Wade Lawson and are accompanied as well by a number of parents: Harold Schwandt, Sherry Dixon, Debbie Stenger, and Lynn Fountain. I'm particularly pleased to have them with us here today in the Assembly to observe the proceedings of the House. I would ask that they all stand and receive the warm welcome of the Assembly.

MR. SPEAKER: The Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to the members of the Assembly 30 members of the Wild Rose elementary school

who are seated in the public gallery with Mr. Tony Swaré and Mrs. Juliet Rush. I would ask them to rise and receive the traditional welcome of this Assembly.

head:

**Oral Question Period****NovAtel Communications Ltd.**

MR. MARTIN: Mr. Speaker, to the Provincial Treasurer. Since the minister of telecommunications is sick, and I'd be sick, too, after the NovAtel fiasco, maybe the Treasurer will know what's going on today. So far NovAtel has cost Alberta taxpayers \$160 million to buy back, \$204 million in 1990 losses, put them on the hook for another half billion dollars in loan guarantees, and cost 600 workers their jobs. That's performance from this government. Now we hear that the Provincial Treasurer admitted that NovAtel lost even more money in the first quarter of this year. To the Provincial Treasurer: since Albertans own this company and are responsible for the debts, will the Treasurer tell them now how much NovAtel has lost in the first quarter of 1991?

MR. JOHNSTON: Mr. Speaker, my comments were in the general context that we had corrected for the losses to the province to the year ended March 31, '90. We had taken into account, as described in the budget documents, the NovAtel losses. Those were fully accounted for in the documentation presented to the Assembly on April 4, 1991. What I did go on to say was that I had been advised that we could expect further losses in the first quarter of this year, but they have not been determined specifically. It will be announced in the normal course of operations.

MR. MARTIN: Well, Mr. Speaker, this is a very serious question. I'm not asking to the nearest penny. Surely the Treasurer must have some idea what we're looking at, because it has to do with his balanced budget and everything else. My question simply is this: what is the Treasurer's explanation for not telling us here in the Legislature, giving us a ballpark figure? Is it that he doesn't know, is he incompetent, or he just doesn't want to tell us?

MR. JOHNSTON: None of the above, Mr. Speaker. Let me say what happens in these cases, and this has been the problem with respect to NovAtel reporting. We said previously that the management information system that provides the accounting information and the data that's used for evaluation of the transactions, the profitability of the entity, and to some extent measures its cost of operations has been less than effective. As a result, the auditors and the managers of the company have struggled with the year-end calculation, and you saw that, I think, from the reported losses of the entity, the timing of the losses of the entity, and the actual accounting losses of the entity. Now, those had been fully reported in the accounting documents of the province of Alberta on March 31, 1990. The reason they were fully reported was that the province had to make an outlay out of the indemnity given to Telus during the privatization Act, and that indemnity was a commitment which we fulfilled and have completed.

Now, further losses of the company, Mr. Speaker, will not in fact impact on our balance sheet at this point. Operating losses will be funded in a different fashion. Of course, it's still attempting in the first quarter to make the transition from the year-end accounting at the end of December of 1990 and the first quarter adjustments, which, in the crudest accounting terms, are very difficult right now because of the lack of information,

the difficulty with establishing what information is available, and taking into account the adjustments which were reflected on December 31, 1990, in the entity itself.

AN HON. MEMBER: What did he say?

MR. MARTIN: Well, Mr. Speaker, I'll try to figure out what he said. He said that they don't know what's going on. That's at the bottom of it. To the Treasurer. We have \$500 million in loan guarantees, all the losses, 600 jobs just announced, and the Treasurer telling us with that bafflegab he just went through that he really doesn't know what's going on, how much we've lost in the first quarter. Is that what he's saying to us?

MR. JOHNSTON: What I'm saying, Mr. Speaker, is that although there will be losses in the first quarter, those have not been completed. They'll be completed in term and provided to everyone who's interested.

MR. MARTIN: Mr. Speaker, I can't believe this.

My second question I'd like to designate to the Member for Calgary-Mountain View.

### Economic Policy

MR. HAWKESWORTH: Mr. Speaker, the mood in Calgary today is grim not just over the loss of 340 jobs at NovAtel or the announcement today from SAIT of the abolition of another 90 positions but with the large number of job losses being experienced throughout that city. Canada Packers, Petro-Canada, hospital and ALCB workers: the toll is a long and a depressing one. Since January 1, 4,500 workers in that city have lost or are about to lose their jobs. I'd like to ask the Provincial Treasurer: when he knew that unemployment was sharply worsening, why did he refuse to provide a single budget initiative or measure to help create jobs?

2:40

MR. JOHNSTON: Mr. Speaker, first of all, let me simply recount the facts that have taken place in this budget. To say that this budget does not stimulate the economy is in fact not altogether accurate, because within the budget itself is well over \$11 billion to \$12 billion of spending. Those are actual expenditures that this government will make in the marketplace in Alberta and which provide a significant number of jobs right here to those people who are employed by the government; provide major transfers to universities, colleges, and technical institutes, which generate a lot of jobs as well; and on a procurement basis acquires and buys valuable resources from small businesses right across this province, which allows them to continue to operate. That's the multiplier effect of this budget. It's important in terms of the gross national production of this province and is a very significant fact. Remember as well that there are also capital projects that are being developed by this province, less than last year, we agree, but still major capital projects.

Now, the reason we established that fiscal plan was that if you look out across the next two to three years in this province, there's going to be significant new investment in this province. Al-Pac, for example, is going to start its construction right away. Al-Pac, a \$1.4 billion investment in this province, is going to take place. We can go on, Mr. Speaker. We can go on.

MR. SPEAKER: Thank you. Save something for two supplementaries, please.

Let's go, Calgary-Mountain View.

MR. HAWKESWORTH: Well, Mr. Speaker, whatever the Provincial Treasurer's rhetoric might be, the hard reality and the large numbers of unemployed are crowding in to crowd out his fantasyland, wishful type of thinking. Now, the budget not only contained no measures for job creation, it actually went a step further, a step worse: it gutted programs for retraining workers who do lose their jobs. Now, I'd like to ask the career development minister: is he willing now to admit that he made a tragic error when he forgot about the recession, and will he go to his cabinet colleagues and insist that they do something to ensure Calgarians and other Albertans are not left completely on their own to deal with unemployment and layoffs?

MR. WEISS: Well, Mr. Speaker, the only person who should admit to error is the hon. member when he refers in his remarks to the recession. May I remind the hon. member that the Provincial Treasurer tabled this document, Budget 1991: An Accounting to Albertans, that says "A Strong, Competitive Economy." And what does it say? It says, "Alberta is expecting an increase of 12,000 jobs, while Canada overall will see a decrease of 200,000." It goes on to talk about the 107,000 jobs being created in the province. Overall, our department has committed some \$110 million to training programs. With the broad diversification programs that are about to take place, I can see nothing but positive effects. I wish the hon. member would also follow up with what's happening with regards to the unemployment stats in the province.

MR. HAWKESWORTH: This is simply idle speculation, Mr. Speaker, in comparison to the reality of the growing number of pink slips being issued to Alberta workers, and for this minister to say "what recession" tells me more about how this government is out of touch with the reality of what's happening in this province. I'd like to ask the Provincial Treasurer: why has this government chosen to abandon Albertans to deal with this severe economic crisis on their own without offering them any assistance or help?

MR. JOHNSTON: Mr. Speaker, I've already told all Albertans, and Albertans know one thing: this is a balanced budget with very high priorities in keeping this economy strong. I've talked already about the role of the government, my colleague has talked about the importance he places on job retraining plans, and those are continuing to be our commitments.

What must be remembered here is that there is a significant difference between the view held by this government and the socialist ND Party across the way. They think they can spend, spend, spend, that they can spend their way out of the economy. They don't know that the private sector is what drives a strong economy through their investments. That's how jobs are generated, that's how the youth are protected, and that's how the economy is going to continue.

Mr. Speaker, the deficit in Ontario, \$10 billion by those socialists across the way, is simply deferred taxation. At some point that's going to have to . . .

MR. SPEAKER: Order. [interjections] I'm glad you're exchanging pleasantries, but maybe we can get on to other stuff. Calgary-Northwest.

**NovAtel Communications Ltd.***(continued)*

MR. BRUSEKER: Thank you, Mr. Speaker. The case of NovAtel is hopefully the most massive demonstration that this government will ever arrange showing their complete inability to pick winners. Trust us, guys: we believe you; you don't have to do it any more. Just in case the members opposite have forgotten, they spent \$21 million to bail out the Telus prospectus, \$175 million to buy it, a \$525 million loan guarantee, and a \$200 million loss this year, totaling \$925 million. That represents a total of 7.3 percent of this Treasurer's total budget for 1991. My question is to the Treasurer: since this total cost is greater than the expenditures planned for the departments of Agriculture, Career Development and Employment, Consumer and Corporate Affairs, Culture and Multiculturalism, Economic Development and Trade, Environment, Forestry, Lands and Wildlife, and Tourism together, what guarantees can the minister give us that our investment is safe?

MR. JOHNSTON: This is one of the most chronic distortions of the facts that I have seen in some time. Absolutely wrong. I mean, I have reported that NovAtel has in fact lost money, and the losses in NovAtel are \$131 million. Those have been accounted for in the year-end statement of March 31, 1990, of the province of Alberta, fully reported in this budget on April 4.

Mr. Speaker, you must remember what happened here. The member has gone on to list the long, outstanding list of loan guarantees, and I think it's important that we explain what's happened here. First of all, NovAtel was owned by Alberta Government Telephones and was in partnership for a while with another private-sector entity. Over the period of that time, it was bought back by AGT, Alberta Government Telephones. The government put in place a series of guarantees that totaled some \$300 million or \$400 million, which allowed it to service its clients and expand its marketplace and compete effectively on a one-to-one basis with the competition. It's a normal kind of financing transaction. Those guarantees ended when the company was privatized. During the period when the company was brought back into the government's hands, we had to put these guarantees back in place. So the guarantees are not new. They're not additional. It's the old amount of money. It's always been there, and to argue that it's different or new is in fact wrong. The only losses which the province has experienced have in fact been the \$131 million that I referred to.

The company is now in the process of being restructured and rebuilt. We'll look at it internally to see what's going to happen to it. To argue that those kinds of dollars have been spent is just wrong. The total amount of the investment at this point is \$131 million, and there are strong assets behind that company. We hope we can salvage it in a real way and sell it into the private sector, and that's our first objective, and that's the plan of action that we're now following. It's not been at all near the number of dollars the member . . .

MR. SPEAKER: Thank you. Supplementary.

MR. BRUSEKER: Well, my supplementary to the Treasurer, then, is: can the minister tell us how much of the \$525 million loan guarantee that has been offered to this company, which is more than three times the value of the company when we bought it just four months ago, has been drawn down, since he's the guy who's in charge of this?

MR. JOHNSTON: I mean, it's so difficult to explain these transactions to someone who knows nothing about business that it's in fact almost wasting our time. What we have said, Mr. Speaker, is that in terms of the sales operation of NovAtel the company does provide assistance in financing to other people who buy its services. That's where the guarantees go, and those guarantees are only directed to the sales contracts against good hard assets, which is an accounts receivable, if you like, that must be paid back to the company. The rest of the company was in fact earmarked at around the \$200 million to \$250 million level. We had a very serious buyer in place who was expected to purchase it during the privatization of Telus, as you well know. What we now have is a company which is worth in that area which we're trying to determine right now. The losses have only been \$131 million. Those are the only losses we've had. The other assets are now being evaluated and will in fact be put back into the marketplace, and the other guarantees, once the company is sold, will be returned to the government. They won't be our responsibility any more. In order to assist it at this period, the normal course of guarantees which were in place before it was transferred to Telus are now back in place, and they're worth about \$300 million.

MR. BRUSEKER: Well, Mr. Speaker, again the Treasurer loves to dance a little side step, but Albertans are getting tired of having their toes stepped on. How about a straight answer this time around? Since we have 7.3 percent of the total budget at risk potentially with this company, will the Treasurer commit simply to scrapping this current ad hoc system of funding whatever company comes along and draft a more feasible, logical, and affordable system of funding companies that need it?

**2:50**

MR. JOHNSTON: Mr. Speaker, we in fact do have a very clear program of guarantees. Now, the minister of economic development has explained, for example, his export loan guarantees, a very effective way in which we assist small businesses and other businesses to trade into other markets. In this program the minister has clearly set out the criteria for dealing with the provision of guarantees, including external assessments, use of consultants, taking of fees, taking of security. Those are all in place and are working very effectively.

The other area of guarantees, which does cause some problem to us, is the area which I describe as the moral guarantees, where there was no legal requirement for the government to step in and assist but in fact we did step in and assist in any event. That includes the credit unions, to stabilize for more than 500,000 Albertans their deposits in the credit union system. The Principal Group is another example where we had no obligation but did in fact step in. Still further, an area where I think government guarantees are important, is student loans. The criteria there are very clearly set out. We are taking a risk on those students' futures, unlike the opposition, who don't care about the future. They only care about looking backwards in the mirror. That's how the guarantees operate. It's a very effective program, it has diversified the economy, and the losses are less than 5 percent. That's not a bad performance in my view.

**Tourism Trade Show**

MR. PAYNE: Mr. Speaker, an international tourism show called Rendez-vous Canada will be staged in Calgary next week at which buyers of tourism products and services from something like 28 nations around the world will be participating. Now, a

recent announcement from the Minister of Tourism and his federal counterpart suggested that something like \$350 million in sales is expected to be generated at the show in Calgary. Given the vital contribution that tourism makes to our economy here in Alberta, can the minister indicate what proportion of those \$350 million in sales that are expected will be generated for Alberta's tourism industry?

