

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, September 8, 1986 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

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 enlarge the precious heritage called Alberta.

Amen.

head: **PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES**

MR. SCHUMACHER: Mr. Speaker, the Committee on Private Bills has had the following under consideration and recommends that they be proceeded with: Bill Pr. 9, Galt Scholarship Fund Act; Bill Pr. 14, St. Mary's College Act; Bill Pr. 15, Board of Trustees of the Edmonton Canadian Native Friendship Centre Building Amendment Act, 1986.

Mr. Speaker, the Committee on Private Bills has further had the following under consideration and recommends that they be proceeded with, with certain amendments: Bill Pr. 11, The McMan Youth Services Foundation Act; Bill Pr. 12, The St. John's Institute Amendment Act, 1986; and Bill Pr. 13, the Certified Management Consultants Act.

MR. SPEAKER: Having heard the motion by the hon. Member for Drumheller, those in favour please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion is carried.

head: **INTRODUCTION OF BILLS**

**Bill 31
School Amendment Act, 1986**

MRS. BETKOWSKI: Mr. Speaker, I beg leave to introduce Bill 31, the School Amendment Act, 1986.

The purpose of the amendment is to continue to reflect the rights of the English-speaking majority in Alberta regarding the language of instruction while recognizing the constitutional rights, where numbers warrant, of French-speaking Albertans, as contained in section 23 of the Charter of Rights and Freedoms.

[Leave granted; Bill 31 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. ANDERSON: Mr. Speaker, I am pleased to table the eighth annual report of the Alberta Library Board for the period ended March 31, 1986.

MR. RUSSELL: Mr. Speaker, I beg leave to table the 1985 annual report of the Grande Prairie Regional College.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. YOUNG: Mr. Speaker, it's my pleasure today to introduce in your gallery Mr. Murray Dorin, the Member of Parliament for Edmonton West; his wife, Karen Lynch; and their guests Mr. and Mrs. Hext and Mrs. Caroline Gregory. I would ask them to stand and receive the warm welcome of the Assembly.

MS BARRETT: Mr. Speaker, I beg leave to introduce to you, and through you to members of the Assembly, 22 grade 10 social studies students visiting us today from Concordia College high school. They are seated in the public gallery along with their teacher Mr. Keith Kruse. I would ask all members to provide the traditional warm welcome of the Assembly.

MR. HAWKESWORTH: Mr. Speaker, it's a pleasure for me this afternoon to introduce some special guests who are in Edmonton from out of province, from beautiful British Columbia; friends of mine from McBride in the Robson valley: Rick Thompson and his daughter Holly. I would ask them to rise and be welcomed by the Assembly.

MR. ROSTAD: Mr. Speaker, I too would like to introduce to you, and through you to the Assembly, two friends of agriculture, especially the beef industry. I would ask that Mr. Bob Prestage of Camrose and Mr. Bud Boake of Acme, who are directors of Western Agribition in Regina, please stand and be accorded the usual welcome of the Assembly.

head: **ORAL QUESTION PERIOD**

Petroleum and Gas Revenue Tax

MR. MARTIN: Mr. Speaker, I'd like to direct my first question to the Minister of Energy. It's my understanding that the PGRT will be removed on October 1 as long as certain conditions are met, two of which it seems have to do with gas deregulation proceeding on November 1 and the province proceeding with what I'm told are complementary initiatives. Has the province agreed to these two conditions at this point?

DR. WEBBER: No, Mr. Speaker.

MR. MARTIN: A supplementary question following from this, Mr. Speaker. Talks have been going on. Given that we all agree that this tax was clearly an intrusion into provincial jurisdiction, are we at this point even considering these conditions?

DR. WEBBER: Mr. Speaker, with respect to gas deregulation, we signed an agreement with the federal government and two provinces last year, and November 1 is the date

of deregulation, subject to certain events taking place. We've gone through a transitional year. There are concerns that we've talked about in this House, and we are working to remove those concerns.

MR. MARTIN: A supplementary question, Mr. Speaker. It seems that Mr. Masse was fairly clear today. Given that natural gas deregulation will especially hurt small producers and they've asked for a year's moratorium, is it still the policy of this government that we're going to proceed with gas deregulation on November 1 no matter what the impact is on the Alberta economy?

DR. WEBBER: Mr. Speaker, I've answered that question numerous times in the course of this session of the Legislature, and my answer today is no different than it was before. We are working together to see if we can remove some of these obstacles, and we're making progress. Closer to that date, we will evaluate what our final position will be. We're shooting for November 1 for deregulation.

With respect to the comment about small companies, I believe the hon. member is inaccurate in that the deregulation process is primarily to assist small companies that haven't been able to get access to markets in the past to now be able to do so.

MR. MARTIN: Mr. Speaker, they're still asking for a year's moratorium. It's not them who sees the benefit of it. Maybe the government thinks they will.

My supplementary question flows from the tidy little term: that the province proceed with "complementary initiatives" in terms of the PGRT. My question is: would the minister assure us at this time that the complementary measures Mr. Masse is talking about will not further deplete our revenues when we are facing a huge deficit in this province?

DR. WEBBER: Mr. Speaker, we have not committed ourselves to any complementary or additional initiatives.

MR. TAYLOR: Mr. Speaker, to the Minister of Energy. It appears he's come up dry a second time. Between now and October 1, will the minister come up with a system whereby if the \$500 million or \$700 million of PGRT is released — let's not count on it — it will be reinvested in Alberta and not just disappear into the treasuries of the large companies?

DR. WEBBER: Mr. Speaker, I can certainly understand the disappointment of the hon. Liberal leader in that the federal government announced today the removal of the PGRT, given that it was his favourite government in Ottawa that put the program in place in the first place. The news today is welcome, and I think it demonstrates the co-operative relationship that has existed between our government and the federal government over the last two years with respect to the Western Accord of last year, the natural gas pricing agreement. We intend to have further discussions with the federal government in an ongoing way, particularly with respect to the fact that the energy problems of today are a national problem and the federal government recognizes that. We will be having additional discussions this week and in subsequent weeks to discuss other initiatives that might be taken.

DR. BUCK: Mr. Speaker, to the Minister of Energy. Has the minister's department done any projections as to what

effect the removal of the tax will have on the oil economy in this province?

DR. WEBBER: Yes, Mr. Speaker, we have had an evaluation done with respect to the impact of the removal of the PGRT on the industry. We've also had feedback from the industry itself as to their perceptions of the impact of this. I think they recognize it as an initial step to help the industry get back on its feet as a result of the decline in prices. But given the cash flow losses of at least \$5 billion from last year to this year, whatever the total amount that would be injected into the system by the removal of the PGRT, whether it be \$6 million or \$100 million over the course of the time period, whatever the estimate might be, that in itself certainly is not going to put the industry back on its feet. It's of benefit to approximately 50 companies, since earlier in the year we made an agreement to remove PGRT essentially for all the smaller producers. This is the removal of the final vestiges of that tax and is a good first step toward helping the industry, but much more needs to be done.

MR. STEVENS: Mr. Speaker, to the Minister of Energy. Have his officials conducted an assessment of the contribution of the producers, and therefore this province, to the federal government and to all of Canada by the PGRT since its introduction by the Liberal government in 1981?

DR. WEBBER: Mr. Speaker, I don't have the numbers at my fingertips in terms of the amount of money that has gone to the federal government under the total time period that the PGRT has been in place, but there's no doubt that western Canada and Alberta in particular have made significant contributions to assisting the consumers in this country with the benefits achieved as a result of oil prices being less than world prices. However, I would add that given the move today, let us not forget the moves we've been taking in the last year with respect to the reduction in the marginal rates for royalties, the royalty tax holidays, and a number of incentive programs that have been brought in during the course of the last year and a half.

Fiscal Planning for '87-88

MR. MARTIN: Mr. Speaker, I'd like to direct my second question to the Provincial Treasurer. Is the provincial government aiming at specific percentage figures for reduction of the provincial budget in the years 1987 and 1988?

MR. JOHNSTON: Mr. Speaker, with respect to '87-88 planning procedures, we have discussed among my colleagues in caucus and cabinet a variety of scenarios which recognize the deficit position of this year and are attempting to provide reasonable direction for next year as well.

MR. MARTIN: A supplementary question, Mr. Speaker, to the Treasurer. Is it not the case that the Treasurer's revenue projections for next year look so bad that he is planning an across-the-board cut of up to \$1 billion in next year's budget compared to this year's?