MR. SPARROW: Mr. Speaker, I'm glad to see the Member for Calgary-Fish Creek as the new chairman for ATEC taking an active part in tourism. The city of Calgary is very fortunate to be able to host this important event for us in Alberta. This week alone there should be \$1 million spent immediately. Yes, the \$350 million is an accurate figure from last year's reports, but Alberta companies should expect about \$25 million if not more. To try and improve on that, we are working with our industry on four product shows, three of them postconvention and one a preconvention tour throughout the province on product knowledge. There are some 700 Canadian travel industry sellers. Fifty-four of them are Alberta companies in the marketplace, and they'll be having appointments with some 270 buyers from international markets. There were over 2,100 appointments already made.

MR. PAYNE: Well, Mr. Speaker, as impressive as those numbers are, I trust the minister isn't going to put all his travel promotion eggs in one marketplace basket. I'm wondering: can he indicate how many other show initiatives the government is contemplating taking with our private-sector partners?

MR. SPARROW: Very definitely no, Mr. Speaker, we're not putting all our eggs in one basket. Actually, our investment into this show is very minute in comparison to the return. It's less than \$50,000. We will be participating in over 30 travel shows throughout the international marketplace, compared to last year, when we only participated in about 20, even though we do have reduced funding this year and we were participating in balancing the budget. Those shows are printed, and any participant or any member can let his travel industry partners know. We'll send them a brochure which shows where we're going and where they're at. They include PATA, JATA, Chicago trade show, the U.S. goods marketplace, the world travel marketplace in London, ITB in Berlin, and many, many more.

MR. SPEAKER: Vegreville.

### **Farm Income**

MR. FOX: Thank you, Mr. Speaker. In spite of attempts by the provincial government to push farmers into participating in the gross revenue insurance plan by cutting off important farm programs for fertilizer, fuel, and interest and attempts by the federal government to pull producers into the GRIP corral by lowering premiums in year one, participation by farmers in GRIP is very low, with only two weeks to go until the deadline. The compulsory aspect of this program that forces farmers to participate for four full years if they sign up this year is, I submit, too harsh and too restrictive for a program that is not fully developed, not well understood, and certainly not well accepted by farmers. I'd like to ask the minister if he would agree to loosen the grip on farmers by giving them the freedom to choose whether or not they participate in GRIP this year without penalty?

MRS. McCLELLAN: Mr. Speaker, I think it's important to understand that this is an interim year of a revenue insurance option program. It is true, as the member stated, that when a producer is asked to sign up this year, he makes a commitment to the program for three years, which in effect with this year is four. However, it is also in the producer's contract that if there is a significant change beyond the parameters of the program he enters into, he is not bound to the program. I am sure that the hon. member is not encouraging us to put a program in place that has a clause for opting out in one year. That would absolutely guarantee the failure of a program becoming actuarially sound. This is an insurance program. It was designed on advice from producers and in consultation with the 10 provinces and the federal government to offer stability to the revenue side of their operation. This is what the program was designed to do. It is an insurance program, which means a commitment by the producers.

MR. FOX: Well, Mr. Speaker, the minister has to recognize that less than 6,000 farmers have signed up for this in spite of the attempts by both levels of government to push and pull them into the program. She's got to reconcile that and has to realize that if the program is good, then farmers that participate this year will want to participate next. I'd like to ask her again: will she not at least consider the option of allowing producers to participate this year without compelling them to participate for three years hence if the program is not what they thought it was cracked up to be?

MRS. McCLELLAN: Well, Mr. Speaker, first of all, I have explained that this is an interim year, an introductory year of the program. The commitment has been made by all levels of government, and that commitment has been followed through by a national committee being set up to assess the program and work with farmers on enhancements to the program.

We debated this issue fairly fully in second reading of the crop insurance Bill. The member has suggested that he would be bringing some amendments forward. I think we'll have opportunity to debate it again, but I reply that the criteria for entering the program are clear. About 60 percent of the producers in this province now are in crop insurance; 30 percent of the producers have signed up for the revenue insurance program. There are two weeks for farmers to assess the program, and if it meets their needs and suits the management of their operation, they will make the choice and not by being pushed or pulled by this government into the program. It is a voluntary program. It is an insurance program. It was designed with input from the producers, and they will make the choice as to whether they join it.

MR. SPEAKER: Calgary-McKnight.

### **Student Employment Programs**

MRS. GAGNON: Thank you, Mr. Speaker. Yesterday hire-a-student offices opened in Alberta, but due to the flawed fiscal policies of this government, students are not looking forward to great summer job prospects. This year's budget for the summer temporary employment program has been reduced by 50 percent resulting in grave consequences. The Minister of Career Development and Employment's office informed us that government department STEP programs have been cut by 78 percent, municipality grants have been cut by 60 percent, and nonprofit groups have endured a decrease of 44 percent. To the

Minister of Career Development and Employment: given the important role that STEP plays in offering career related jobs and experience for Alberta students, especially when the economic downturn limits summer job creation in the private sector, how does the minister justify cutting back on the future of our young people? They are hurting.

3:00

MR. WEISS: Well, Mr. Speaker, I don't know what we're going to have to do to drive home the point, but we're sure going to try. I announced in this Assembly and talked, with others, during the estimates about STEP in the overall funding. Yes, the hon. member is right there; there is \$10 million being funded. I also indicated at the time that the differential in dollars between last year and this year is because we're not into double-digit unemployment stats. There are lots of opportunities for those who are willing to apply themselves as well.

I want to indicate thoroughly to the hon. member that I attended down there with the students in line at 10:30 the evening before. I went back the following morning at 7 o'clock, served them coffee and doughnuts, and worked very hard with them. I must say that there are an awful lot of dedicated students who are working very hard to better themselves and their careers. I also would indicate the commitment of the people that are there offering the jobs at the facility as well. There are some 3,000 jobs being posted. There are lots of opportunities. No, some of them will not get the meaningful jobs they are after, but I can assure the hon. member that if you look at the overall stats, we're not in the dire position that she is indicating.

MRS. GAGNON: My second question is to the Minister of Advanced Education. Since this government has hiked tuition fees, cut support to advanced education institutions, slashed the Students Finance Board budget, and now decreased its commitment to the summer employment programs, how can this minister justify his government's attempt to balance the books on the backs of our students when he's supposed to be their advocate?

MR. GOGO: Mr. Speaker, the hon. member is wrong on all four points that she attempted to make. With the programs put in place with regard to tuition, Alberta still remains the lowest in terms of tuition fees in the nation, next to Quebec. We think we have done what is fair to all students, and I am confident that along with the programs announced by the Minister of CD and E, each of those students is going to have a fair opportunity for summer employment.

MR. SPEAKER: Wainwright, followed by Edmonton-Jasper Place.

### Constitutional Reform

MR. FISCHER: Thank you, Mr. Speaker. Members of the Assembly may be aware that the constituents of Wainwright have taken their responsibility for constitutional review very seriously. The community organized Confederation Week, a series of five nights where nearly 200 community people came out to listen to information and then broke into small groups to discuss these constitutional matters and submitted their findings to the Spicer commission. My question is to the Deputy Premier as chairman of the Select Special Committee on Constitutional Reform. Inasmuch as the select committee would likely learn a lot of useful firsthand constitutional information from the people

of Wainwright, would he be prepared to commit to a public meeting of his committee in Wainwright?

MR. HORSMAN: Mr. Speaker, I thank the hon. Member for Wainwright for underlining in the Assembly the important contribution being made by the citizens of the community of Wainwright.

MR. WICKMAN: Why didn't you thank them at rehearsal?

MR. HORSMAN: The hon. Member for Edmonton-Whitemud doesn't seem to approve, but that's another issue. [interjection] Let him chatter away along with the Member for Westlock-Sturgeon. They have nothing better to do, I guess.

The people of Wainwright, though, think that it is a serious matter, this question of national unity, and I want to congratulate them for the efforts they've undertaken. I appreciate the representation made by the hon. member, but I do point out that we have already announced and it has been published that we will be visiting 10 communities in Alberta in the period between May 24 and June 1. Those dates have been set, and public notice has now been made official as to the times and the places where we will be meeting. However, I will point out that immediately following that series of public meetings the committee has determined that they will meet to assess whether or not it will be desirable or necessary to attend in other parts of the province for public hearings. At that time we will certainly consider the hon. member's representations and those of his constituents.

MR. SPEAKER: Supplementary.

MR. FISCHER: Thank you. Included in their constitutional review was an exchange visit to Marieville, Quebec, which has recently been highlighted on the provincial and national news. Given their obvious success, would the minister be prepared to contact his counterparts in Ottawa and Quebec so that more of this type of information exchange can be arranged?

MR. HORSMAN: Mr. Speaker, for quite a long time in Alberta the departments of Education and Advanced Education have sponsored student exchanges back and forth between Alberta and Quebec. Those have proved to be very successful. That type of relationship, I think, is extremely important. Of course, getting to know each other better as Canadians can only serve to strengthen the unity of Canada. That applies whether we're talking to the people of Quebec, Newfoundland, or British Columbia. The fact of the matter is that we don't know enough about our country as Canadians; I wish we knew more. I thank the hon. member for his representations and once again underline my gratitude to the people of Wainwright for their initiative and their true dedication to the future of Canada. I thank them again for that.

### Special Waste Management Corporation

MR. McINNIS: Mr. Speaker, the Swan Hills special waste facility has already eaten up or, you might say, incinerated more than 90 million taxpayers' dollars provincially, \$115 million to the end of this fiscal year, and it grows because the private-sector operator is guaranteed a return of prime plus 3 percent on its investment. On the eve of the tripling of the capacity proposed for the plant, I'd like to ask the minister of economic development why the government, with their record on loan guarantees,

has introduced legislation in the form of Bill 32 which allows the Special Waste Management Corporation, with the approval of a single minister, to issue guarantees to private-sector partners that are in turn covered by the taxpayers.

MR. ELZINGA: Mr. Speaker, it's regretful that the Minister of the Environment is not in the Legislative Assembly today. He had pressing business in other areas of the province. I will take the question as notice, and I will give the undertaking that the Minister of the Environment will get back to the hon. member.

MR. McINNIS: Mr. Speaker, with respect, the proposition used to be that guarantees could only be issued by cabinet through the Provincial Treasurer. Now the Minister of the Environment gets to issue guarantees in the private sector without reference to anybody else at all. Maybe I'll ask the Provincial Treasurer: why this new authority to give the private-sector partners of the Special Waste Management Corporation, in view of this expansion, easy access to guaranteed loans through the Minister of the Environment?

MR. JOHNSTON: Mr. Speaker, the provision of guarantees is very carefully limited and, in fact, monitored very carefully.

I think the member is now bringing into question period debate that which more properly should rest in second reading of that legislation, and clearly *Beauchesne's* rules of anticipation spell that out. [interjections]

MR. SPEAKER: When it gets to Committee of the Whole. Thank you.

Edmonton-Highlands.

#### Advanced Education Institutions

MS BARRETT: Mr. Speaker, despite the fiction that the Provincial Treasurer and the Career Development and Employment minister are trying to peddle with respect to the state of Alberta's economy, the fact of the matter is that jobs are being lost in Alberta at an accelerating rate. Today is another sad example of that; 90 more people at SAIT lost their jobs. I have little doubt that that's because of the bungling of the appointed board that this government and that minister are responsible for. My question to the minister is this: now that the SAIT board bungled its way through millions of dollars in its Batam Island barge project, which went absolutely nowhere, is the minister prepared to fire every one of the appointed boards at universities, colleges, and technical institutes throughout the province and allow them to be elected by stakeholder organizations so that they can be accountable?

MR. GOGO: Mr. Speaker, there's no question that all publicly funded institutions with self-governing boards must operate within the budgets allocated to them. It's no secret that the Southern Alberta Institute of Technology has gone through some difficulties in the last three or four years. I'm confident that with the appointment of a new chairman, a new president, a new comptroller, and a new financial officer, many of these financial matters have been resolved and they're on the road to, I think, a new era in terms of the technical institute. So I don't agree with the hon. member, who says that these volunteers within a community who choose to serve as governors of an institution should be replaced in any manner.

MS BARRETT: Well, Mr. Speaker, the fact of the matter is that those so-called volunteers get appointed by that cabinet, and they usually carry orange and blue cards.

Mr. Speaker, 90 more jobs lost in Calgary is bad enough, but the fact of the matter is that the students at SAIT are going to suffer cut programs again. These guys are single-handedly destroying everything they touch. My question to the minister is this. Years of underfunding – that is, funding that didn't keep pace with the rate of inflation – has hurt these institutions. Is the minister willing to go back to the Provincial Treasurer to ask for compensatory funding to at least meet the rate of inflation for all these institutions?

3:10

MR. GOGO: Mr. Speaker, the hon. member knows and is well aware, based on the estimates, that the contribution by the taxpayers of Alberta to the postsecondary system is the highest in Canada per capita.

I understand that SAIT has been through some difficulties. We're attempting to resolve it. I appointed a special advisor. We sought, rather than be biased, outside expert consultants. They've come forward with recommendations, which are now under way, to have a new financial plan of the institution and to be accountable. Quite frankly, Mr. Speaker, I'm somewhat offended by the hon. member's point that the present board is responsible for all the difficulties that SAIT's been through. I don't accept the representation by the Member for Edmonton-Highlands. I'm confident that SAIT is on the road to recovery. Sure there are difficult times; sure there'll be a reduction in programs. In the final analysis, those board-governed institutions are responsible for operating within their fiscal plan, and I'm confident that SAIT's going to do it.

MR. SPEAKER: Westlock-Sturgeon.

#### Livestock Veterinary Inspection

MR. TAYLOR: Thank you very much. The question is to the Minister of Agriculture and is with respect to his announcement last week that they're putting an end to a 35-year-old program of government-paid veterinarian inspections of cattle and pigs at sales and auction marts in this province. Mr. Speaker, these veterinarian inspections have proved their worth in the last 35 years in stopping the spread of disease. It also adds extra income for veterinarians in our small towns, helps the veterinarians out in those areas. Also, people tend to pay a little more for livestock if they feel fairly secure that they've been inspected. My question to the minister is: why did the minister strike this program down when it's worked so well for so long? What possible reason does he have?