MR. JOHNSTON: Mr. Speaker, the member is clearly dealing in an area of speculation. It's much too soon for us to make any conclusions with respect to the revenue forecast which he mentions or for that matter to deal with budget predictions on expenditures. Suffice to say, however,

that we will use good, prudent management to devise a fiscal plan which will see Alberta through 1987 and 1988, as we have done in '86 and '87.

MR. MARTIN: A very interesting answer, Mr. Speaker. I'd like to file with the Assembly a memo dated August 26 From the Provincial Treasurer which asks for plans for cuts of 5 and 10 percent in the budget of each department. My supplementary question then to the Treasurer is: why is the Treasurer asking for such huge cuts, which will increase unemployment and hurt people programs, instead of attempting to support our energy revenues through a nationally negotiated floor price for our oil?

MR. JOHNSTON: Mr. Speaker, I hasten to respond to the member's long and consistent arguments about the size of our borrowing program, which this member has held up in this Assembly for some particular period of time. It is he who has focussed on the size of borrowing requirements. It is he who has suggested that that has to be far too high. I think it's only good, competent management to look at a variety of scenarios for the province of Alberta to show that we are in charge of the situation here in this province and that we have alternatives for the fiscal plan for '87-88. That's what we were elected to do, and by goodness, that is what we're going to do.

MR. MARTIN: You have to admit that even when he's caught with his pants down, the Treasurer always attempts to yell and scream to try to justify it.

In view of the fact that we have this memorandum and know specifically what this government is contemplating, I say to the Treasurer that it's very unimaginative to propose fixed percentage cuts in each department instead of prioritizing and eliminating real waste like trips around the world, cars, and all the rest of it. My question to the Treasurer: saying that a [cut] of 10 percent in the person-year allocation would cost Albertans some 3,800 jobs, for example, before he put out this memorandum, did the Treasurer make a point of asking for a study of the unemployment that such cutting would cause and the effect such unemployment would have on future provincial revenues?

MR. JOHNSTON: Mr. Speaker, you've already seen in this House our clear understanding of and our high priority on unemployment. The way in which we devised the fiscal plan for '86-87 clearly recognizes that and points specifically to those new initiatives which have been discussed widely, which have been enumerated in a number of cases by my colleagues: the Premier, the Minister of Manpower, and others. It's not a secret that we have written a memo talking about a set of scenarios. If the member had asked the question directly, I would've been pleased to [answer] it. He simply talked about it. Instead of screaming and shouting and running about like the opposition does, we are absolutely looking at a variety of scenarios before we come to any conclusion whatsoever. Let it not be said that we do not have a plan, and let those who criticize us for not thinking ahead be the ones who will take the embarrassment in the longer term.

MR. TAYLOR: Mr. Speaker, if I may address a supplemental to the Treasurer, who is in the emperor's clothes today. Could he tell us just why he would go to the draconian measure of 5 to 10 percent across the board rather than taking those departments that have to have money,

due to the mismanagement of this government, to help out the unemployed?

MR. JOHNSTON: Mr. Speaker, let me say that in terms of the timing of this assessment this is obviously very early in the budget planning. We have not yet gone through the Legislative Assembly for some of the appropriation dollars which have been requested. We're still discussing the Heritage Savings Trust Fund, for example. So what we have done, in a reasonable approach to the situation, is to ask the departments to have a look at what would happen if we had the three scenarios which have been suggested, and then we'll see what falls out and will assess it when we have some time in our cabinet and caucus meetings to address that problem.

It should not be suggested for a second that we're giving up on job creation, that we're ignoring the need to continue with infrastructure investment. We're continuing with the high level of service this province is well known for and at the same time maintaining a very low tax regime. That is part of our fiscal plan. It's well accepted by the people of Alberta, but they expect us to look at the other side. Sometimes you have to deal with the difficult information, with the difficult processes before you; sometimes you have to deal with these cases. We're prepared to do it, and the people of Alberta know it. We're assessing very effectively and proficiently what kind of forecast we have to look for in '87-88. We're going to do the job.

DR. BUCK: Mr. Speaker, to the Provincial Treasurer. In looking at the income side, can the Treasurer indicate if there is a figure that the minister or the Minister of Energy is using as some base they would project their figures on as to what the price of oil would be? Is there some base price that they're looking at in their projections?

MR. JOHNSTON: Again, Mr. Speaker, we have contacted and discussed with a variety of people who are considered to be experts in the area what might be the price forecast through '87-88. It would be very difficult for me to pick one figure out of the air, although I know the opposition would like to see that. We will simply look at a variety of information bases and the makeup of the revenues from a variety of sides, because it's not just oil revenue, for example; a variety of other revenue sources are there. Our general assumption with respect to firming of energy prices has now been reinforced. For example, today OPEC confirmed that in fact the prices have firmed and that the September 1 arrangement on production limits has been very effective. In fact, prices are starting to move up. [interjection] Well, you can argue differently, but that is our assumption. The gentleman asked what we are doing in terms of our forecast, and that's a broad approach to that analysis.

Conflict-of-interest Rules

MR. TAYLOR: Mr. Speaker, when individuals are granted the honour of being elected to this Assembly, they enter into a sacred trust with Albertans that they will not, amongst other things, use their position to benefit monetarily. We all have a responsibility to ensure that that sacred trust is respected and that Albertans have confidence in the integrity of the system, that it is in no way diminished in reality or perception. No one has a greater responsibility for this, of course, than the Premier. So to the Premier: will he

instruct the Member for Whitecourt to immediately indicate to this Assembly whether he has received or expects to receive provincial assistance under the small business equity corporations program?

MR. GETTY: Mr. Speaker, as I've said before in the House, I had an opportunity to look into this matter. A Member of the Legislative Assembly, who operates under the Legislative Assembly Act, could participate in a variety of programs that are available to general classes of people in Alberta and can do so under the Legislative Assembly Act, no different than members who farm and receive grants under the farm fuel allowance or in the area of cattle, members who have racehorses. There is a variety of areas in which a Member of the Legislative Assembly can quite properly participate in certain programs the government has.

MR. TAYLOR: Mr. Speaker, I'm glad he brought that up. Some time ago I put the question as to how many ex-cabinet ministers had availed themselves of forming corporations to apply for assistance under the SBEC program. He said he'd take it under advisement; that was a month and a half ago. Surely the information can't be that difficult to obtain, or does he consider it unimportant? In other words, how many more?

MR. GETTY: Mr. Speaker, at this stage the information I've seen is that there are none.

MR. TAYLOR: Mr. Speaker, the Premier has said that he will consider any suggestions from the opposition as to the length of time for a cooling-off period for ex-cabinet ministers before they can benefit from government programs. Why doesn't he consider it an important enough matter to have an idea of his own in this regard?

MR. GETTY: Mr. Speaker, I don't know quite how the question follows as a supplementary. It doesn't seem to have any relevance at all to the initial question. Nevertheless, if you would like me to take some time of the House to talk of the matter of members not being able to participate in certain areas of expertise once they leave the Legislature, I've found that it's quite a perplexing matter. We currently have conflict-of-interest rules plus a Legislative Assembly Act. They are very strict guidelines; the Legislative Assembly Act is very strict.

You have to balance that with members of the public considering whether they should participate as elected representatives in this province. Once they make the decision to do so, I think they tend to suffer a great deal in terms of their family and other things that they have to give up: matters like time, privacy, and the ability to build their businesses in the future. We have to balance that with the need to make sure that Members of the Legislative Assembly aren't taking some unfair advantage. I think that's what has been done by the conflict-of-interest rules and the Legislative Assembly Act. If we build a fence around the Legislature in such a way that we make it so difficult for capable people in our province to become members of the Legislature, then I think we do ourselves and the entire province a tremendous disservice.

Also, I think it's particularly unbecoming members of this Legislature who try to insinuate matters like that, because it doesn't bring credit to them or to the Legislature. There are matters of some considerable importance facing the province these days, and for the leader of a very respectable

party to pursue a line like this in order to try and splash mud, I guess, is very regrettable.

MR. TAYLOR: A supplementary, Mr. Speaker. He may consider it mud, but I think the public is very interested in knowing his idea of morals. I'm sick and tired of hearing the Premier say that he's taking something under consideration, that it really doesn't matter, that we're throwing mud if we get after it. Surely to God he can come up with a better set of rules than what he now lives by when it comes to whether cabinet ministers or ex-cabinet ministers can take advantage of government programs.

MR. SPEAKER: Hon. member, it's hardly a brief supplementary. The Chair would like to hear the brief supplementary question.

MR. TAYLOR: Mr. Speaker, very simply to the Premier. When will we see some action? Surely he is not condoning people sitting in cabinet and then moving to the front of the line when money is being given out on a first come, first served basis.

MR. GETTY: Mr. Speaker, I think I've answered that question already. The member may wish to review *Hansard*, and if he has any additional questions, he can raise them tomorrow.

MR. HAWKESWORTH: Mr. Speaker, to the Premier. What is the difficulty in having MLAs and cabinet ministers put their business dealings in blind trust while they serve in this Assembly? I don't understand that.

MR. GETTY: Mr. Speaker, if the hon. member would review, most members do that very thing: place their holdings in blind trust. In my case and that of other members of the cabinet — I'm not sure if the hon. member has had the chance to review the conflict-of-interest guidelines under which the cabinet currently handles any business dealings in this province.

Grain Handlers' Strike

DR. BUCK: Mr. Speaker, my question is to the Minister of Agriculture and has to do with the grain workers' strike at Thunder Bay. I'd like to know if the minister has anything to report about the strike that's on at Thunder Bay and if the situation has changed since the question was asked last Thursday.

MR. ELZINGA: Mr. Speaker, might I thank the hon. Member for Clover Bar for his question and indicate to him that this morning we were in communication with the office of the minister responsible for the Canadian Wheat Board, Mr. Charlie Mayer. I can leave the hon. member in the Chamber with the assurance relayed to us by the office of the federal minister that he is going to do everything within his power to make sure we meet our grain commitments for offshore sales.

DR. BUCK: Mr. Speaker, a supplementary to the minister. Is the minister in a position to indicate if any of the grain shipments have been diverted to the west coast? Is the capacity on the west coast being saturated at this time?

MR. ELZINGA: No, Mr. Speaker, to my knowledge none of them has been diverted yet. I should share with the hon.

member, as I'm sure he, too, is aware, that there are some countries we can only ship to from Thunder Bay. I'm sure that when the minister is analyzing what action he is going to take, he will analyze whether we should redirect some of our grain transportation. Again, I leave the hon. member the assurance that from the communication we received, I'm quite confident our federal colleagues will be taking every action to make sure our grain continues to move.

DR. BUCK: A supplementary question to the Minister of Manpower. Can the minister indicate if any people employed in the railroad business have been affected by the strike? Have any Alberta rail workers been affected by the strike at the Lakehead?

MR. ORMAN: Mr. Speaker, it's not the practice of the Department of Manpower to monitor specific job losses. Basically, we rely on Statistics Canada figures to give us an overall view of where the soft spots are in the job market. Certainly none have come to my attention.

MR. TAYLOR: Mr. Speaker, to the Minister of Agriculture. Is the minister working with his federal counterparts on some sort of scheme or system to cover the cost to farmers of storing grain they will not be able to deliver for the next while?

MR. ELZINGA: Mr. Speaker, this would come solely under federal jurisdiction. We haven't been approached on that basis by our federal counterparts. We're hopeful that some action will be taken and again quite confident that Mr. Mayer will take some action over the next number of days to alleviate the difficulties we are presently facing.

Social Services Abuse

DR. WEST: Mr. Speaker, to the Minister of Social Services. In these times of greater stress our excellent social programs are very much needed. It would be a great mistake if the level of funding for delivery of such programs were jeopardized by inconsiderate misuse of such programs by a minority of people. Could the minister indicate what level of abuse is evident in our programs today?

MRS. OSTERMAN: Mr. Speaker, while this is a matter that from time to time is raised with me and other department staff, I would clearly indicate to the House that the vast majority of people who are recipients of our various programs have no problem complying with the regulations involved in the programs. However, for the hon. member's information, it is true that there are a minority of people who have from time to time received our specific attention. In the last year there might have been some 2,500 investigations across the province, which I believe would relate well to the same type of occurrence in the unemployment insurance program, for instance, where I believe they've had a greater problem in that regard. There has been a very, very small group of people, less than 100 I'm sure, who have actually been convicted in a criminal sense for actual fraud.

DR. WEST: Thank you. A supplementary. Could the minister indicate the responsibility she would expect from the general public in identification of such misuse?

MRS. OSTERMAN: Mr. Speaker, currently the information on concerns such as this are raised in various places: with

my office and regional offices around the province. I would expect that the public would continue to raise such concerns in the very same way, by reporting them, and they would be investigated. I think it's important to note that one of the concerns raised with me that relates to individual members of the public who come forward is that they are not provided with information on such investigations, and it's absolutely inappropriate for either the minister's office or individual departmental staff to speak to individual investigations and information related to them.

DR. WEST: A supplementary. I believe it's very important to maintain these programs at these times, and I was just wondering if you could indicate: are the departments making a concerted effort to safeguard the management of our public funds?

MRS. OSTERMAN: Yes, Mr. Speaker. As I've related before, we have investigating units across the province, both in the rural regions and in the Calgary region. The people who do such work — for instance, we have a number of retired RCMP officers, all of whom I'm sure are quite capable of carrying on investigations.

MS MJOLSNES: A supplementary to the minister. Has the minister done any investigation into the reasons more and more people are lined up at the food banks?

MRS. OSTERMAN: Mr. Speaker. I'm not sure the question is entirely related except to say that our latest information out of the Calgary region is in fact that the food bank is being utilized to a much lesser degree.

Amusement Ride Standards

MR. SIGURDSON: Mr. Speaker, my questions are about West Edmonton Mall, and I'll direct the first one to the Minister of Labour. I have asked the minister on previous occasions about the letter to Triple Five which warned of a catastrophe with the Mindbender. The minister assured me on August 14 that he would check into where this memo went and report back to the Assembly. To the minister: which senior official saw this warning? In particular, did the letter cross the desk of the minister of the day?

DR. REID: Whether it crossed the desk of the minister of the day I'm not prepared to respond to, nor do I know. The letter concerned would have gone from the appropriate people in the department to West Edmonton Mall. I have not checked further into whose desks it crossed in the process.

MR. SIGURDSON: I don't know what happened on August 14 that would have made that commitment.

On August 18 the Premier stated that he would review the Minister of Labour's statement about the government not having responsibility to continually monitor the operation of amusement rides in Alberta. A supplementary to the Premier: can the Premier advise the Assembly what policy guidelines regarding the monitoring of amusement rides came from a review of that meeting with the minister?

MR. GETTY: Mr. Speaker. I've discussed the matter with the minister. The government feels that its current regulations and actions are appropriate, subject of course to the inquiry currently being conducted, which I think should be able to

provide an excellent basis for any changes that might be required.

MR. SIGURDSON: A supplementary question to the Minister of Labour, Mr. Speaker. When the minister toured Fantasyland following the tragedy with the Mindbender, was he advised at any time of any problems with the ride known as the Drop of Doom?

DR. REID: Mr. Speaker, as I've said before in the Legislature, I spent quite a number of hours at West Edmonton Mall that Sunday with senior members of the department. At the close of that tour we had a meeting and indicated to the management people from West Edmonton Mall on site that three rides in addition to the roller coaster were to be kept closed pending certain provisions being fulfilled. Those rides included a free-fall drop machine — I don't know its popular name — a boat that goes over the top of a loop, and the other small roller coaster that tours around the original part of West Edmonton Mall's Fantasyland. Before allowing those three rides to reopen, we wanted to have sufficient confirmation of maintenance programs and of the recording of maintenance programs. That request was fulfilled, and as those requests were fulfilled, those rides reopened.

MR. SIGURDSON: Mr. Speaker, has the minister taken any action following the revelations Friday at the Mindbender inquiry regarding continuing unsafe loosening of bolts on the Drop of Doom ride; that is, will the ride be shut down and checked for safety now?

DR. REID: Mr. Speaker, I've every reason to believe that West Edmonton Mall is fulfilling the requirements that were given to them the day following the accident on the big roller coaster; I've had no information to the contrary. I am informed that they have been completing the requisite maintenance and recording it since that time, and there is no indication for closing the ride at this time.

Literacy in Alberta

MR. CHUMIR: Mr. Speaker, a question to the Minister of Education. Today is International Literacy Day, which should not go unnoticed in this House since over 250,000 adults in Alberta, 14 percent, are functionally illiterate. The government report presented to the Department of Education in June of this year states that illiteracy has a low government priority and that there is no overall co-ordination of programs. It also states that our school system may offend the Charter of Rights by discriminating against adults who need education. Would the minister advise the House whether the government agrees that illiteracy should be a priority and what it plans to do about it?