MR. ISLEY: Mr. Speaker, I would have to agree with the hon. Member for Westlock-Sturgeon. That program worked well over the years, was badly needed in the early years. We looked at it very, very carefully before we decided to withdraw from it. I think when we looked we found an industry that had matured in a very significant way, and we felt that we no longer needed the government involvement in the auction marts. This does not necessarily mean that there will not be veterinary inspections going on in our auction marts. Many of the auction mart operators are continuing to provide the inspection service because they feel it is important and their clients are desirous of it, but they're doing it in their own way, with their own contracts with local veterinarians.

I might also add to that that the brucellosis inspection and testing that goes on in our auction marts is still in place from Ponoka north. It was deleted south of Ponoka two years ago.

MR. TAYLOR: Mr. Speaker, asking the auction marts to supply the veterinarians is like asking Colonel Sanders about the health of his chickens. Surely the minister must understand that an independent government-paid inspector, as it is in the case of restaurants and some other areas, is quite necessary for the flow of commerce. Would he at least agree to meet the Cattlemen's Association, the swine breeders, and others and rethink this whole process? Obviously this is something done without any thinking.

MR. ISLEY: Mr. Speaker, I'm a little disappointed that the hon. member would try to compare this to inspection in restaurants. In auction marts we're not talking of dealing with food. Our meat inspection system, which is ongoing, is being enhanced. We're putting more money into the meat inspection which goes on in every abattoir. So let's not try to send a signal that we're dealing with a people health risk here.

Keep in mind also that in an auction mart there are three players. There is the person that owns the livestock, who wants to get the best return, who in most cases is a mature operator and takes proper care of his livestock; there is the buyer, who wants to get the best value for his dollars and is usually a mature and qualified person at assessing the conditions of animals; and there is the auction marts, which wish to maintain a reputation so that the buyer and seller will use their service. So we don't have a case where anyone is going to benefit by trying to take sick animals through an auction mart system.

### Housing Subsidies

MR. MUSGROVE: My question is to the Minister of Municipal Affairs, in charge of housing. Mr. Speaker, it's my understanding that instead of building any new low-cost housing in Alberta, we are now going to be subsidizing the rent for low-income people in private-industry housing. Could the minister tell us what the formula is for subsidizing the rent for low-income families?

MR. R. SPEAKER: Mr. Speaker, I think that's a very timely question in terms of the rental vacancies across the province. The rent supplement program was a program initiated by the federal government a number of years ago in co-operation with the provinces of Canada. The federal government contributes 75 percent of the net, and the net is the difference between 25 percent of a person's income and the market rent. This allows for a number of persons to be able to live in affordable rental accommodation, not only in Alberta but other provinces as well. This program is of great assistance to those that are disabled, those that are on fixed incomes, and those that are unable to meet some of the employment opportunities that are in our province.

MR. MUSGROVE: Mr. Speaker, mentioning those that are on fixed incomes, does this apply to senior citizens that are on fixed incomes?

MR. R. SPEAKER: Mr. Speaker, most definitely it does. Those seniors that wish to live in private rental accommodation may live in units that are rent supplemented. Some of the units that are put in place by the federal government under the co-

operative housing program require the province to be involved in the rent supplement program. Some 15 percent, and in some cases 50 percent, of the units are rent supplemented. A number of senior citizens do find their housing accommodation in those facilities.

MR. SPEAKER: Stony Plain.

### Education Funding

MR. WOLOSHTYN: Thank you, Mr. Speaker. My questions today are to the Provincial Treasurer. Alberta has fallen to be fifth in the country in per capita spending on basic education. The province contributes, on average, considerably less than 60 percent towards the total cost of basic education, and the rest has to be made up by the local taxpayers. Yesterday in Edmonton it was announced that the property tax burden on local taxpayers would increase by 8.4 percent, following an increase in Calgary of 7.2 percent. Board Chairs claim the increases are directly attributable to the fact that the province funds less than 60 percent of the cost. Given that the Treasurer's attempt to balance the budget on the backs of property owners is misguided, will the Treasurer agree to reassess his priorities and redirect funds into basic education?

MR. JOHNSTON: I'm full of information about the Ontario budget today. I recall the NDP socialist government in Ontario committing to move the funding to 60 percent. Provincial support to 60 percent in Ontario: that was their commitment. You saw a \$10 billion expenditure deficit in that province. What happened to the funding level of education? It wasn't 40 percent. Do you know what it is now in the budget? Albertans would love to know this. It's gone down in Ontario, and here we have a member railing about 60 percent in Alberta. The facts answer the question. Don't ever let those socialists get a hold of spending in this government of Alberta, Mr. Speaker, because funding for education would go down, down, down.

3:20

MR. WOLOSHTYN: Mr. Speaker, as usual the Treasurer is totally out to lunch and confused. He may be talking about Ontario, but we are discussing Alberta and the problems in Alberta.

The costs of education are increasing in everything from special ed to student transportation, yet this government is looking at taking away even more of the residential assessment from boards like Edmonton and Calgary through their schemes like corporate pooling, more commonly known as the education trust fund. Will the Treasurer explain why this government's fiscal policy is to download onto the backs of local residential taxpayers and consumers?

MR. JOHNSTON: Mr. Speaker, I can almost hear the Minister of Education's wide-ranging discussion on the future of education in this province. To the youth in the galleries who are listening today, they know full well that the best place to go to school anywhere in Canada is right here in Alberta from kindergarten right through to university. There is the finest investment of taxpayers' dollars in schools. The Minister of Education has already committed over \$700 million to new school construction in the next four-and-a-half-year period, on top of more than \$1 billion over the past five years to keep the quality of education in this province absolutely without comparison anywhere else in North America. You know what? Moreover, it's working, because Albertans are proud of the

investment in education and in the success rate of their students. No other proof is clearer than that.

Now, what I can say on the economics is this. Despite the protestations of the opposition across the way, the NDP commitment to education is as shallow as their words. They hide behind rhetoric. When it comes to making it work, don't count on them, folks. It ain't there; it just ain't there. In Alberta we have given to the boards of education the responsibility . . .

MR. SPEAKER: Thank you. [interjection] Sometimes when I used to live in Medicine Hat and sometimes when I visit the Cypress Hills, I wonder where all that warm air flows from.

head: **Orders of the Day**

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.  
Vegreville, followed by Three Hills.

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

MR. FOX: Thank you, Mr. Speaker. It's my pleasure to introduce to you and other members of the Assembly 59 students from the Tofield school who are in the public gallery today and who got a good lesson in drama education from the Provincial Treasurer. They're accompanied by their teachers Mr. Dale Bischoff, Mrs. Gayle Worden, Mr. Fred Nordstrom, Mrs. Theresa Koughan. Mr. Lysons and Mr. Klarer are with them as well. I'd ask them to stand in the public gallery and receive the warm welcome of the members of the Assembly.

MRS. OSTERMAN: Mr. Speaker, it's my pleasure today to introduce to all of my colleagues and yourself a very large group from Prairie junior high school from Three Hills, in the heart of my constituency. It's a large group led by teachers Mr. Robideau, Mr. Redifer, Mr. Querengesser, Mr. Steeves, Mr. and Mrs. Paetkau, librarian Mrs. Durance, and Mr. and Mrs. Malesky. These students are primarily in the members' gallery, but as well I think there are some in the public gallery. I'd like them all to rise and receive the warm welcome of the Legislature.

head: **Written Questions**

MR. GOGO: Mr. Speaker, of the eight written questions on today's Order Paper, I ask that they all stand, except Written Question 352.

[Motion carried]

### **Hospital Service Contracts**

352. Mrs. Hewes asked the government the following question: With respect to the recent hospital linen contract awarded by the Mill Woods patient support centre,
- (1) who were the bidders in this contract, and
  - (2) did the winning bid, tendered by K-Bro Linen Systems Inc., exceed the lowest bidder, and if so, by how much?

MR. GOGO: Mr. Speaker, the government will accept Written Question 352.

head: **Motions for Returns**

MR. GOGO: Mr. Speaker, I move that the motions for returns on today's Order Paper stand and retain their places, with the exception of Motion for a Return 203.

[Motion carried]

### **Voluntary Human Service Employee Salaries**

203. Mrs. Hewes moved that an order of the Assembly do issue for a return showing every study made by or for the government since April 1, 1988, on salary levels of employees working in any of the voluntary human service sectors.

MR. OLDRING: Mr. Speaker, I wish to reject Motion 203. As the Member for Edmonton-Gold Bar would appreciate, a ministry and a department the size of Family and Social Services, involving some \$1.4 billion, at times makes a number of studies and reviews and assessments of salaries within our department and within the voluntary sector as well. It wouldn't be appropriate, given the sensitivity of the negotiations that revolve around salary settlements in particular, to release those studies at this time.

I will say, though, to the Member for Edmonton-Gold Bar that we are very committed to working with the voluntary human services sector in particular here in the province of Alberta. We recognize, Mr. Speaker, that there are thousands of Albertans working through many, many agencies and societies throughout this province, working hand in hand with government and with Albertans to make sure that very important and very essential services are being provided on an ongoing basis here in Alberta. I can also tell the hon. member that my colleagues on this side of the House are working very closely to make sure that salary levels are fair and appropriate in the voluntary sector, and we're going to continue to do that.

MS MJOLSNESS: Mr. Speaker, I think it's important that the minister be forthcoming with the information asked for in Motion 203. We in the Official Opposition have heard that many agencies are very concerned about the moneys they are getting from this government in order that they can pay their workers in nonprofit agencies decent wages. It's not happening. The minister just stated that he's fair and that he does allocate enough money so that agencies can pay their employees decent wages. There have been many agencies that have contacted me and I'm sure many of my colleagues, because they're very concerned that wages continue to drop below what they should be. Many employees of nonprofit agencies are leaving the agencies because they cannot afford, quite frankly, to work in these agencies. So if the minister has studies that have been done – and I'd like to know if this minister is even tracking these kinds of trends – he should be forthcoming with this kind of information.

Contracts are continually being given out to the nonprofit sector by this government. They are becoming less accountable for those services. Mr. Speaker, a trend that we are seeing is that they are not adequately funding the agencies, and they are now paying very low wages because they have no choice. It's affecting the quality of care that people are receiving, because many qualified people are leaving the field, moving into government jobs because they're getting paid more money, and



it's definitely affecting the quality of care that agencies can deliver to their clients.

It's a very serious problem, and for the minister to say that everything's fine and that he's being fair in this is just simply not the case. The minister knows full well that many agencies have approached him, and they are now negotiating to try and get some kind of pay equity. They have not got that commitment from this government, and this is a very serious issue.

So, Mr. Speaker, I take issue with what the minister said, and I think that if he's a responsible minister, if he cares about the kind of quality of service that people are getting in this province through his department because they are contracting out to nonprofit agencies, he should be tracking what is happening in the nonprofit sector and at least be forthcoming with this kind of information. It's not unreasonable to ask the minister to know exactly what's going on when it comes to the wages of employees in nonprofit agencies.

Thank you.

3:30

MR. SPEAKER: Edmonton-Gold Bar, in summation.

MRS. HEWES: Thanks, Mr. Speaker. Well, I'm disappointed, as are many people in our constituencies, that the minister does not wish to release this kind of information, because I think it is useful information and it would help many of our voluntary agencies that his department and all of us are very dependent on to continue to fulfill their responsibilities. We're faced here with a compounding situation where more and more of the government's services are being contracted out through voluntary agencies. No problem with that as long as there are standards of service available so that the public is assured of the quality of care, that the resources are available to those voluntary agencies to maintain both the quality of the care and the quantity of care.

Mr. Speaker, we do know from our own information that voluntary agencies now already are hard pressed to keep up with the demand, and they do not have the resources to pay their staff, their professional people, a comparable kind of salary to those that are being offered by the government. We also know that the government has conducted various studies on this matter that would be helpful in making the public aware of what's going on and perhaps making some necessary adjustments.

Mr. Speaker, FCSS cannot keep up. The resources available to it do not allow for the kind of inflation as well as the increased demands on those agencies, so of necessity they have to seek professionals of lower qualifications, or professionals move out of them, move on to other places or into government.

We increasingly see the government contracting, whether it's group homes, work with disturbed children, life skills programs: off-loading these onto volunteer agencies in our communities yet not providing the necessary resources so that they will be able to show the kind of quality service that is expected of them. Mr. Speaker, we should remember that we're dealing with a pretty vulnerable constituency in most cases who cannot advocate on their own behalf and the agent must do so.

Mr. Speaker, I see no reason whatsoever except the usual reason of secrecy. These are public documents. I cannot understand from the minister's explanation anything that's in them that could in any way jeopardize discussions or negotiations. I think this is information that municipalities should have, that FCSS boards should have, and that individual agency boards should have so that we understand on what basis the minister makes decisions relative to the kind of budgets and contracts that are entered into with our volunteer agencies.

Mr. Speaker, of course I'm disappointed, but I guess I'm not surprised.

[Motion lost]

## head: Motions Other than Government Motions

### Economic Diversification

210. Moved by Mr. Bruseker:

Be it resolved that the Legislative Assembly urge the government to undertake a comprehensive review of its economic diversification strategy, placing new emphasis on the creation of targeted infrastructure which, agreed to through consultation with local authorities, will encourage the concentration of specific industries in specific centres, promote the creation of centres of industrial excellence, and discourage unproductive competition between regions.

MR. BRUSEKER: Mr. Speaker, the reasons for my making this motion I think are becoming painfully and abundantly clear more and more often as time goes along. We only need to look at the long list of ventures in which the government has involved itself which unfortunately have not panned out as I'm sure the government would like and certainly not as the public of the province of Alberta would like.