MRS. BETKOWSKI: Yes, Mr. Speaker, I agree with the hon. member that illiteracy should be a priority, and I would argue that in fact it is a priority of this government.

I'm pleased that the hon. member gave me an opportunity to speak to a statement this morning by the hon. Minister of Advanced Education and myself with respect to International Literacy Day.

As members may know, since 1967 the member countries of UNESCO have participated in this day, and this year UNESCO is launching an appeal that the matter be further addressed. I think that in Alberta we have very good

programs with respect to the illiterate. I would note that 12 percent of Albertans, by my information, are defined as illiterate, but I would draw to the House's attention the fact that illiterate in those terms is defined by Census Canada and as part of the whole Statistics Canada mandate as those who have received less than a grade 9 education. Illiteracy to some may mean that one may not read or write, so I think it's important to define what the 12 percent illiteracy is addressing in Alberta.

We have recognized in funding of programs for adult illiterates and for those who wish to upgrade their educational skills in both the Education and Advanced Education mandates, and as a government this year we have committed \$1.5 million to adult basic education at the grades 1 to 9 level and another \$9.8 million for grades 10 to 12, as well as education for those in correctional institutions.

I could go on, Mr. Speaker, but I can see you're anxious to get up.

MR. SPEAKER: The Chair recognizes that the original question was actually two questions, and we seem to have had two answers as well. A supplementary question?

MR. CHUMIR: Mr. Speaker, would the minister undertake to act on the report and push for a secretariat or other structure with permanent employees in order to co-ordinate an all-out attack on illiteracy in Alberta?

MRS. BETKOWSKI: Mr. Speaker, a secretariat, as recommended by the hon. member, would not be my first recommendation. I believe that the hon. Minister of Advanced Education and I have reaffirmed our very strong commitment to literacy in this province, and I for one am not convinced that creating another entity is the best move at this time in order that government can turn its back on the problem of literacy; I would rather address it. I think the report the hon. member is referring to, which was made to my department, is an important one, and it's one recommendation. I could say that I'm receiving others which don't necessarily agree with the one the hon. member recommended, but certainly the context of that report is something I am looking at in the whole review of the School Act for 1987.

MR. CHUMIR: A supplementary to the Minister of Manpower, Mr. Speaker. It's estimated that illiteracy costs the U.S. economy \$20 billion per year. What has the Department of Manpower discovered about the correlation between illiteracy in Alberta and unemployment and also the number of accidents caused by the inability of employees to read safety instructions?

MR. ORMAN: Mr. Speaker, I'd have to hear that question again to determine how it relates to the Manpower portfolio.

MR. CHUMIR: Could I repeat the question, Mr. Speaker? What has the Department of Manpower discovered about the correlation between illiteracy, the number of people who are illiterate, and the amount of unemployment that we have in this province, as well as the number of accidents that would be caused on sites as a result of the inability of employees to read instructions?

MR. ORMAN: Thank you. Mr. Speaker, as far as the second part of the question, I would say that I have seen nothing that correlates accidents in the workplace to illit-

eracy. I'm sure there probably is some tie; however, it's beyond the jurisdiction of the Department of Manpower.

As far as the answer to the first question, I would also suspect that a certain level of illiteracy contributes to a certain level of unemployment. So I would accept that proposition, Mr. Speaker. However I do not have any statistics that would confirm or deny that supposition.

MR. ROSTAD: Mr. Speaker, as Acting Minister of Community and Occupational Health, I'll take the second part of the question under notice. That minister is responsible for workers' compensation, and there might be some correlation there.

MR. CHUMIR: Mr. Speaker, to the Minister of Social Services. Can the minister tell the House what Social Services has discovered about the correlation between illiteracy on the one hand and poverty and the need for social assistance on the other?

MRS. OSTERMAN: Mr. Speaker, I am aware of reading from various parts of the country and North America that people who are in the lower level of income generally have a lower education level. I think that's probably well known to all. I'm not sure whether I would have any specific figures, but I would certainly undertake to look for the hon. member.

MS LAING: To the Minister of Manpower. In the area of job training, I'm wondering if the minister takes into account the rate of illiteracy in people who are going into training in determining that they will have access to job training or training in literacy so that they are not denied access to some of the job-training programs because of that?

MR. ORMAN: Mr. Speaker, this whole question invokes considerable thought in the area of illiteracy and unemployment, and I appreciate the points being brought up by the members opposite. I would say that people who are out of work and are looking for work and go to the Alberta career centres are counselled on job opportunities and along with that counselling are certainly made aware of the additional education that is available through extended education through various departments of this government and, in terms of new Canadians, the English as a Second Language program at the Alberta Vocational Centre. I would hope that people who are interested in finding out the relationship between illiteracy and unemployment would consider the Alberta career centres to be able to access the information that is available through a variety of programs for upgrading individuals' education.

MR. DAY: To the Minister of Education. Could the minister indicate to us if the initiatives of the secondary curriculum review and initiatives in that area in general will have an impact on future generations in terms of illiteracy?

MRS. BETKOWSKI: Mr. Speaker, that's a very important question. I spoke basically to Albertans who are adults and are coming through the school system, both secondary and postsecondary. However, on the basic education level I think it's important to note that the new secondary curriculum policy is an attempt to have access to a good education program for every student in this province. Within the context of that, I will shortly be announcing a diagnostic evaluation program which will look at elementary schools

and children who may have needs of remedial reading skills at that level.

I think it's important as well to say that in part my goal as Minister of Education will be to ensure that students passing through our elementary and secondary programs do not wind up as illiterate adults.

MR. GIBEAULT: Mr. Speaker, as we've already been told, today is International Literacy Day, and I would direct a question to the Minister of Advanced Education, who is responsible for adult literacy in the province of Alberta. It seems to me that with 12 percent of adult Albertans, one of eight, having a level 8 or less education, being functionally illiterate, we would like to know: does the government have any kind of comprehensive strategy to deal with the problem of combatting illiteracy, and if so, does that include a long-term funding commitment for literacy programs? Will they be shielded from the axe of the Provincial Treasurer?

MR. RUSSELL: Mr. Speaker, there is a substantial commitment to dealing with this problem, and as my colleague mentioned earlier, the definition of illiterate is anybody having less than a grade 9 education. The article in the *Globe and Mail* over the weekend, from which the hon. Member for Calgary Buffalo formed his questions, dealt with the matter of job deprivation because of inability to read or write. There's quite a difference between those two standards. Currently this year, for example, there are some 23 special projects in communities around the province of Alberta, all the way from Lakeland College in Bonnyville to Slave Lake Further Education Services, whereby attempts are being made to upgrade those basic reading and writing skills primarily of people involved in the adult level of the work force.

One of the more interesting projects that is handled through the department is the training and organization of nonpaid, nonprofessional tutors, whereby people who have some skills in teaching reading and writing are trained as volunteer tutors and provide basic reading and writing skills on a one-on-one basis with students. As a government member that supports the objectives of the United Nations and UNESCO with respect to the worldwide problem of illiteracy, we certainly support it and, as my colleagues mentioned, put substantial financial resources into the upgrading of the skills of those people that have been mentioned.

MR. GIBEAULT: A supplementary question. Mr. Speaker. I don't recall a commitment there to saving these programs from the Treasurer, but I hope that will be the minister's intention.

Since the position of the provincial co-ordinator for adult literacy is now vacant and has been for several months and since this position is critical for the effective design and implementation of programs to fight illiteracy across the province, can the minister advise the Assembly when this important position will be filled?

MR. SPEAKER: The time for question period has expired. Does the Assembly agree to the continuation of this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

MR. RUSSELL: Mr. Speaker. I'm not certain that agreement has been reached that there should be a co-ordinator. Cer-

tainly agreement has been reached that there has to be close liaison among the three departments involved with this problem, but whether or not we want to go into a formal structure has already been commented upon by my colleague the Minister of Education.

Insofar as where this matter stands with respect to the budget coming up next year, we have already heard from my colleague the Provincial Treasurer that the departments have been asked to examine the effects of a 5 or 10 percent cut in their department budgets. At that time, we will have a good catalogue of the ramifications of such cuts and will be able to make decisions as to whether some departments ought to be cut, increased, or left at their present levels. Surely no one would want us to make those important decisions without at least going through that basic necessary cataloguing.

MR. GIBEAULT: A supplementary question to the minister of economic development. Has the minister done any studies in his department to determine the negative impact illiteracy has on the economic development of our province?