[Mr. Deputy Speaker in the Chair]

We look at the long list. Unfortunately, Mr. Speaker, and it is really unfortunate, that list is quite long. NovAtel Communications we know is on quite shaky ground; General Systems Research went into receivership; Alberta Terminals is experiencing difficulty; Syncrude has had a terrific write-down in terms of a loan that was offered to it; Myrias Research Corporation; Alberta-Pacific Terminals is another one in which we've got \$9 million of loan guarantees and \$3 million in loans; Peace River Fertilizers; Climate Master, a \$5 million export development loan along with funding from AOC; Alert Disaster Control; General Composites Canada; Nanton Spring Water: the list is really quite long. I don't think there's any point in reading it all because it becomes too depressing, but I think it highlights the need, as I've underlined, to undertake a comprehensive review. I know that government members and opposition members are together, jointly, disappointed in what has happened in this province in terms of some of the investments that have been made, and I think it's time to re-evaluate where we've been. Hopefully we can learn from the lessons of history and plan for something better in the future.

If the government were really able to pick winners, and that seems to be the strategy that this government has been following, Mr. Speaker, then it would be absolutely terrific. If they really were that good at it, I suspect they'd probably be out there in the stock market themselves investing as private investors and they could make a fortune. If they really were all that terrific in picking the winners, perhaps they could eliminate income taxes altogether because they could make so much money on the private stock market that we wouldn't have to have income taxes. That really would be a wonderful thing if we could do that, but unfortunately that hasn't happened.

You know, it's curious when we look back to the 1985 strategy paper that was written. In terms of economic diversification we see a number of different strategies proposed, but we do not see loan guarantees being offered. There are a number of problems

with loan guarantees. I think even the Auditor General in his report this year made comments to the effect that

the government's increasing use of guarantees and indemnities without improved legislative control . . .

That's extra emphasis I'd like to add: "without improved legislative control."

. . . and appropriate accounting is cause for concern.

Now, that's from our Auditor General.

So we have loan guarantees that are being made on behalf of this government to different companies, and we have asked many times who has loaned the money, from which department has the money come out. Has it come out from Agriculture? We've seen some loans offered there. My hon. colleague from Westlock-Sturgeon has increasingly and frequently asked questions about loans through the Department of Agriculture. We've seen loans from the Department of Technology, Research and Telecommunications. We've seen loans from the Department of Economic Development and Trade. We've seen loans from the Department of Tourism. I mean, it seems like every minister wants to have his kick at the cat to hand out the millions of dollars, and we're not sure what's going on.

We've asked questions like: "What securities are there? If we loan a million dollars, is there a million dollars' worth of assets?" You know, it's curious, because I raised the question earlier today about NovAtel: a \$525 million loan guarantee, the purchase price was less than a third of that. Less than a third. Now, it's important to note, and I want to mention it now, that the Liberal government in Ontario had a policy that said if you loaned a million, there had to be an asset of a million, at least. You had to have at least matching assets, which would suggest in the case of NovAtel that NovAtel should have, for a \$525 million loan guarantee, assets of \$525 million, but we know that's not the case, unfortunately.

We have a frequent failure on this government's part to provide: "What's the risk? What's the chance of success? What are we potentially likely to lose?" The Auditor General has said that we should be recording those losses, if there are losses; that we should be recording the total potential risk right up front. Instead, the auditing and accounting that have been done only record the liability when the money is actually drawn down. So there are some real concerns for what's gone on there.

### 3:40

Contrary to what the Treasurer has said, I'm not opposed to all loan guarantees. I think there are some that are appropriate; they're shown in the Budget Address. The Treasurer has referred earlier to student loans, and I back that concept a hundred percent, Mr. Speaker. When we've got individuals, university students or college students, who are trying to make things better for themselves and, indirectly of course, better for the province, I think we need to support those people, and I think the idea of a student loan guarantee program is one that's appropriate. I have to admit I don't know as much as I perhaps would like to or should know about the farm credit stability loan guarantee program, but I suspect that that's one that's appropriate. There are others that are referred to in here as well, in the Budget Address that we had tabled in the House not too long ago – I believe it was April 4 – that are probably also appropriate. The Agricultural Societies Act I suspect is probably also one that really is not much of a cause for concern.

We are concerned about some of the other ones, Mr. Speaker: the loan guarantees to firms like Weldwood of Canada Ltd. – again lack of details – Gainers Properties, the export program. The Minister of Economic Development and Trade has talked about a great number of export loan guarantees that have been

offered, but we don't have the details of those, and they are a cause for concern. If we look at the budget document, it says that we've got almost \$38 million tied up in that as of December 31, 1990. You know, that's a fair chunk of money. We look at some of the other ones: Golden Gate fresh foods, Smoky River Coal, Ribbon Creek Alpine Village, Gainers Inc. Boy, there's a long list of loan guarantees to help particular companies either to get started or to keep going. I guess my concern and my feeling about a lot of those companies is that if they really are all that viable, if things are all that rosy, as this government would like us to believe, I would suspect that those companies should be able to go into their neighbourhood bank or their neighbourhood Treasury Branch and get loans on their own merits. They shouldn't have to come to this government and ask for loan guarantees. So it seems to me that we've got a policy that has been implemented perhaps through the backdoor, or perhaps it's been a strategy all along.

The loan guarantee doesn't really seem to help them with high overhead. I just want to give one example here, and that is MagCan, the Magnesium Company of Canada. The proposal there was to bring in magnesite ore from British Columbia, crush it, produce magnesium in a new process in a plant located near High River, and produce jobs, produce a new product. I think that was probably a good kind of business for the government to support, but again they supported it with a loan guarantee: rounded off, a \$103 million loan guarantee. It created some jobs, but unfortunately the jobs are gone now. You know, the net effect of offering that \$103 million loan guarantee was this: they offered the loan guarantee, so they assumed the risk, but they didn't have a chance to get any of the profits. Let's assume for a moment that MagCan had taken off and everything was duck soup and they were producing twice what they said they could. Well, the government wouldn't have got back any more money than what they'd offered to risk in the first place. If I start a new business, I put myself on the line. I put my financing on the line, and if I make it and make it big, I keep all the profits. If I lose it, I lose it. In this deal the way the loan guarantee was set up, if they lose it, the government loses, and if they make it, they keep it. That doesn't make a whole lot of sense.

What might have made more sense is if they had looked at a different process. In fact, the suggestion has even been made for them. There was a document produced back in December of 1990 by the Canadian Manufacturers' Association entitled *How to Achieve Manufacturing Competitiveness in Alberta*. They had a recommendation right within their paper. The solution that they offered was, number one, "remove all taxes on manufacturing inputs including electricity, natural gas and fuel." Now, for MagCan, which has terrific electrical energy consumption, if they'd been given a break on electricity rates, it might have had a better impact and would more likely have had an impact on keeping them going than offering them simply a loan guarantee, which really didn't help them in the day-to-day operation of keeping the company going. So we assumed the risks but none of the benefits. Obviously, we need to rethink the strategy.

There are actually two reasons why I think we need to rethink the strategy. Number one, from the long list that I've cited earlier and which was admittedly an incomplete list, it's clear that the government does not have the expertise to pick the winners, to judge the investment value of different firms and back those ones that are going to be obvious winners. We can see that from the history of what's gone on. Secondly, there may be – and of course the government will deny this ever occurring

– a potential for the dollars to be used for political gains, to go in and say: well, we're going to back this up because we know that the people of Alberta or this constituency or this area are going to back us on the basis of what we're doing here. That's the wrong reason for backing a company. That's entirely wrong.

So we have to look at the record. Different ministers have said that diversification strategy has worked, and it hasn't. We need to look at what's happened. This government has been in power almost 20 years now, I think. I don't know the exact date. It's 1991 now, and the Conservatives came to power in 1971. In 1971 the manufacturing in this province accounted for 9 percent of the gross domestic product, and due to these diversification strategies manufacturing is now 8.2 percent. It's slipped .8 percent of the gross domestic product. In other words, manufacturing produces a smaller percentage of the total than it did 20 years ago when this government came to power and started their economic diversification strategies. In 1971 agriculture, forestry, fishing, trapping, and mining, the five primary industries, accounted for 20.8 percent of Alberta's GDP. That includes forestry, Mr. Speaker. In 1971, 20.8 percent; now it's 20.3 percent: not a big improvement there either. So diversification: the stats don't bear up.

Exports. We talk about the success of the export loan guarantee program and how wonderful things are going there and how that's improved the diversification of this province. Well, since 1971, till 1989 – and 1989's are the most recent figures I had – exports as a percent of GDP have also declined, not increased as a result of the programs this government has offered, declined by .2 percent. So where is the economic diversification these guys keep crowing about? It doesn't seem to be happening. What we need to do is put in place targets. That's the second half of my motion, Mr. Speaker. We need to target specific industries in specific areas and come up with a specific plan, not a hodgepodge here, there, or everywhere, let's see what we can do.

How could we do this? One of the targets that has been looked at, for example, by this government is forestry. We spend a lot of money backing different companies, putting in an infrastructure, loan guarantees, et cetera, but has there really been an analysis? Some analyses that have been done suggest that in fact yes, some jobs will be created in different constituencies as a result of forestry. But the net effect: after you look at the jobs that are lost to tourism as a result of the destruction that's going to be occurring in forestry, there'll be a net job loss for the north. Mr. Speaker, I guess the question we really have to ask is: what kinds of jobs do you want to have? Do you want to have jobs that pump pollutants into the atmosphere, pump pollutants into the rivers, destroy our forests, or do you want to have jobs that are renewable, that are ongoing, long-term, healthy, safe jobs for which Alberta is already known? So the question obviously is: where do we go from here? Because we know what's happened in the past hasn't worked, we have to look at what's going to happen in the future.

So, the future. We need to promote Alberta businesses, no doubt about that. I think all members will agree that there are ways we do that. I think we have to find a strategy that does not expose taxpayers to the kinds of losses that have occurred, because we simply, with our relatively small population of two and a half million people, cannot afford these ongoing kinds of losses. I mentioned earlier, Mr. Speaker, that just the exposure in NovAtel represents 7.3 percent of this year's total budget, and the sum total of exposure is greater than that of several departments being administered by this government.

What we need to do is set targets. We need to set targets. The government is working on that. I will admit that there is some direction in that. Earlier this year, on April 18, 1991, the government did issue a news release saying that the provincial government announces funding for networks of centres of excellence.

That is the appropriate direction, but let's look into it a little bit further. It makes a nice headline, but you look at the details a little further. You know, this was announced by the Minister of Technology, Research and Telecommunications in co-operation with the Department of Advanced Education. I think it's a good concept, and it's a good first step, but let's consider what a tiny step. It's \$4 million over three years. That works out to \$1.3 million a year, if you do a little quick arithmetic there. Twenty-two projects are being funded. It works out to \$60,000 per project per year. Now, in terms of research and developing new centres of excellence \$60,000 might cover a good piece of the salary of one researcher, but it's certainly not going to do anything much beyond that.

3:50

So here we have a tiny first little step, which, I guess, is to be commended, but we need to go further than that. We need to think bigger. For example, if you know the province at all well, you recognize that Calgary is beginning to develop a bit of a reputation as a centre that has some computer expertise. We've got companies like Keyword technologies. That has developed some interesting technology to allow one program that was developed to run on one computer to be run and understood by another computer. I think that's kind of a neat development. We've got Northern Telecom, which is a terrific company, actually turning a profit, substantially different from NovAtel, which hasn't made a profit, partly because it's been backed by ridiculously sized loan guarantees from this government. It's never needed to make a profit; the government just keeps on pouring money into this thing. Maybe the latest restructuring might actually do it some good. I sincerely hope it does, Mr. Speaker. I really hope that NovAtel can turn around and start to make a profit. I think that would be absolutely terrific.

You know, we're starting to develop some centres of excellence there. Maybe down the road Calgary might be known as a Silicon Valley north. Wouldn't that be terrific, if Calgary got that kind of a reputation? Whenever people thought about starting a new computer business, they'd say, "Calgary would be a great place to go to," or maybe Lethbridge because NovAtel's going to keep on in there.

Let's consider Edmonton for a moment. Does Edmonton have a reputation? Well, sure it does. Edmonton's got a terrific reputation in terms of biochemical and biomedical research. There are a number of companies that are doing some really neat and unique things in Edmonton – companies like SPI, Synthetic Peptides Incorporated; Chembiomed; Biomira – producing some really neat research, not necessarily profits yet but we're starting to develop a bit of a critical mass. People are starting to recognize that in Edmonton there's a level of expertise.

Go up to Fort McMurray, and, boy, there's a terrific expertise that the city of Fort McMurray is recognized for in oil sands development. If you go anywhere in the world and somebody wants to know something about oil sands, they think Fort McMurray. It goes hand in hand.

What we should be doing, instead of going ad hoc all over the place, is target in particular areas. We need to develop a concept of helping our research institutions. These are the 28

institutions that the Minister of Advanced Education keeps referring to. If we can promote research at those facilities, promote those people developing their products, and then once the product gets to the point where it's ready to be marketed, create a company that can then go off and market and develop their product and send it off to the marketplace and have people beating a path to their door, well, that would be absolutely wonderful.

Some of the things we need to do, that haven't been done unfortunately – I mentioned one tax incentive. Reduce the tax charge for input costs for energy: electricity, natural gas, and fuel. If you've got something that takes a lot of energy input, perhaps we need to give those manufacturers a little bit of a break. Perhaps tax credits for small manufacturing operations; for example, as proposed by the Electronic Industry Association of Alberta. We need to develop small-sized products. One of the neat things, for example, at Chembiomed: they produce a small little product that is smaller than the size of a can of soup; very cheap, easy to transport. One of the problems we've got in Alberta: we only have two and a half million people. We've got to get enough companies producing enough product to send it off someplace where our transportation costs aren't the deciding factor. Chembiomed could be a terrific example of a company that could really go ahead and market right around the world a product that would help the lives of countless people. So, tax breaks, rebates on electrical consumption.

One of the things that I've raised before, and perhaps this ties back: we've got something in this province called the Alberta Opportunity Company, and they proudly proclaim themselves as a lender of last resort. Well, you know, that really disagrees with what some businesspeople are saying. They are saying that government should be the last to get in; they shouldn't be the first to jump in, as in the case with AOC sometimes. Sometimes AOC is the first one in to back up companies. Well, that's not the way to go. They should be the last ones to get involved. So I think we've got to review the role of both the Alberta Opportunity Company and the Treasury Branches. Maybe those two can be combined and streamline some costs there of common overhead, of buildings, of office staff, and so forth.

Some of the things that could happen. We've got to raise some money; there's no doubt about it. One of the problems is: how do we in this province as Albertans, not as a government but as Albertans, produce money, create money for these different projects that need to go ahead? Well, one of the things that's going on – and I'm surprised that this government hasn't picked up on it, because their Conservative pals over in Saskatchewan have – is the concept, call it municipal bonds or call it community bonds, wherein the local community says: "Okay; here's a project. We're going to go to the community, and we're going to ask the community to back this project in particular. We're going to sell shares in it just like anything else." The community decides either yes or no. You don't have the government making the decision on behalf of the people whether to back a company; the people themselves make the decision, and the people go out and invest in it just as they might invest in anything else.

So there are some solutions. There are some ways that we can make, I think, steps in the right direction. I think we need to pick targets. Again, if I can refer to that article that I mentioned earlier from the Canadian Manufacturers' Association, they too offer a solution, one of many, and their solution is this:

Develop provincial manufacturing centres of excellence similar to those created nationally. This will allow Alberta's post secondary

institutions to develop personnel and projects tied into the industrial sector.

In summing up, Mr. Speaker, I think we have to look at our strengths. We've got some terrific strengths in our postsecondary advanced education institutions. We've got some people with terrific ideas in those areas. We need to take those ideas to the marketplace, and we need to produce products that will bring Alberta into the forefront not only in Canada, not only in North America but worldwide, and set those targets. I think if we do that, Alberta will be better off in the long run.

I look forward to comments from other members as they discuss this important topic.

MR. BRADLEY: Mr. Speaker, I appreciate the opportunity this afternoon to participate in this debate by the hon. Member for Calgary-North West regarding the diversification of this province. I congratulate him on the several announcements and pronouncements he made in terms of successful examples of diversification in the province, which show in fact that our diversification strategy is working. Some of the remarks of the hon. member I don't believe had much relevance to the framework of the motion which he's put forward. In some cases there was outright misinterpretation of the fact.

I should bring the hon. member's attention back to 1986 when the economy of this province was flat. We had seen our economy and our budget based on \$40 a barrel oil, and the price of oil dropped to \$10 a barrel. We had a 30 percent drop in oil revenues of the government of Alberta. We had low grain prices. We were in a fistfight at that point in time to expand and diversify our economy and build on some of the initiatives that had taken place. I think that when you look at what has been done over that period of time, compare the economy of this province in 1985 to where it is today, that is a very strong argument in favour of the success of the diversification strategy of this province.

In 1986 our Premier outlined diversification strategies in the area of forestry, tourism, and technology. Where we are today proves that we have been successful in those efforts. On top of all those difficulties we've had over that period from '85 to '86, we have balanced the budget this year in a very measured way, bringing us to a balanced budget recognizing the needs of Albertans, not like our socialist friends in Ontario who brought in just an incredibly inflationary budget, which is wrong for Canada and is moving in the wrong direction in terms of where governments across the world are going.

4:00

The hon. member talked about our loan guarantee programs. He had a long list of loan guarantees with which he suggested there had been problems. He forgot to put into his remarks that there are also assets involved in these loan guarantees which one must factor into any balancing of where these loan guarantees are. One of the very successful loan guarantee programs we have is the export loan guarantee, which has really been one of the engines in the diversification of this province in terms of moving product out of this province. That export loan guarantee program: a 97 percent success rate, Mr. Speaker, and in terms of all the loan guarantees to the end of this fiscal year, March 1991, we've had overall a 95 percent success rate in the guarantees by this government in the various areas when you include the small business programs and the agricultural programs.

Small business was a \$1.15 billion loan guarantee program. I don't hear the hon. members talking about that very successful

program which has had fixed interest rates for our small businesses. We had the very successful agricultural program, the farm stability program: a \$2.5 billion loan guarantee program to the farmers of this province, which has been very successful; also, our very successful student loan programs, which are loan guarantees to our students. So when the members opposite in the opposition attack our loan guarantee programs, they have to remember the very important success rate and what this has done for small business, for agriculture, and for students in this province.

Mr. Speaker, I want to also comment on what the hon. member said with regard to our forestry initiatives, suggesting that because of the forestry developments in the province there's going to be a net job loss to the tourism industry. Well, in my judgment and having visited those parts of the province where the forestry industry is active and knowing how forestry industry activities take place over a very long period of time in terms of the cutting practices, I don't think there has been that impact on the tourism industry. I look at my own area of the province where logging has been going on since before the turn of the century, and we still have a very healthy tourism industry in my region of the province. We've had forest fires down there which have devastated parts of the forested area; we've had a very large percentage of that area which has been cut over that period of time. I can show photographs of my community with not a single tree in the backdrop of the Crowsnest Pass. Trees regenerate themselves, and in terms of this forestry industry, it is adding jobs to the economy of the province. In fact, it may have a positive impact on the tourism industry in terms of developing infrastructures through roads in providing access to some of the beautiful parts of this province where access had been denied before. If you go out to the Eastern Slopes, out in the Hinton area or down in my area, there is significant access for tourists and they enjoy that infrastructure that has been put in.

Mr. Speaker, I wanted to also talk about the specifics of the motion, because it seems to suggest that somehow the government should target industries to specific centres. I think that should really be left to local decision-makers. I think they are better placed to decide what industry they want to have in their communities than government somehow targeting these centres with specific industries. Another concern I would have would be that in terms of doing that, you create a vulnerability in those communities on the basis of a single-industry town. We have communities in this province that are trying to get away from a single industry and broaden their economic base. I think a better strategy is to provide those opportunities to all Alberta centres so they can broaden their economic bases.

The member said we should build on strengths, and I agree with him there. That is certainly something we should do, and I come back also to the fact that government shouldn't be directing the private sector as to where they should locate. We should create a climate in the province which is attractive to the private sector, but we shouldn't be telling the private sector to locate in this community or that community. I think that the private sector, in conjunction with those local communities, is best able to make those decisions.

[Mr. Jonson in the Chair]

What government can do is provide infrastructure, a taxation regime that is attractive to the private sector. We can continue to have a market-driven free enterprise philosophy in this province. We can identify market opportunities in other parts

of the world, which is a very important part of what our foreign offices are doing, which the NDP opposition wants to shut down. That would be just a terrible mistake, because our opportunity in the world, in a global economy is to get out there and identify those opportunities, provide our businesses, our industries, with a window on the rest of the world and a system into getting into those other marketplaces in the broader perspective, in the Far East and Europe and other places. That's where the opportunity for this province is. We couldn't as a province depend on just the Alberta marketplace for the products we produce or even the Canadian marketplace or even just the North American marketplace. We must look worldwide. That's one of the very positive things this government is doing in terms of our trade offices in various parts of the world, and it would be an absolute calamity, Mr. Speaker, if we were to shut down those offices as suggested by the NDP opposition.

Mr. Speaker, I wanted to get into some other specifics in terms of some of the things we are doing. I should say that in terms of the member's motion, I think perhaps he read our Speech from the Throne and then put in his motion in terms of one aspect of it, because the Speech from the Throne says we are going to establish a conference on the economy to review and renew our economic plan for the next decade. So perhaps the member has taken part of his motion from our government plans: we believe something we should be doing on an ongoing basis is review where we are.

Let's talk about where Alberta is. The rest of Canada is in a recession, and the Alberta economy is growing. That's right; it's growing, Mr. Speaker, and compared to five years ago, Alberta is stronger and more diversified than ever before in our province's history.

We just have to look at the current economic outlook. It doesn't come from the Alberta government itself. It comes from others, whether it's from the Conference Board of Canada, the Investment Dealers Association. The recent report of the Toronto Dominion Bank says that Alberta's economy in 1991 is going to be the jewel, the gem in Canada. We're going to have 1.5 percent to 2 percent increase in the gross domestic product in this province, while the rest of the country is in a recession with a minus 1 percent decrease in the GDP.

What does the Investment Dealers Association of Canada say about Alberta? It says:

In comparative terms, Alberta's investment performance ranks in the top two provinces in Canada and, for the third consecutive year, investment spending per capita is the highest in the country. It also goes on to say:

Real economic growth will average 2.5 percent in this year, more than double the national rate.

What are some of the other things that the Investment Dealers Association says? It praises us for the way we've managed our budget, Mr. Speaker. It says:

The rate of growth in Alberta program spending averaged 1.8 percent in the past five fiscal years, well below the rate of growth for all provinces and one-half the rate of growth in federal program spending in the corresponding period.

Compare that to the NDP government in Ontario, which has a 13.5 percent increase in spending in their budget and a very significant deficit.

The Investment Dealers Association goes on to say:

Alberta is better positioned than most Canadian provinces to weather the coming downturn in economic activity. The rate of growth in business investment in Alberta will outperform business spending growth in almost every region in the country and, in per capita terms, lead the country for the third consecutive year. Steady investment in the energy, forestry and utilities sectors will contribute to buoyant real growth, averaging 2.5 percent, more

than double the national rate, and continued job creation. Strengthening oil and gas markets provide the catalyst for further investment gains next year.

A well-managed deficit reduction program over the past five years, emphasizing expenditure restraint, has strengthened the province's fiscal position. It has also enabled the province to build the most competitive provincial tax system in the country for investment and economic growth.

"The most competitive provincial tax system in the country for investment and economic growth": wasn't that, a competitive tax position, what the hon. member was talking about? Certainly it is recognized that we have that here in this province by the Investment Dealers Association of Canada.

4:10

They go on to say:

The 1990s will be a decade of growing economic prosperity in Alberta, reflecting improving energy economics and benefits from continued diversification of the economy.

So, Mr. Speaker, our growth is going to be steady despite low world energy and grain prices, and the growth of the Alberta economy will continue to be investment-led. Currently there is more than \$24 billion in major industrial projects announced, planned, or under construction in Alberta. Capital investment will continue to make a strong contribution to our long-term growth, investments in forest products, manufacturing, advanced technologies and services. These investments will come not because Alberta has a huge domestic market. As I said, we don't. It's because of our international focus and looking to the rest of the world. Alberta companies now export to over 150 countries around the globe. Just last year, Mr. Speaker, Alberta exports broke all records: over \$17 billion in international sales were realized. That was an increase of 19 percent over the previous year. Seventeen billion dollars of goods and services, not just raw commodities, and there are examples of processed goods. Actually, our exports of processed goods were greater than our exports of grains and oilseeds. Producers of processed meats, cooking oils, jams, cookies, mustards, and other food products ran up more than \$4.5 billion in sales in 1990.

I've talked about our export loan guarantee program. It may have backed some risky ventures, but I'm sure that those, Mr. Speaker, were on the very small side of the scale. I've never heard of a business venture that you could proceed with that didn't have some risks, and in the case of the export loan guarantee program those risks were justified and they paid off for Alberta. I've said that we've achieved a 97 percent success rate in the export loan guarantee program. Of more than 260 guarantees issued to date just 3 percent of the value of the guarantees issued have resulted in a loss. I'll bet banks don't enjoy that kind of success with their loan portfolios.

In recent discussions when the president of Finland was over here last year, Mr. Speaker, talking about how they go about diversifying their economy – they have about 5 million people, and the size of their country is similar to Alberta's – they think they're being very successful when they have something in the order of an 85 percent success rate in their guarantee programs. So that's very interesting compared to where we are.

In terms of the orders that have been filled, those export loan guarantees have created 14,000 jobs in this province since the start of that program, so that's another example of diversification in this province.

Let's look at where Alberta stands in terms of Canada. Our unemployment rate in March was 7.7 percent. It's the second lowest unemployment rate in Canada. Let's look at where we are in terms of job creation. Ontario has lost in the last 16

months 143,000 jobs, Quebec has lost in the last 12 months 46,000 manufacturing jobs, and the recent stats here for Alberta show that jobs will be increasing in Alberta in the future.

MR. WEISS: Positive net migration.

MR. BRADLEY: As the Minister of Career Development and Employment has just reminded me, we are having net migration into this province at this point in time.

Since 1985 more than 107,000 new jobs have been created in this province, virtually all of them outside of the energy and agriculture sectors.

In the forest products and manufacturing areas there are some great and exciting things happening in Alberta. We have provided some incentives, but that has led to almost \$4 billion in investments in forestry development projects. That achievement alone is tremendous, but these developments have encouraged other peripheral manufacturers to set up shop in Alberta. A number of chemical companies are constructing environmentally safe sodium chloride and hydrogen peroxide plants with an approximate value of \$275 million in order to supply the new pulp and paper mills. Manufacturers like these are becoming major players in Alberta's economy. Last year manufacturing investment reached \$2.4 billion, an increase of 10 percent over 1989. In the last five years this sector has shown continued and impressive growth because our government went out and courted companies like Dow, Neste Oy, and Union Carbide. We demonstrated to them that this government would support them, that we would find the infrastructure they needed to operate, that there would be trained people to work in their plants in Alberta, and they were sold on Alberta.

Mr. Speaker, Alberta is a land of opportunity. I've talked about where the oil and gas sector has been. If you talk about diversification, here's a really startling fact: while investment in the oil and gas sector has remained relatively unchanged, amounting to \$3.9 billion in 1986 compared to \$4 billion in 1990, investment in all other sectors nearly doubled to \$11 billion over the same period. So we were doubling in the other sectors of the province from '86 to now with the oil and gas sector basically flat.

Let's look at some of the other things we have done in this province in terms of providing opportunities for the economy in diversification. The tax regime in this province: the lowest tax regime in Canada. We have no provincial sales tax. I've talked about the unemployment rate, one of the lowest in Canada. Let's look at housing starts in the last year. In 1990 housing starts dropped in every province but two in Canada. They increased by 4 percent in Nova Scotia and by 20 percent in Alberta.