MR. SHABEN: Mr. Speaker, the Department of Economic Development and Trade works very closely with the Department of Manpower, because the Manpower department provides extensive training programs at various institutions throughout the province. Our departments liaise closely in order that the programs offered through various institutions of the Minister of Advanced Education or the Department of Manpower match as closely as possible the job opportunities that exist or are likely to exist in this province.

As all hon. members know, there's a rapid change in the types of opportunities that are available. We're constantly aware of those changes and work closely together to counsel individuals on the direction and opportunities those individuals should pursue with respect to retraining and training for jobs that are likely to be available.

MR. CHUMIR: To the Minister of Advanced Education. Does the minister agree with the Minister of Education that this matter of literacy is a priority, in light of his reluctance to appoint a full-time co-ordinator to deal with the issue?

MR. RUSSELL: Yes, certainly it is, Mr. Speaker. It has to be a priority. Society has identified the people who are reluctant to come forward and make known the fact that they're unable to read or write. As we go into the technological age, these weaknesses are of course being discovered.

It's interesting the way the adult population is coming to our vocational centres for training in reading and writing. It's very difficult to track them, because of course they come when it suits their schedules or life-styles. As they move in and out of jobs in the work force, it's very difficult to keep them in those classes. Many of you have attended those classes and have seen the rewards that come to people who read and write with understanding for the first time in their lives, perhaps at the age of 40 or 45 years. So it remains a high priority with us.

ORDERS OF THE DAY

[On motion, the Assembly resolved itself into Committee of the Whole]

head: GOVERNMENT BILLS AND ORDERS (Committee of the Whole)

[Mr. Gogo in the Chair]

MR. CHAIRMAN: Would the Committee of the Whole please come to order to consider various Bills.

Bill 37 Crowsnest Pass Municipal Unification Amendment Act, 1986

MR. CHAIRMAN: Comments, questions, or amendments to the Bill are now in order.

MR. EWASIUK: Mr. Chairman, I rise to make a couple of observations relative to Bill 37 and also to ask some questions for clarification. As I'm sure the Member for Pincher Creek-Crowsnest — if he were here of course — must know, the people who live in communities in the Crowsnest area have historically maintained and today continue to maintain a high degree of loyalty to their communities. Because of that maintenance of loyalty, I've been advised that unification or amalgamation is not necessarily a popular item with them at this time. It's not popular because unification or amalgamation has not led to reduced costs or improved services. In fact, perhaps the contrary: the cost of services has escalated since the amalgamation process was put in place a few years ago.

Mr. Chairman, the questions I'd like to pose are also concerns of the residents in the Crowsnest constituency. Would unification reduce the size of the municipal council? Also, will the election of councillors be at large rather than the ward system as it exists today?

MR. CHAIRMAN: I believe the hon. Government House Leader is responding for the Member for Pincher Creek-Crowsnest. I would remind committee members that members are not to refer to the whereabouts of members who are not in the House. I think that was made clear by Speaker Carter some time ago.

MR. CRAWFORD: Mr. Chairman, the hon. Member for Pincher Creek-Crowsnest asked me to respond on his behalf as sponsor of the Bill in committee today. I think I should sketch a little bit of the background. The Crowsnest Pass unification was only undertaken after much study, and it was several years ago that unification took place. It was the desire of the people of the area as represented by their councils. After drafting the legislation and consulting with the people there, that unification project was undertaken. The people there would like to have the election they would like to have this year done with a smaller council, because they feel the original size of the council is larger than is needed. That is the only purpose for this proposal.

I'm going from memory, Mr. Chairman, but I believe the ward system is in effect there and the proposal is — and I believe the council has advertised to this effect — to undertake a small reduction in the size of the council and perhaps reduce the wards. I'm not sure by what number, but not a significant number; it's a minor adjustment in reducing the size of the council. The only way they can now do that for the October election is if we have legislation of this type by which the Legislative Assembly allows to continue that process mapped out by the council representing the people there.

I've answered the questions of the hon. Member for Edmonton Beverly as well as I can in the sense of my recollections as to the amount by which the council wanted to reduce the number of wards. It is indeed their initiative, and I'm asking members of the Assembly to accord with this Bill because that is the wish of the local people.

MR. EWASIUK: Mr. Chairman, to follow up on the reply from the minister. Admittedly there has been a study done in the area for some time and over a period of time. My information is also that while there was some consultation and dialogue within the communities in the Crowsnest, the amalgamation that eventually took place was accepted by a very small or narrow majority. From the information I have, part of the problem also seems to be that the vote that was conducted was done more or less as an information vote rather than as a vote that was indeed going to make a commitment and give direction to council to proceed with amalgamation. As a result, a large part of the population views this as being unpopular. In addition to the way the vote was conducted, the costs as a result of amalgamation have not been reduced. In fact, they have gone up. Taxes on a certain property have gone up somewhere in the vicinity of \$4,000 in one of the small communities in the Crowsnest. Of course, this doesn't augur well for amalgamation or unification. It is for those reasons that I rise.

I would like to support it. If that's the wish of the people, I think we want to support it. On the other hand, when these kinds of questions are being raised, I would certainly like to have them answered to ensure that what we do today will be proper and appropriate for the communities and the people there.

MR. CHUMIR: Very briefly, Mr. Chairman, as I raised during second reading and as I think there is some concurrence with, this clause is so broad that it reflects a degree of overkill. I'm kind of wondering whether there isn't a narrower and more precise way of doing this. The concern I have is that this particular legislation leaves it open for a municipality which has missed a time limit of some kind to come to the minister and seek respite.

I'm concerned with that on two counts. I'm concerned with the problems the minister may have when the council is sitting around saying: "What are we going to do about this conundrum? We've missed the time for giving notice of the expropriation; we need the land." As they sit around, the answer that will cross their minds is, "Let's go to the minister and put some pressure on him to bail us out." So I have some sympathy for the role of whoever the minister may be at that point in time.

The other side of the coin is that as often as not these time limits are put in to protect certain individuals and members of the public. There's an element of due process in respect of certain of the time limits, and I'm most loathe to see a general escape valve of this nature in dealing with those types of due process protections. I'm wondering whether it's not possible to meet the needs of this particular situation with a more narrow, focussed piece of legislation rather than the blunderbuss.

MR. CRAWFORD: Mr. Chairman, I haven't compared this section with the similar one in the Municipal Government Act. I'm told by officials that the section does exist in municipal legislation and was left out of this Bill more or less as an oversight when it was presented a few years ago. The purpose of such a section that would apply to all

municipalities — and if this Bill passes, for this municipality as well — is that in some situations perhaps an assessment or the filing of a statement is late. The appointment of auditors, for example, which has to be done in a certain time frame, may be missed. Municipalities do come for extensions under that general provision of municipal legislation in circumstances like that. That same process in this legislation would enable this municipality to do the same thing.

Mr. Chairman, as to the content, having admitted that I didn't compare it word for word with the other municipal legislation, I should say that we do take advice from the Legislative Counsel office, of course, on the drafting in technical matters like this, and that is the recommended form of the legislation.

The only other thing is that I suppose I would like to see this proceed now. I say that frankly to hon. members. But if either member who has spoken would like further information, we could call this Bill again on another day in committee. I make the case that perhaps it could proceed now but I would be willing to hold it if that is asked.

MR. CHUMIR: I am somewhat torn, because I would like to see the municipality accommodated in its need, but I guess as I look at this and the more I listen to the comments of the minister, the more concerned I am about the potential need for some greater thought to go into this section.

An example that has popped to mind is a situation in which perhaps the extension of a time limit very seriously affects the rights of, hypothetically, a landowner. Perhaps at the present time an issue in municipal legislation is proposing a six-month time limit to acquire certain types of potential parkland. Suppose there is an extension or proposed extension of that. The question arises with respect to the potential rights of people who are affected by that extension — the right to object and so on.

I don't think it's something we can determine here or even within a day or two. I think it requires some in-depth legal thinking as to whether or not my concerns in fact are valid or whether they may be answered by some principle of municipal law, which happens not to be my field. A little bubble to that effect may be floating over the minister's head at this point in time.

I would be happy to leave the minister to undertake to ask his officials to review some of the concerns and the potential ramifications and see whether in some slight way we might not improve the quality of our legislation, if such improvement proves to be possible in this instance upon greater reflection.

MR. CHAIRMAN: Are you ready for the question on Bill 37?

HON. MEMBERS: Question.