MR. DAY: How many percent?

MR. BRADLEY: Twenty percent in Alberta in the previous year.

Let's look at per capita investment. We have the highest per capita investment of any province in the country. Now, that's got to speak to what we've been doing as a government in terms of diversifying the economy: 20 percent higher per capita investment in Alberta than the next closest province, British Columbia; \$17 billion of investment last year in this province.

Let's look at job creation: 18,000 new businesses started in Alberta. That's the highest creation of new business in this province since 1981. I've talked about where our growth rate is going in terms of 1.5 percent growth in the economy to 2.5

percent growth. Business investment outside the energy sector in 1991 will be 80 percent higher than in 1985. It's very significant.

Let's look at percentage investment in terms of gross domestic product. Japan, one of the leading industrial countries in the world, had 18 percent of their gross domestic product invested back into their economy in the previous year. Alberta's was at 17 percent, very close to the type of investment back into an economy that Japan has, whereas Canada's was at 13 percent and the United States' was at 12 percent.

Let's look at some of the other statistics, Mr. Speaker, that are taking place here. A number of these I've mentioned. We have the highest proportion of our working population employed in this province, which is very significant, compared to other provinces. Albertans want to get out there and contribute and work, and we have the highest proportion of people working in our economy. One of the other things we have here in terms of attracting investment is our very stable labour negotiation market. In 1990 Alberta lost only 5.9 person-days per 10,000 days' work during the first six months of 1990 whereas the national average lost days per 10,000 days' work was 14.85: significantly lower than what was taking place in the rest of the country, and that's due to our stable labour negotiation market.

We have the most educated work force in Canada, Mr. Speaker. That's another asset we have because of the investment we have made in terms of the universities, colleges, and technical institutes in the province. Twenty-nine point two percent of our population over 15 have a university or college degree, compared to 26.1 percent which is the national average. We spend more on basic and postsecondary education than any other province when you combine those two areas. In 1990-91 and this year our budget for Advanced Education exceeded \$1 billion. We have some of the best research universities in Canada. On a per capita basis the Alberta government invests more on research and development than any other province: more than \$1.6 billion since 1983.

When we look at our agricultural areas, Mr. Speaker, Alberta farmers have the lowest input costs of any farm population in Canada, which has been of great assistance to our agricultural community, particularly during these very difficult times. We've had a number of programs in place to assist in terms of the development of the rural areas of the province. We've had a policy of balanced growth and providing infrastructure into our rural communities through enhanced road networks, our hospitals, our telephone systems, recreation investments, our infrastructure in sewer and water. All these types of investments providing that type of infrastructure in rural Alberta are very important to the diversification of the economy. When companies come to Alberta to look where they can locate, they go out into our rural communities. Every community in the province has access to first-class services whether it be health care, whether it be municipal water supplies, sewage treatment infrastructure.

One of the very important things in terms of accessing rural Alberta in economic development and growth is access to markets, and we have provided a network of primary highways. When we announced in 1989 that we were going to enhance that as one of those basic infrastructure needs of the rural parts of this province, a commitment to see our secondary roads in the province paved by the end of the century, the opposition opposed that, but that infrastructure, providing those paved roads, is very important to the economic development of rural Alberta so we can get those products and goods which are

produced there to the marketplace. That's a very important part of our infrastructure commitment to rural Alberta.

#### 4:20

The individual line service program which the government has put forward through the Heritage Savings Trust Fund is going to provide necessary private line service for businesses and individuals in rural Alberta so they can hook up to high technology, whether it be fax machines, modems, or other business systems. Having those private lines is going to be very important in terms of diversification in the province, because really in the new world and global economic environment it's not so important anymore that you have to be located in a major centre. When you have that access to telecommunications, you can be linked up with any part of the world, and that individual line service is going to provide that to rural Albertans, which is very important in terms of the infrastructure which we supply.

I've talked about the forestry sector and the amount of investments taking place here in this province with the Al-Pac project going ahead. In terms of the expansion of the forestry industry it's going to create an additional 12,000 jobs in this province.

MR. DAY: How many jobs?

MR. BRADLEY: Twelve thousand jobs; another example of diversification.

We've had investments in the Husky Oil upgrader, a \$1.4 billion upgrader, which again is an investment in infrastructure which is going to have a significant impact on the heavy oil industry in Alberta and in Canada. Without that type of project going forward, we wouldn't have this diversification away from conventional oil which is so important in terms of where we're headed. We've had an investment in the southwest Alberta renewable energy initiative down in my area of the province, which is again looking to the future and looking at different types of energy infrastructure for the country.

The Swan Hills waste treatment centre. We've heard in question period today members speaking about that facility and suggesting that perhaps too much money has been spent on it, but that is a very important infrastructure investment and decision by the province of Alberta in terms of the industrial future of Alberta. There is no other province in Canada that has an integrated waste treatment facility like we have here in Alberta at Swan Hills, and that is going to provide to Alberta significant opportunities in terms of industrial location: the fact that we are able to clean up any of the effluents or hazardous materials that might come out of industrial generation in this province. So that's very significant in terms of diversification.

Now let's talk about some of the other infrastructure things we've put in place in this province. The hon. member talked about biomedical research that was taking place in Edmonton. I didn't hear him mention the \$300 million investment out of the Alberta Heritage Savings Trust Fund for the Alberta Heritage Foundation for Medical Research, which is a major investment by this government in a technology area which is providing benefits today to this province in terms of diversification. It's the single largest pool of medical research money in Canada, perhaps North America. It's making things happen here. Whether it be in the area of breakthroughs in diabetes treatment or in terms of new breakthroughs that have just been announced in the area of reducing blood pressure, this comes from an investment in infrastructure and a decision by this government to assist in the diversification of this province.

Mr. Speaker, I could turn to a number of other areas in terms of infrastructure, and perhaps I should. In terms of tourism, another thrust of our government in terms of looking at tourism being a major growth area in terms of diversification – what have we done in terms of infrastructure in that area? It's just significant over the past number of years, the number of investments by this province that have expanded the tourism infrastructure and the programs of the Minister of Tourism since 1986. Some of the infrastructure, the things that we've put in place: the Tyrrell Museum of Palaeontology, a world-class facility visited by 500,000 people annually; the Head-Smashed-In Buffalo Jump centre down by Fort Macleod; the Frank Slide Interpretive Centre in my constituency; the Oil Sands Interpretive Centre in Fort McMurray; and the Remington Carriage collection, which is going to be opened in Cardston. That is going to be a world-class centre which is going to attract people to southwestern Alberta.

Look at the investment in terms of the Olympic facilities that were put in place. What an advertisement that has been for our province on a worldwide basis, the impact of that in terms of bringing people to Alberta and also making Alberta and Calgary a venue known worldwide. The Canmore Nordic Centre, a legacy of that Olympic investment which is going to be there for years to come, the investment in the provincial parks infrastructure we have across the province, and then of course Kananaskis Country are all things that we have done investing in infrastructure in this province, which I believe is tourism infrastructure which has created jobs in the province and is creating that type of critical mass of attractions besides the spectacular scenery we have in the Rocky Mountains in Alberta. We are diversifying the tourism opportunities throughout Alberta. The very positive programs of the Minister of Tourism: the community tourism action program and his Team Tourism advertising program – all of those, Mr. Speaker, are going full thrust towards diversification of our province. I could go on and on, but there are some other areas.

[Mr. Deputy Speaker in the Chair]

In the technology area, Mr. Speaker, what we have done in terms of infrastructure, which the hon. member has been emphasizing – I've mentioned the Heritage Foundation for Medical Research. We have the Alberta Research Council, which I'm chairman of, which is the largest and oldest provincial research organization in Canada and which has played a very significant role in assisting Alberta industry, particularly small business, in their goals in achieving their economic future.

The hon. member mentioned what was happening up in Fort McMurray. Well, the Alberta Oil Sands Technology and Research Authority, Mr. Speaker, has been a very significant investment by this province in our resources and in the diversification of the Alberta economy. As we see our conventional oil decline, we're going to have to look at the heavy oil and the oil sands to replace that. AOSTRA has been a very important instrument in terms of achieving that diversification away from conventional oil.

We have the Coal Research Centre, which was established at Devon, which is doing significant things in terms of looking at ways to upgrade our vast coal resources and develop clean coal technology, which is going to be very important in terms of the future of the coal energy industry of our province.

We set up a number of technology institutions: the Alberta Laser Institute, a centre of excellence; the Alberta Microelectronic Centre, a centre of excellence; the Alberta Telecommuni-

cations Research Centre, a centre of excellence. The Vegreville environmental centre, Mr. Speaker, is the only multidisciplinary environmental research centre in the world.

Thank you, Mr. Speaker.

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

MR. McEACHERN: Yes. Thank you, Mr. Speaker. Of course I had a number of comments to make on this very good motion brought forward by the Member for Calgary-North West, but I guess I've only got almost a couple of seconds because the minister before took all his 30 minutes, even though earlier he was last on his feet in terms of who should speak next.

I guess I would just rebut a couple of points the Member for Pincher Creek-Crowsnest made. He said that the government has a balanced budget. It doesn't have a balanced budget. There'll be at least a billion dollar deficit in this fiscal year when the books are all in, because the government has overestimated its revenues. Last year they said they had a billion dollar deficit; they will have a \$2 billion deficit. All they've got to do is look on page 38 of the Treasurer's own budget speech and learn how to read it.

It is true that the government has done some things right, but with the amount of money they have had to throw around, they should well have been able to do as much as they did. As to Ontario, they are in much the same position . . .

MR. DEPUTY SPEAKER: Order please, hon. member. The Chair regrets to interrupt the hon. member, but pursuant to Standing Order 8(3) we are required to move to the next order of business.

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

4:30

#### **Bill 206 Children's Rights Act**

MS MJOLSNESS: Mr. Speaker, it is my pleasure today to have an opportunity in this Assembly to speak to Bill 206, the Children's Rights Act. On May 28, 1990, Canada signed the United Nations Convention on the Rights of the Child with the intention of ratifying the convention in consultation with the provinces and the territories. This means that provincial and federal legislation and policy must be reviewed and then the necessary changes made to bring their legislation in line with the principles outlined in the convention. This is a very important process. My understanding is that there are three provinces that need to make some changes to some legislation, and then I'm sure that all provinces and territories will be signing.

The city of Calgary has sponsored a motion in support of the province ratifying the convention, and I'm under the understanding that the city of Edmonton is also looking at sponsoring such a motion. This is very encouraging, Mr. Speaker. It's important that all the provinces and the territories sign the convention in order that it be ratified. But anyone can sign a document; what is crucial is the commitment and the conviction that goes with signing such a document. A strong conviction towards the well-being of children I believe is absolutely imperative if signing the convention for the rights of the child is to mean anything at all. I say this because without a true commitment, I believe that the process is absolutely meaningless.



I would like to give an example of what the United States did during the World Summit for Children in New York at the United Nations in September of 1990. The President of the United States at the world summit promised to do his utmost for children and save them from poverty and disease and vowed never to turn away from these children. But within hours of this heartwrenching speech the president signed a budget that cut child welfare funding, cut education and health programs, and cut social spending on programs in the United States. So much for caring for their nation's children; they were absolutely empty words, Mr. Speaker. The United States, by the way, also refused to sign the convention, whereas Canada has. But again I caution, because anyone can sign a document. Although Canada has signed, the federal government, like the United States, has implemented cutbacks to many of the social programs throughout this country that affect children.

Now, Mr. Speaker, we have seen in this country with the Conservative federal government an end to the universality of family allowance. We have seen cuts to transfer payments to provinces, and Alberta certainly has been a victim of this. These cuts in transfer payments have amounted to losses of millions and millions of dollars and certainly have affected many programs that would directly or indirectly affect children. I flag this because I believe that this is a very important consideration when speaking about the convention. We need a true commitment from governments, not just the formalities or the speeches.

At the national level we need to ratify the United Nations Convention on the Rights of the Child. Bill 206, Mr. Speaker, is modeled on the principles found in the United Nations convention but is intended to be focused at a provincial level and at this particular provincial government. My colleagues in the Official Opposition and myself – in fact, my colleagues long before I was even in this Legislature – supported a bill of rights for children, because we feel that we must make a strong commitment to children at all levels of government.

Mr. Speaker, this Bill is not redundant, as I'm sure the government will claim. As provincial legislators I believe we must endorse our own bill of rights at a provincial level in order to solidify and strengthen our support towards children. This is exactly what this Bill does. It recognizes that children are not a personal piece of property and that they have certain rights within our society. This Bill, if adopted, I believe – and I will use Conservative language – would strengthen children, would strengthen families, and would strengthen the society in which we live.

This Bill does recognize, however, that children do not live in isolation. Many children, certainly not all children, Mr. Speaker, do live with their parents, and section 3 of the Bill reads:

Nothing in this Act shall limit the responsibilities, rights, and duties of parents to provide appropriate direction and guidance in the exercise by the child of the rights recognized in this Act.

This section acknowledges the responsibilities, rights, and duties of parents, so any remarks made today certainly are in the context of that.

The Bill states that every child has the right to such things as education, food, clothing, and housing, the right to be free of poverty, the right to a high standard of mental and physical health, the right to be protected from abuse in any form, the right to be protected from economic exploitation. Mr. Speaker, those are just a few of the areas in the Bill. There are many other areas that we have identified that we think are important.

Mr. Speaker, during previous debate in the Legislature on the children's bill of rights, the government member who spoke stated repeatedly that the government is already addressing the

needs of children not only in Alberta but, of course, around the world, so such a Bill is not necessary. This was the argument that was given. It always amazes me how this government claims to be the world saviours of everything, whether it be jobs, children, or whatever, and of course we know that that's not true. As a matter of fact, it was illustrated very clearly today in the House, I believe, when the government showed no concern over job losses in this province and just continued to talk about how wonderful everything is. When it comes to children, we know that there are many issues that need to be addressed if their needs are going to be met in this province.