[Title and preamble agreed to]

MR. CRAWFORD: Chairman, I move that the Bill be reported.

[Motion carried]

Bill 29

Department of Manpower Statutes Amendment Act, 1986

MR. CHAIRMAN: Hon. minister, any opening comments?

MR. ORMAN: You caught me by surprise.

Mr. Chairman, as I reviewed the Blues on Friday, there were some questions asked by members opposite, and I'm

not sure that either of us left this Assembly clear on the question or the answer. I just want to clarify a few points that may still be of question in the minds of some of the members opposite.

We discussed the deletion of the Manpower programs and services from the Manpower Development Act. I pointed out to the members opposite, Mr. Chairman, that under the department Act itself there was provision under, I believe, section 9 that allowed the department to enter into a wide range of Manpower programs. Under the Manpower Development Act we were tied to specific programs. As you can see, under the parts being repealed, there was specific reference to particular programs. Repealing this section and operating with the department Act will allow us to examine the full range of possibilities for Manpower programs — these ones plus others. So I want to be clear that in some ways we felt limited by having a blow-by-blow definition of job-creation programs. I think it will improve my capability to review and implement job-creation programs outside of the ones specified here.

Mr. Chairman, in summation, I guess it broadens rather than limits our abilities to enter into and revise job-creation programs. Certainly it's consistent with my wish to be able to react on a very quick basis to the changing times and changing face of the economy and to bring forward job-creation programs without being in any way tied to the list of programs that were under the Manpower Development Act. So I hope that does clarify the issue and the questions here on Thursday. I certainly wanted to report that to the members of the Assembly.

MR. SIGURDSON: Mr. Chairman, it is not necessarily satisfactory, but it does clarify certain things. There are certain parts of Bill 29 that we in the Official Opposition can support. There are other sections we feel we would not care to support at this time; therefore, I would ask that we go through this Bill clause by clause. I think that going through it clause by clause we can do it quite briefly. Is it agreed?

MR. CHAIRMAN: The hon. member can address any clause he wishes and speak as often as he wishes as long as he is recognized by the Chair.

MR. SIGURDSON: Okay. Then we'll just continue. As the minister noted, last Friday I had a couple of concerns. Given that, I'll just start with the first one. While I respect the minister's comment that he believes the Department of Manpower is a sexist term, I have a couple of concerns about it. I find it strangely ironic that Bill 29 is just before Bill 30, which requests that we borrow \$5.5 billion. Perhaps the cost of the change could be the reason that we have to go into higher costs. I don't think this actually reflects the change. I think it's purely cosmetic.

I think also that the change now may reflect the department to be more of an educational department tied in with schools rather than with the labour force. I have some concerns about that. However, I don't think there's too much of a problem with that. Under section (4), however, I have a real concern; that is again the two words "provide for." Previously section 9 stated that

The Minister

(a) may establish or operate any programs and services relating to manpower that he considers necessary or desirable ...

Now, Mr. Chairman, what we find is the addition of two words, and it states

(a) may establish, provide for or operate any programs and services [et cetera] ...

It is those two words that I have some real concern about. Those two words could allow the government to establish other services with the private sector. It may allow the government to say, "We are no longer responsible for certain programs. Those programs are now operating in the private sector, and we don't have a responsibility for them." We as elected representatives have a responsibility to provide certain funds for certain activities that will ensure certain programs — educational, job creation, and otherwise. By including that, I think we can allow for the government to keep an arm's distance from certain programs. I have some true and real concerns about that.

I also worry about section (4) of Bill 29 where part 4 of the previous Act is repealed. The minister stated on Friday — I'll just read briefly from the Blues;

That council will be moved from appointment by statute into a ministerial appointment.

I have some real concern about that as well. Does that mean that if the minister or cabinet in council all of a sudden doesn't care for a certain individual on a council — I see the power being too great. The minister can then come back and say, "I don't like that person. I don't like that individual. I don't like the advice I'm getting from that particular individual. It conflicts with what I believe. Therefore, I'm going to get rid of that person on that council." I think too much power is going to the minister, and I have some real concern about that as well. I think we have to have an advisory body. I know the minister has assured the Assembly that we will have an advisory body but that the appointments are now going to be a little less public and that the responsibility is going to be solely that of the minister. I think we've got to get away from that. We've got to be a little more open with what we do.

I also worry about whether it's going to become a ministerial appointment. Included in that it says

(b) advise and make policy recommendations to the Minister ...

Is that going to be maintained? Is the minister now going to make guidelines or put parameters around the considerations that this council is to have? That, too, makes too great an influence from the minister's office. I think we have to be very cautious about that.

Having said that, Mr. Chairman, I think I'll wait and see if the minister can respond to those concerns, and then perhaps we can go through the Bill.

MR. CHAIRMAN: Any other comments, questions, or amendments to Bill 29?

MR. TAYLOR: Mr. Chairman, to the minister. It's more in the nature of a comment, because he may have it under control somewhere else where it is written up. We heard today about illiteracy shortcomings in Alberta. As society becomes more and more intricate, I think it's more and more necessary for the people that are getting jobs to be able to communicate. Illiteracy is probably a bigger bar against advancement than it has ever been.

I was wondering if the minister is seriously thinking about or has put into place a system whereby the quasi-literate could start out with a company, and if it hired somebody who wasn't completely literate or wasn't able to move

ahead, it could be subsidized while that person was at the job.

It's all fine and dandy to talk about curing illiteracy. But the very fact that the person is illiterate is usually that that person doesn't know he is functionally illiterate and doesn't know he is being held back. To suggest that they go to school or make school available is no way of getting them to participate in it, whereas you could hook it in with the employers in some sort of program whereby the employer would get some sort of subsidy or the employee would be encouraged in some financial way to go back to school, if you want to call it that, to take evening courses in literacy. I'll bet you that nine out of 10 functionally illiterate people do not realize they're functionally illiterate.

I have had employees that as far as I was concerned were functionally illiterate. But it's very hard to try to get them to upgrade. How do you get them to upgrade? I think there should be some system in place whereby there is a bit of financial encouragement given to both the employer and the employee to go back to school. If the person is indeed functionally literate, then it's very quick and easy for the examiners in the school or the institution to say, "No, no more aid. Your employee is literate enough." But in my own experience in hiring in Alberta, I find that that is the hardest thing in the world to do. The bureaucrats believe there are functional illiterates, the government thinks there are functional illiterates, you know there are functional illiterates, but to try to get a functional illiterate who's already on your payroll to go back to school to learn something is one of the most difficult things in the world. There has to be some sort of incentive there.

MR. ORMAN: Mr. Chairman, if I may. I'll respond to the member for Westlock-Sturgeon prior to the Member for Edmonton Belmont. As I indicated in question period. I was provoked, I guess, by some of the discussion we had about illiteracy as it relates to unemployment. I must say that that's the spirit of this Assembly: to share ideas. I certainly have no problem in taking suggestions from members opposite in terms of ideas about how we can better interface with the unemployed in this province. Certainly that's an issue that I will be discussing with my colleagues in the Department of Manpower. However, I must say that at this particular time it does not relate to the amendments to Bill 29 we are discussing here today.

With regard to the comments made by the Member for Edmonton Belmont, let me say that I had a very good discussion with my colleagues and particularly the Premier when it came to the decision about the name change. Certainly there are considerations about budget parameters and the costs of letterhead, brochures, and all of the things that go along with the name change. However, we had to weigh that with other considerations. Mr. Chairman. Those other considerations primarily were more appropriately identifying the programs within the department with the people that are looking for those programs. Certainly it was my experience and the Premier's suggestion that "manpower" does not define the extent to which this government deals with career training, career searching, and job creation programs related to employment and unemployment. With the Department of Manpower, I wanted to be sure that people knew there was a department that dealt with career development and with employment. Certainly you take on some risk in tough times changing your name and saying, "I am the minister for employment." It's almost like poking your head up when you shouldn't. I guess there's some

thought that that was the case, but I thought it was important that we identified with the people who are unemployed and let them know there is a department of government that deals with their problems. Certainly our drive is to do our best to create an acceptable level of unemployment.

Mr. Chairman, the Member for Edmonton Belmont also mentioned our responsibility as a government in terms of the programs under the Manpower Development Act that we are repealing. I would say that I guess it all comes down to election time. If we aren't providing the programs that the electorate think we should provide, particularly in the area of job creation, that will be reflected at the polls and I will no longer be here as an elected member or the Minister of Manpower, nor anybody from my government, much to the glee of the Member for Westlock-Sturgeon.