Mr. Speaker, since the debate took place a year ago, not very much has changed. Now, I know that the Minister of Labour has stated publicly that most of Alberta's laws, policies, and programs reflect the desire to do what's best for children. I would take great exception to that statement. We have numerous issues that affect the well-being of children in this province, and they're going unaddressed at this time. All of us in this Assembly can identify issues, I'm sure, that need to be addressed when it comes to children, but the Official Opposition in the fall of 1990 decided to travel throughout the province to reach out to the public and get input on what these issues are. We can identify some, but we wanted to go out to the communities and see exactly what they had to say and what they felt the issues were.

We went out on a leader's task force, which was called Healthy Children for a Healthy Future, because that is exactly what we are dealing with. The health of our children determines what kind of a future we will enjoy and what kind of a future they will enjoy. The responses were absolutely overwhelming in every community that we went to. We went to many communities across the province, I might add. We had hundreds of written submissions and presentations given to the task force. We certainly didn't get to every single area of the province that we would have liked to have. Certainly this is something that we would look to do in the future and is something that certainly the government hasn't done, hasn't even attempted to do, Mr. Speaker. A variety of issues and concerns were identified and discussed, and we were able to release a report in March of this year which was a direct result of the presentations and the submissions that we were given. We had 44 recommendations in the report, very good recommendations I might add, based on the information that we were given.

Mr. Speaker, the initial discussion paper was modeled on the United Nations Convention on the Rights of the Child and certainly was the focus of many of the presentations that we received. Now, I certainly can't go into all of the issues that were addressed in our task force hearings, but I hopefully have time today to go into four areas. Some of the major areas that we heard about in the task force were the issue of poverty and its effects on children, children's mental health and the lack of services, the child welfare system and the erosion of services in that area, and child care in this province.

#### 4:40

As many of the members in the Assembly have heard before – and will keep hearing again because we need to keep repeating issues in this Assembly with the hopes that maybe something will be done – there is the whole area of poverty. Thousands of children growing up in this great province of ours are living in poverty. The last figures that I have are from *Alberta Facts*, put out by the Edmonton Social Planning Council in 1989, which states that 93,000 children are living in poverty in Alberta. The long-term effects on these children are absolutely horrendous.

The negative effects felt by children growing up in poverty have been well documented by a variety of groups. One such group, the Canadian Teachers' Federation, in their document entitled *Children, Schools, and Poverty*, put out in June of 1989, points out that children from low-income families are more likely to experience hunger, experience behaviour problems, experience low self-esteem. Many experience less motivation to learn, delayed cognitive development, lower achievement, lower career aspirations and expectations, interrupted school attendance, higher dropout rates – and certainly if you are from native background, the dropout rate is even higher – and there's a direct correlation between poverty and health.

More children from low-income families enter the child welfare system; as a matter of fact, at 10 times the rate that other children do, which is fairly significant, Mr. Speaker. It's easy to see the severe, negative long-term effects and implications that poverty has on children. It's absolutely alarming. I'm sure that most of us must by now recognize that this is a serious problem.

Mr. Speaker, it should be easy to realize that the longer we ignore the needs of these children, the more we will pay both in human costs and in economic terms. We cannot afford to wait and hope that the problem will go away; it will not. We must act now, because it is now that these children are developing and growing and it is now that they need and deserve our support.

Mr. Speaker, in Bill 206, section 4, it says:

Every child has

- (a) the right to be free of poverty and the right to food, clothing, housing, and a standard of living that encourages the child's development.

Mr. Speaker, this section means that the current situation in Alberta would no longer be acceptable because, as I've said, currently thousands of Alberta children are growing up in situations which mean that they will never be given the opportunity to reach the potential with which they were born, and that's a sad statement to make in this great province of ours.

There are solutions, however. Families need adequate incomes, which is fairly obvious. We need increases to social assistance. We need pay equity legislation because of the fact, as most members are familiar, that a lot of the single-headed households are headed by women, and those families are very poor. Mr. Speaker, we need to look at increases to the minimum wage, better maintenance enforcement. We need to look at preschool development programs to help these children, school snack programs, early intervention programs to identify potential problems with children that might have delays.

All of these suggestions and solutions were presented to us during our task force hearings, and I would encourage the government members across the way to go out and start listening to their communities, because they will be told exactly the same things that we were told in our task force if they care to go out and listen and get input, Mr. Speaker.

Mr. Speaker, we currently have 29 food banks across this province, and that is absolutely shameful. I know that of all the people that go and are fed by those food banks, 50 percent are children. What kinds of effects does that have on children, when they're malnourished? If any of us in this Assembly feel that current policies and legislation in this province are dealing with children that are growing up in poverty, then I suggest that they think again, because the problem is very real and it's very serious.

Children's mental health, Mr. Speaker, is again another area that was talked about a lot during the task force hearings. This is an area that desperately needs to be addressed. Of all the

issues that I've dealt with as an MLA, issues regarding children's mental health are probably the most frustrating and the most difficult that I've ever had to deal with. In this province where does a child go if they are depressed and they are suicidal? Where do they go? Where does a family go for help if their child has a severe behaviour problem and they cannot control that child anymore? Where does a child go if they are in need of therapy after sexual abuse by someone outside their family? There's no place to go. Where does a child go if they have been sexually abused by someone within their family and need more than 10 hours of therapy? We've moved to a fee for service for that now, Mr. Speaker. Why does a family have to give up custody of their child to child welfare in order to get help for that child who suffers from a mental illness? Currently in the province families have got to give up custody of that child; absolutely shameful. If a child is in the care of child welfare and has a serious mental disorder and may be suicidal, for example, where does the social worker go to get therapy for that child, or where does the foster parent go? They get put on a waiting list is basically what happens.

Section 4(f) in Bill 206 states that the child has

the right to be protected from abuse in any form, including

- (i) physical abuse including corporal punishment, emotional abuse or sexual abuse,

and goes on to talk about neglect. Currently in this province children are being denied mental health services. Section 4(f) would guarantee the right to those services for these children; very important, Mr. Speaker.

In 1989 the Official Opposition recognized some of the needs of these children suffering from mental illness and put out at that time a four-part strategy that we felt would deal with a lot of the problems and the lack of services. One of the things we called for at that time was immediate crisis intervention, again something that we heard over and over again in our task force. It needs to be available on a 24-hour basis. Single point of entry so that children can get assessment and can be referred to the proper services: very important. In-home support so that these children can remain at home if their parents can care for them there: another very important point. We need community based treatment centres, Mr. Speaker, staffed by trained, qualified workers. None of this has happened.

When it comes to children and mental health, they are still being denied services. What the government has done, and I must give them credit for this, is issue reports and studies and document all kinds of things, but we haven't seen any action, so that remains a serious concern. Just recently there was a report released that goes through a lot of the problems and some of the solutions that are faced in the area of children's mental health. It's a report called *Let's Get on with It*. I would hope that the government seriously takes a look at this and starts implementing some of the recommendations in this report. It goes on to name and identify many problems, Mr. Speaker, and then also identifies some of the solutions. So what we need is a commitment by the government to address the area of children's mental health.

Mr. Speaker, again I say that during our task force hearings we heard a lot about early intervention, a very, very necessary step. Early identification of these children has to be done if we're really serious about helping them and their families.

4:50

Mr. Speaker, the Child Welfare Act states that if you even suspect that abuse is taking place in some form or other, you must report it. That is stated in the Child Welfare Act, but in

reality what is happening is that you may report it, but an investigation will not be conducted. Why? It boils down to the fact that social workers do not have the time to make the investigations. What we have are people in the field, teachers and people that work in advocacy roles for children, who have just simply given up on even reporting the calls because they know they will not get any action. As someone who works with adolescents in a nonprofit agency said to me the other day, a child has to be, well, almost dead before you'll get any action because the social workers just cannot do the work that they have been given the responsibility to do. Of course, this is very worrisome.

We have children who come into care who are being placed in group homes run in this province by businesses, by for-profit companies. We have no standards in the province that have been developed by this government to ensure quality of care for these disturbed children, not in group homes and not in foster homes. The bottom line in this province now is that dollars determine the quality of care. Dollars determine the care, period. There's no look at the quality; the dollar is the bottom line. There's a serious erosion of care throughout the child welfare system in this province, and children are the victims of this system and this government, Mr. Speaker. A foster parent once said to me that these children are badly abused and neglected when they come into the system, but just wait until they get into the system, and then you'll see what happens to them. They're even worse off. These are the kinds of statements that I think we need to pay attention to and address some of these issues.

Mr. Speaker, child care remains of very low quality in Alberta. Your child can be in day care in this province for five years and never come across a trained worker of any kind. We're now into the 1990s, and I would have thought that the government surely by now would have recognized the importance of high-quality child care for young children, because they are in their most vulnerable years. Obviously, they're slow learners, because we remain the only province in Canada to have no out-of-school care standards to ensure a high quality of care for children before and after school. Child care must be accessible, affordable, and of high quality if we truly want to support families, but this isn't being done, a very important area that I think we need to address.

Mr. Speaker, as I mentioned earlier, this Bill would protect children from corporal punishment, and I just must mention this because we are the only province in all of Canada that allows corporal punishment in day cares and in foster homes. This Bill would guarantee that children would not be subjected to corporal punishment. The government will say: well, this is just fine. But again we're far behind the other provinces when it comes to any type of progressive legislation in many areas.

Mr. Speaker, children remain a silent minority in our society. Politically, they are powerless because they cannot lobby and they cannot vote. Economically, they have absolutely no clout. Children are very vulnerable creatures and are dependent on us to guarantee their safety and their well-being. Their safety and well-being will never be guaranteed unless we make a concerted effort as legislators to achieve this.

I believe that Bill 206, the Children's Rights Act, is the first step in making a real, true commitment to children in this province and, of course, is a big step towards guaranteeing our children a healthy future and a healthy life right now. Mr. Speaker, I would urge all members of the Assembly to support this Bill, and I look forward to hearing some of the remarks that I know will be forthcoming from the government. Again

I would just like to reiterate that I believe that if we are to have a true commitment to children, it means more than just signing our name to a piece of paper; it's what happens after we sign. In real terms we will see what kinds of programs are implemented once we sign the declaration on the rights of the child from the United Nations.

Thank you.

MR. PAYNE: Mr. Speaker, the hon. Member for Edmonton-Calder has invited a government member to respond to her Bill, and I'm very pleased to respond to her kind invitation.

Mr. Speaker, at the outset I would like to indicate to you and to the sponsoring member that I have read the Bill more than once and have read it very carefully, so I think I am qualified, albeit in a limited way, to discuss her Bill. I might mention also, though, that I have read the Child Welfare Act with equal care. As a consequence of reading the Child Welfare Act and the Bill before us today, I am forced to observe that our existing legislation, that is to say the Child Welfare Act, is in fact a more effective tool, dare I say a much more effective tool, with which to protect the rights of Alberta children.

Let's be clear at the outset, Mr. Speaker, that this government has consistently supported the principles and the ideals espoused in Bill 206. I have no difficulty whatsoever with the ideals and principles of this Bill, with one or two modest exceptions, and I do want to make the point that this government, in various forms and in various legislative programs and in other funding initiatives, has consistently demonstrated support for those principles and ideals.

I couldn't help but notice, Mr. Speaker, that the Member for Edmonton-Calder on several occasions made what would appear to be somewhat partisan remarks, phrases like: there are many concerns going unaddressed. That was the kindest phrase; there were others that weren't quite so kind. In fact, if you took some of those observations that she made about her perceptions of inadequacies in this province, you'd get the impression that this is really a very dreadful place to raise kids. I would like to say, having raised all seven of mine in this province, that I can't imagine a finer place in the world than Alberta to raise your kids.

Now, Mr. Speaker, I would like to suggest that one of the better illustrations of our government's commitment to these principles that we're discussing today is in fact the Child Welfare Act. I think it's fairly responsible to suggest that our legislation in fact leads the nation in terms of legislative protection for children in an Act which for the most part is in keeping with the philosophy of the United Nations declaration to which the hon. member has referred several times today.

Because of the views that I hold with respect to the Child Welfare Act, I'd like to enumerate for the benefit of the sponsoring member and indeed for the other members in the Assembly today some of the more important and relevant features of the Child Welfare Act. I guess to make a summary statement, Mr. Speaker, the Child Welfare Act is based on a set of beliefs, beliefs about Alberta's children, families, the community, and how they interrelate, how they relate to each other. I was encouraged, frankly, to see in her Bill section 3, which provides that "nothing in this Act shall limit the responsibilities, rights, and duties of parents." I was certainly encouraged to see that, and I know that others of us in the House today would support that particular provision because most Albertans, frankly, believe that families and the community have the primary responsibility for the nurturing of children.

There is in some quarters a creeping tendency, Mr. Speaker, that concerns me, and that's the tendency to slough off to the state what I as a father or we as a family or we in fact as a community should unitedly do when it comes to the nurturing of our children. It's this belief, frankly, that has guided the evolution of the Child Welfare Act and the way that it has been implemented in our province. Now, we believe that a "system" that parents and the community offer to the child should provide all the child needs for survival, security, and development. While there is admittedly a role to be played by government in the rearing of children, this role must be of a secondary nature. It must be supportive; it must be encouraging to the actions of individuals, families, and the community.

5:00

Now, the Child Welfare Act, Mr. Speaker, obviously espouses the concept that children best realize their potential within a family. The family in all its forms is the basic setting where children receive nurture and care. The Child Welfare Act is based on the belief that children are best served by growing up in a family environment, and I think it's fair to say that most children living in Alberta today are growing up in an environment where adequate care, safety, and stimulation are provided, with liberal amounts of love and affection. These children receive all they need to develop a healthy sense of worth, acceptance, and social responsibility.

However, Mr. Speaker, sadly enough, there are times when a child's needs are not met, and I appreciate that that's one of the reasons why the Member for Edmonton-Calder has brought forward her private member's Bill. We recognize, all of us I'm sure, that there are times when a child's safety and development are at risk, and it's at these times that the role the government has to play in the rearing of children changes. It is at this time that the government becomes responsible for ensuring that a child has the best possible opportunity to develop normally in an environment free from fear and danger.

Now, when the government becomes obliged to intervene in the life of a family to protect a child, the Child Welfare Act is the legislative authority through which the Department of Family and Social Services operates. When it assumes this role, that department is governed by principles designed to decrease the trauma experienced by the child, while attempting to salvage, if possible, the integrity of the family involved. It is this least intrusive principle, Mr. Speaker, that's enabled Alberta to be, I believe, on the leading edge of child welfare services. It's the same principle which is currently being examined by several other Canadian provinces in the creation of their respective child welfare systems.

Mr. Speaker, the Child Welfare Act includes several "matters to be considered" which guide all child welfare work. These matters illustrate the main concerns of the government when providing protective services. We recognize that the child can and should participate in decisions made for that child in dealing with his or her welfare. The child by and large is valued as an individual in his or her own right. As well, we recognize that the heritage of the child must also be respected. Furthermore, we accept and recognize that the family is an important social institution. Finally, and of overall importance, we are governed by the precept to provide an effective remedy for the problem which places any child at risk.

In the context of this discussion today I think it'd be useful to discuss the Children's Advocate. The Child Welfare Act, of course, provides for this person, the Children's Advocate. His mandate is to advocate on behalf of children receiving protective

services in various ways. The advocate helps children in quite a list of ways, Mr. Speaker, and it might be useful for me to just quickly tick off some of those. First of all, he protects children's rights and interests. He ensures that children's viewpoints are considered. He ensures that governmental decisions are based on all available, relevant information. The Children's Advocate supports other individuals or groups who in turn advocate on behalf of children. He points out to the government problems in the services currently available for children, and I would hope that our government – indeed I would like to commit our government to respond positively to those problems when they're indicated or pointed out to us by the Children's Advocate. He receives mandatory and automatic notice of certain types of child cases and obviously, of course, works with the court and appeal court. Therefore, it is clear, Mr. Speaker, that the sections of Bill 206, sections 4(b)(iii) and (iv), that deal specifically with the child's right to consultation and the right to independent adult consultation and legal assistance are already provided for through the Children's Advocate. This is not a new notion, not a new concept. It's here on the books.

Now, Bill 206, Mr. Speaker, in addition to duplicating services currently offered through the Child Welfare Act, also duplicates relevant sections dealing with health, education, employment, and justice. Now, section 4(g) of Bill 206 calls for children

to be protected from economic exploitation in any form by the provision by government of

- (i) a minimum age of employment
- (ii) appropriate regulation of the hours and conditions of employment, and
- (iii) appropriate penalties to ensure the effective enforcement of this right.

Mr. Speaker, the Employment Standards Code clearly sets out regulations governing minors in the work force. Furthermore, it stipulates fines and penalties faced by employers who violate this important statute. Obviously, legislation is now on the books, and it prevents economic exploitation through child labour.

Bill 206's redundancy, Mr. Speaker, is equally evident in those sections dealing with a child's rights to justice. Now, without delving into specifics, suffice it to say that the Young Offenders Act guarantees that children are protected from unlawful detention and have the right to legal counsel. Now, in all fairness to those constituents, a growing number, who have written me or who have phoned me in the past three to six months on the Young Offenders Act, I have to say I'm sensing that they feel the pendulum perhaps has swung too far in the direction of protection of children's rights. In response to my question of why are you of such a view, they point with increasing frequency to what they feel is the equivalent of judicial wrist slaps that are simply not a deterrent – in no way do they appear to be a deterrent – to a repetition of the juvenile deeds that are being perpetrated upon citizens in my constituency.

Now, I have conveyed these concerns, Mr. Speaker, to the Attorney General, and I was gratified to learn that he and many of his provincial counterparts are indeed aware of these concerns in the community at large. They're aware of some operating discrepancies of our young offenders legislation. I understand that there's some frustration over getting their federal counterpart to respond in a timely way, but I'm encouraged that our Attorney General and other attorneys general are aware of these concerns and appear to be working in concert on them, and obviously I lend my personal support to their initiatives to make good young offenders legislation even better.

Now, Mr. Speaker, an educational note. In Alberta, of course, all children from age six through 16 are required by law to go to

school. The Alberta School Act ensures that upon his or her sixth birthday a child has right of access to education. Now, as far as payment for education is concerned, parents pay for education through an education tax levied on property owners. If they are not property owners, of course, their children are still required to attend school, and this system pays for all compulsory courses through to grade 12. Noncompulsory courses are paid for by parents at a nominal cost.

One of the more curious references in Bill 206, Mr. Speaker, is contained in section 4, wherein it says that every child has "the right to privacy at home." I'm asking the sponsoring member on this occasion today or perhaps on another occasion when we return to the Bill: is this really a very practical statutory consideration? I remember – it's not that long ago – as a parent in a family of nine in a house with three or four bedrooms, where every nook and cranny had to be put to valuable use. I just wonder how practical is this mandatory, statutory obligation to provide, by right, privacy to every child who insists on it in his or her home. It just strikes me as an impractical consideration, but there may very well be another perspective that would lead me to change my present, practical view.

#### 5:10

Now, in conclusion, Mr. Speaker, this government most certainly supports the spirit of Bill 206. However, in reality, Bill 206 will not have any real impact on the disadvantaged children of Alberta even if it were legislated. Why do I say that? Because the Children's Rights Act will not put food into a hungry child's mouth if a parent chooses not to provide that child with food. Similarly, it will not prevent an abusive parent from beating a child. Obviously, government legislation can't solve all the ills of the world or of the world's children. However, to the extent that legislation can help, children's rights are already protected here through our existing legislation. In view of this existing legislative protection and in view of Bill 206's impractical elements, with great regret I cannot support Bill 206.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I want to thank the Member for Edmonton-Calder for bringing forward this important Bill again this year. I note some changes in it from the previous Bill, and I think they are good changes, and I will, of course, once again support it.

Mr. Speaker, there has been an important series of events in the last year in our United Nations and in our nation related to the UN convention on children and Canada becoming a signatory. I'm pleased about that and hopeful from what I hear from the government that our own various pieces of legislation and programs will be brought into conformity as quickly as possible.

However, Mr. Speaker, I believe it's important to go beyond simply conforming and make a definitive statement as to our commitment in regard to children's rights. The care and safety of children is fundamental to a society of fairness and justice and tolerance, which we, I think, want to describe ourselves as. This government expresses concern on a frequent basis for the health of families of our province and for healthy family life. What better expression of that than a Bill that speaks to and protects the rights of children?

We all want to believe that programs in Alberta and legislation in Alberta regarding children are functional and that they are sufficient. The Member for Calgary-Fish Creek has spoken to the Child Welfare Act as being quite extensive, which it is,

and that it is satisfactory and that nothing else is needed. I don't agree with that, Mr. Speaker. I believe we are still deficient in what we can and should be doing for children. I think this Bill on the rights of children is a good first step in the process to ensure that everything we do, all programs in our province, whether they are those simply related to children who come under the Child Welfare Act or to children within the context of their family and community, is in their best interests. I think we need to legitimize our commitment in legislation.

Mr. Speaker, there are many ways in which children's lives can be protected and made safe. We in the Liberal caucus have spoken to this on a number of occasions in this House. Many of these ways can be undertaken with very modest cost but with immense returns, immense savings in both money and certainly in the quality of life of our families and children of the province. This Bill speaks to a number of the critical areas where program adjustments can occur.

Mr. Speaker, I'd like to draw to your attention and to the attention of members a number of very contemporary reports, four in all, that I would hope members will take to heart and will put some time into, because they all verify and reinforce the need for the Bill on children's rights.

One that I have that is just as recent as January of this year is the Senate report *Children in Poverty: Toward a Better Future*, an excellent document that contains some very good and important information. In the section on poverty, poor education, and low-wage jobs, it states that all too frequently poor children grow up to be poor adults. At least part of this process is attributable to the rates of school dropout among poor children and adolescents. Using current Stats Canada information, research undertaken for the committee projects that over the next 20 years approximately 187,000 students will leave school due to poverty. These high dropout rates will cost Canadians an estimated \$620 million in unemployment insurance, an additional \$710 million in social assistance payments. If these high dropout rates were eliminated, research estimates that federal and provincial income taxes would rise by \$7.2 billion and consumption taxes by \$1.15 billion. Finally, research indicates that incomes would be \$23 billion higher if poverty-induced dropouts had gone on to complete an average level of education.

Mr. Speaker, that speaks only to the poverty aspect. Further, on page 11 of the same report it says: Can the problem of child poverty be solved? Assuredly, the answer is yes. We know that growing up poor places children at risk to a number of conditions: poor nutrition, poor physical and mental health, poor school performance, early dropout patterns, juvenile delinquency, and so on.

Mr. Speaker, the report also speaks at length to the problems of aboriginal children, aboriginal child poverty. It states that research sponsored by the Laidlaw Foundation suggests that 51 percent of all aboriginal children are living in poverty and that the figure is not significantly different between children living on reserve or off reserve. A terrible indictment of what is happening with children in poverty in our country and certainly in our province.

Another report, Mr. Speaker, is one that I just received today, dated March 1991, from the Alberta Law Reform Institute on the status of children. This speaks to legislation that the institute believes is required in our province. One in particular they are suggesting and recommending is a status of children Act, which clears up some of the difficulties between so-called legitimate and illegitimate children. It also speaks to the deficiencies in our present legislation and the need to correct

some of them. We've made some attempts, but we certainly have further to go, and that report I commend to members.

Mr. Speaker, the Member for Edmonton-Calder has already addressed the Let's Get on with It report from the Mental Health Association on children's mental health, a number of excellent recommendations that are not difficult to put into effect. We have the capacity at hand if we simply have the political will and if we believe and understand the need to do it.

The last one I want to refer to, Mr. Speaker, is the Cawsey report. Justice on Trial has a section on children, and it begins in recommendation 8.41 and goes on through 8.50, a number of recommendations about aboriginal youth, the immense needs that are evident and that can be addressed and can be resolved if we simply put our minds to it.

Mr. Speaker, all of those reports I think verify and reinforce the idea in the Bill that the Member for Edmonton-Calder has put before us today: we do need to have a statement on the rights of children within which we create our programs in Alberta.

Mr. Speaker, I'd like to comment more specifically on the Bill itself. I realize that it recognizes that children have rights as individuals, that they're not solely the property of their parents. In section 3 it recognizes the responsibility and the rights and the duties of the parents toward the child. It certainly does not ignore the issues that the Member for Calgary-Fish Creek brought up, that parents have duties and responsibilities towards their children, and it speaks to the importance of their fulfilling those.

5:20

Mr. Speaker, if I could go on to section 4, I've already spoken to the Senate report on poverty. We have seen a number of reports on poverty in our own province. We know the statistics: one in six Alberta children is living in poverty. It's a disgraceful kind of statistic and one that I think we simply can't accept. If this province is as progressive and as great a place to live in as has been attested to here today – and it was a great place, certainly, for me to raise my children – why do we have one in six children living in poverty with the kind of at-risk situations they're in and the kind of future not before them that we believe every child has a right to? Those situations can be corrected and should be corrected. I think that if we don't put our minds to it, we have no right to be in this House as legislators.

Mr. Speaker, the Bill goes on to discuss the right to a home. Unfortunately, in our province it's a critical situation. There are many homeless children. These are mostly adolescents, teenagers. We have the shelters in our major cities and towns, but these children are at great risk. To suggest that children don't have a right to a proper home with guidance and supervision is simply improper. It needs to be spelled out, and we need to take the steps to ensure that it occurs.

[Mr. Speaker in the Chair]

The Member for Calgary-Fish Creek spoke about the Children's Advocate. I have been pleased to see this position being fulfilled. I look forward to the reports of the advocate. I would hope that the advocate's mandate can be extended in order to deal with children who are not wards of the province and to take a more proactive role in speaking out for children. I would think it would be important for government members to ask the Children's Advocate's opinion on a bill of rights for children. I wonder if that, in fact, has happened.

We all know that in our province we have a high rate of family breakup, requiring often that children are taken into care

either temporarily or over a longer period of time. The numbers of children in foster care are in fact increasing. We have yet to see the new model for foster care that will develop better standards. But, Mr. Speaker, the level of behaviour problems of children needing foster care is increasing, and unfortunately we do not provide as yet in this province the kind of consultation, backup, supervision, standards of training of parents that I believe are going to be necessary in the future if more and more children are placed in those circumstances. I congratulate those families who take children into foster care, but I think we have to give them the kind of backup and resources and support that they so desperately need.

Mr. Speaker, the section on the right to learn. I have spoken before in the House about the need for out-of-school care to be regularized and taken out of FCSS, the need for Head Start programs to be funded in an appropriate fashion, the need for nutrition and public health nurses in school, the need for family support backup programs for our schools and the teachers in schools, who are hard pressed to deal with some of the problems that they must.

Just one last comment. I have a number of other things to say, but I'll make one last comment. I regret that the 24-hour crisis services appear to be under the gun in our province, and I would hope that reconsideration will be given to that and to the consultation unit that supports the frontline workers.

All members of this Legislature should support this Bill. All members should support it; there is no reason not to support it. Mr. Speaker, if they don't support it, one can only assume that there is no intention to back up the kinds of things that appear in the Child Welfare Act and are being said about family life and the programs that we all believe in. There's no intention to back up that kind of talk with action. I do plead with and urge all members to support what I consider to be a very important piece of legislation for children in this province.

Mr. Speaker, as a result of the time, I beg leave to adjourn the debate.

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

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.  
Government House Leader.

MR. HORSMAN: Mr. Speaker, as hon. members are aware, we propose to deal in Committee of Supply this evening with the estimates of the Department of Transportation and Utilities. I would therefore move that the Assembly stand adjourned until such time as the Committee of Supply rises and reports progress.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries. The House stands adjourned until the Committee of Supply rises and reports.

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