AN HON. MEMBER: We'll be here.

MR. ORMAN: I believe, and I've had some discussions with the people in the department, that there was a suggestion that the way the Manpower Development Act reads now, we are restricted in terms of our ability to be responsive to new programs. Certainly it doesn't mean that tomorrow or upon Royal Assent I'm going to be calling the department and telling them, "We're shutting down all our job-creation programs." That's certainly not the case. As a matter of fact, Mr. Chairman, we will be in a concerted way expanding and adding to those programs, without this section of the Manpower Development Act hanging over our heads in terms of going beyond the Act itself in terms of the programs we're offering. So in my view and in the view of my colleagues, this gives us the ability to be much more responsive rather than restricted.

With regard to the ministerial advisory committee. Mr. Chairman, I should say that it is very important that ministers are able to work with advisory committees. I seek the advice of my colleagues, and I certainly would take suggestions from members opposite on any of my committees, whether it has to do with the Manpower Advisory Council or with the review of the apprenticeship and trade certification. I am more than willing to take advice from people who have a contribution to make to the betterment of the programs that we as a government deliver, and I in no way see this as hampering that process. I want to be sure that the people I seek advice from are foremost in their fields and certainly go beyond the advice that I get from my colleagues and from my department. I want all sorts of input, and as the members opposite know, you don't necessarily have to take it. In some way or another it certainly shapes your thinking, and input is a valuable asset in the areas that I am responsible for in this government.

So I would hesitate to agree with the Member for Edmonton Belmont. I want to be sure the committees that advise me are people I can work with that give me the greatest degree of input from the broadest cross section of the people of this province. I intend to pursue that commitment, and I do not see that moving this from a statute to a ministerial appointment really has anything to do with the quality of advice or the ability to deliver these programs.

To summarize, Mr. Chairman, I think those are basically the tenets associated with the changes that we're suggesting in Bill 29.

MR. SIGURDSON: I know the minister is a nice guy, that he would make sure the council is in place and he would have nothing but the best people on it. But I have a real

concern again. I know that soon we'll be out of the House, and the minister will probably take a short vacation and may go skiing on Mount Allan or something before it's properly developed. He may break a leg.

AN HON. MEMBER: No snow.

MR. SIGURDSON: Or windsurfing on Mount Allan - that's right. However, I have a real concern that the minister may — maybe not this time — come back as the member for his constituency and in fact be back in that very same department. But there may be another nasty person appointed, and he may say, "You know, it's not statutory. I can appoint if I want, or I don't have to appoint. I can appoint Attila the Hun to advise me." Attila may not be in favour of the zero percent unemployment rate, as this minister is. So I have some real concern about the statutory regulation, Mr. Chairman.

Finally, I just want to comment about section 2. Again, we have the entire section being repealed. The minister in his opening remarks noted that that allowed more latitude to see these programs. It's again the same principle as that. I'm sure this minister will ensure that not only these programs are in place but others that complement these very programs as well. But I worry about subsequent ministers that may be in the department saying, "Well, it's a little too much work. I don't have to do it; therefore, I'm not going to do it." While I have confidence in this minister, Mr. Chairman, I somehow worry about future ministers, and I would just like to see it there. Okay?

MR. STEVENS: I wonder if the Member for Edmonton Belmont would accept the challenge to bring his skis the first time the snow season starts at Nakiska in Banff-Cochrane. We'll meet, and we'll go down together.

MR. SIGURDSON: I must respond, Mr. Chairman. I don't know if it's skis that I want, or should I bring the windsurfing board as well?

MS BARRETT: Mr. Chairman, briefly please. Just one comment with respect to this Bill, most of which I think I support as well. The minister has given his assurance that the advisory body will continue to exist. If his commitment is so strong, could he explain why he wants to remove this section from statutory obligation? That's my only question.

MR. CHAIRMAN: Any further comments from members of the committee? Mr. Minister.

MR. ORMAN: Mr. Chairman, as I indicated, I've gone on record last Friday and earlier today giving the reason; that is, so that I can move quickly when it comes to replacing members that may resign for various reasons or adding members who I may feel can make a further contribution. I think this is all part of the responsibility that goes with being a minister of the Crown. Certainly my colleagues will judge me on my ability to function as a minister of the Crown and on the advice that I take and don't take from these advisory committees. I really don't believe that it is germane whether it's by statute or by appointment. I think it's subject to the same abuses either way, and it's just as I said: it's the responsibility of a minister of the Crown to conduct himself in a most appropriate way. I don't see that one has any relationship to the other.

I think that was it. It may be a difference of opinion, but it's a fine line and it's a moot point. I would suggest that we get on with the vote.

MR. CHAIRMAN: Are you ready for the question on Bill 29?

[Title and preamble agreed to]

MR. ORMAN: Mr. Chairman, I move that Bill 29 be reported.

[Motion carried]

Bill 20

Women's Secretariat Act

MR. CHAIRMAN: Bill 20, with no amendments. Minister of Culture, any opening comments?

MR. ANDERSON: Mr. Chairman, I have no real opening comments. I think we explored some of the areas that might be a question during second reading. I would only say that along with sections expanding the role of the secretariat in order to meet the changing needs in that area, the other sections of the Bill equate almost directly with the usual departmental Act.

MR. CHAIRMAN: Comments, questions, or amendments to any section of this Bill?

MS BARRETT: Mr. Chairman, my only concern about this Bill upon detailed reading at committee stage is with respect to section 8(2)(a), which says:

(2) The Lieutenant Governor in Council may make regulations.

(a) authorizing the Minister to make grants ...

Mr. Chairman, in keeping with the intent of this Bill, which is clearer than Bill 19, I wonder if the minister responsible for discharging this Act is prepared to make a commitment that in authorizing those grants or in developing the regulations for those grants, he will specify that those eligible for grants must be directly in pursuit of activities designed to promote equality for women.

Mr. Chairman, the point is that an awful lot of confusion can result if a government is heading in a couple of different directions at the same time. If the goal of this Bill as stated in its mandate, which I think is not perfectly but reasonably clear, is to work toward making sure that government departments are aware of those matters which are of particular concern to women, we should do so in the one way that's going to make it effective for a single direction; that is, promoting equality for women. The minister is well aware of the litany of statistics that I'm thinking of when I talk about this matter; I'm talking about wage gap, poverty, violence, and that sort of thing. I would like the commitment from this government that only those organizations or individuals whose activities are in pursuit of equality for women will be entitled to grants under the provisions of this Act.

MR. CHAIRMAN: Comments, questions, amendments to any section of this Bill? Hon. minister?

MR. ANDERSON: Mr. Chairman, with respect to the request of the hon. Member for Edmonton Highlands, the fact of the matter is that these grants have been given out

over the past number of years, and the definition of why they're given out or to whom is extremely broad. They try and assist women's organizations of all sorts to forward what they believe to be the issues they're concerned with; they relate to child care, to various aspects of life. I think they would fall far wide of the very strict parameters of equality for women, though that depends on how you interpret the term. So without a very detailed definition of the term, which I suggest by legal interpretation might restrict the grants to organizations that I and indeed the hon. member might want to give them to, I would prefer it to have more flexibility than that. I guess I'm saying no to the request for a commitment there.

MR. MITCHELL: Mr. Chairman, we in the Liberal caucus have one amendment that we would like to move at this time for the consideration of the Legislature.

MR. CHAIRMAN: Would you distribute it before you speak, and perhaps members would have ...

MR. MITCHELL: I will distribute it. May I speak as it is distributed?

I will read the amendment:

Section 2(2) is amended...by deleting "may" from subsections 2(2)(a) to (d) inclusive and "shall" from 2(2)(e).

This is intended to strengthen the ability of this secretariat to act and to perform its function, to take away the discretionary implication of the word "may" and to enforce the idea that the secretariat has been established to "identify, analyze, and make recommendations," et cetera. I would like to move that amendment.

Thank you.

MS BARRETT: Mr. Chairman, I'm actually pleasantly surprised with this amendment. As *Hansard* from the last consideration of this Bill will show — that is, in second reading — I had noted that in fact the mandate of the Secretariat could be stronger. I particularly referred to the fact that "may" was referred to in those clauses referred to in this amendment.

Mr. Chairman, it is not that the bureau, as it is currently known, or the secretariat has failed to do a very good job. In fact, I would like to go on record as being representative of a caucus that is fully supportive of the staff members of the bureau, soon to become the secretariat, and particularly Dr. Sheila Wynn. We have actually been very impressed, and they have been extremely co-operative with our office over the years, I might say.

However, it seems to me that the motion as supported by the Member for Edmonton Meadowlark puts into the form of words the criticism that I made last week on this very matter. Under the direction of very good, qualified, competent, and sensitive staff, I don't believe that it is utterly essential, which is why I didn't move this motion, but I believe that it would enhance the qualities of this Bill and make sure that — while I am also convinced that the minister does take the view that much needs to be done to promote equality for women, at any time some pressures may come to bear such that under his direction the "mays" in those clauses would vanish because the "shall" have become very important for political expediency. For that reason, Mr. Chairman, on behalf of our caucus I'd like to support this amendment.

MR. ANDERSON: Mr. Chairman, with respect to the amendment I appreciate, first of all, the intent that's there and also very much the words of the hon. Member for Edmonton Highlands with respect to the secretariat and, in particular, its executive director. I, of course, echo those; I think we do have excellent staff there. However, I will be opposing the amendment, and really for two reasons. The first change suggested is not a drastic one, the change which says delete "may" and put "shall" in (a) to (d). In fact, it would result in little difference to what the secretariat is involved with. I don't anticipate their not carrying out these functions in the immediate future. However, the possibility does exist that because of something I'm unable to foresee at the moment in potentially even the advisory council's development, there will be a function more appropriately carried out elsewhere. So we wouldn't want to tie that specifically to it. As I say, that's not a major problem, but it is an inflexibility that I don't think is essential in the Bill.

I think taking "shall" away from (e) and replacing it with "may" is more drastic.

MR. WRIGHT: No, it doesn't alter the sense.

MR. ANDERSON: From (e), yes. This is more drastic because it does in fact take away from the minister the ability to direct as the Legislature or government determines other actions that should be undertaken and leaves it to the discretion of a civil service body. While that body at this point is — and I expect it to continue to be — an excellent one which furthers the cause all of us believe in, I do think that taking that ability away from the minister would not be in the best interests of the people of Alberta, in this case particularly the women of the province. So I'm voting against the amendment.

MS LAING: Mr. Chairman, I would like to speak in support of this amendment. I think it is essential that we make this as strong a mandate as possible, and in view of the good work done by the present bureau — to be the secretariat — we need assurance of a continuation of that high calibre of work. We may now have a minister that is very supportive of women and the enhancement of women's participation in society, and we must be guaranteed that this kind of support will continue. So I would support this amendment.

MR. WRIGHT: Mr. Chairman, I say with the greatest respect to the minister that I believe he has misconstrued the effect of the amendment in that the deletion of "may" from subsections (a), (b), (c), and (d) and the addition of the words "is established to" at the beginning set out the mandatory aims of the secretariat. The objection the minister takes to this is that there may be other things that need to be done in the future, but that is why subsection (e) exists and that remains unaltered. There is a verbal alteration, but it doesn't amount to anything, because "The Secretariat is established to ... undertake any activities that the minister considers appropriate" means exactly the same thing as "The Secretariat ... shall undertake any activities that the minister considers appropriate."

So the objection raised by the minister, which is perfectly correct if he took the amendment to mean what I think he thinks it does, is in fact mistaken. The secretariat now has the mandate and is not limited in any way, because the minister can prescribe other activities, and that enlarges their mandate.

MS MJOLSNESS: Mr. Chairman, I rise to support the amendment put forth by the Member for Edmonton Meadowlark. With the changing of the wording in the amendment, I think we can see that there is a stronger mandate for the secretariat. As it stands presently in Bill 20, it does recognize a certain amount of weakness just by the word "may." I recognize that this Assembly recognizes the fact that there are many problems and issues facing women in today's society and that this Assembly recognizes how important it is that women do participate fully in society. I think the stronger wording in this particular amendment does promote the activities of the secretariat, so I would support the amendment.

Thank you.

MR. SIGURDSON: Mr. Chairman, I too would like to rise to support the amendment. I think it's most worth while and important. We have a number of subsections that say what the secretariat may do if it wants to, not what the secretariat could or should or shall do. It's most important that when we establish the secretariat it do those certain things. Under subsection (e) it states it "shall undertake any activities that the Minister considers appropriate." From that he could choose any one of the above four subsections, but that's not the point. The point is that in the establishment of the secretariat, it should be conducting all of the things that are outlined in the subsections. It's just not good enough that we look at the possibility of the secretariat only having the option to do such instructions.

Mr. Chairman, I fully support the amendment and would encourage all members to do the same.

MR. McEACHERN: Mr. Chairman, I have a couple of very quick comments. This particular amendment deals very effectively with a suggestion that our party put forward the other day. We thought that if you changed the word "may" to "shall," you would accomplish much the same kind of thing that this amendment accomplishes very succinctly. So I rise to support the amendment.

The last question. The wording in 2(e) raises another particular problem. Although it's not directly related to the amendment, I wonder if the minister would comment nonetheless. If the secretariat is established to undertake any activities the minister considers appropriate — which is okay too; I'm not saying that that shouldn't be there — why not somewhere in here also some activities that the secretariat thinks are important? I wonder why that is not included in the concepts built into those several points. [interjections]

MR. CHAIRMAN: Order please.

MRS. KOPER: Mr. Chairman, in reviewing the amendment, I find it rather inconsequential. I have before me a memo on the accomplishments of the Alberta Women's Secretariat. Even before this Act listed so very well the actual guidelines and the priorities for operation, I find they were identifying and analyzing and making recommendations. They were co-ordinating and liaising with the government. They were conducting research and data on women's issues. I find this amendment rather inconsequential. I feel that the secretariat is a body working hand in hand with the government, with the minister, and I would suggest to members of the Assembly that this amendment is not needed in order for the secretariat to continue the very excellent job it is presently doing.

MS BARRETT: I'd like to pass over to you for distribution a friendly subamendment to this amendment, Mr. Chairman. Yes, I know you're aware of the technique here, but I'll tell you why we're doing it.

The minister, in responding to the amendment as advanced by the Member for Edmonton Meadowlark, said that he had no particular contention with changing the word "may" to "shall" in section 2(2)(a) through (d), that he didn't particularly worry about that. Therefore, I am moving a subamendment which would in fact return to its original wording the final clause in section 2 — that is, section 2(2)(e) — which currently says "shall" and was recommended to be amended to "may" and have it returned to the word "shall" again. This I believe would satisfy the minister's expressed concerns about losing ministerial authority — which of course no government would want to do in the final analysis — but permit through legislated mandate a specific goal for the secretariat in terms of not having it diluted so that its priorities may vanish as political expediency so requires.

So I move this subamendment with, I believe, the agreement of not only our caucus but also the member who originally moved the amendment.

MR. CHAIRMAN: Member for Edmonton Highlands, the Chair is having some difficulty with the subamendment as you propose it, as opposed to the amendment moved by the Member for Edmonton Meadowlark, as to text. However, the Chair is going to be considering this in the next few minutes.

MR. MITCHELL: Mr. Chairman, I would like to underline my concurrence with this subamendment and to reinforce the intent behind our original amendment, which is not adversely affected by this subamendment but in fact supported by it. We agree with the Member for Edmonton Highlands and would like to endorse her comments concerning the expertise, competence, and proven track record of the Women's Secretariat. We cannot speak highly enough of it. Our amendment and this subamendment simply support the Women's Secretariat by strengthening their mandate. This subamendment appears to strengthen their mandate in keeping with the intention of our amendment; therefore, we would support it.

MR. CHAIRMAN: Order please. The Member for Edmonton Highlands has misnamed a paragraph in the subamendment. Could I draw the committee's attention to the subamendment, section 2(2)(e) as opposed to (d). I suppose, members of the committee, that technically the Member for Edmonton Highlands should propose in written form another amendment. However, is the committee satisfied with the Chair's interpretation of the correction proposed by the Member for Edmonton Highlands?

MR. WRIGHT: On a point of order, Mr. Chairman. There would have to be some slight verbal alteration to embody the sense of it, but we leave that to the Clerk.

MR. CHAIRMAN: The Chair is in the process of being advised by the Table officer.

The Chair is of the view that the subamendment is out of order as to its form in how it would affect that section of the Bill. The Member for Edmonton Highlands could reconsider that before we proceed, but that's at the wish of the committee.

MS BARRETT: Mr. Chairman, can you advise in what fashion it's out of form?

MR. CHAIRMAN: The Chair cannot advise as to which fashion, other than that the terminology in the subamendment negates the actual section of the Bill. The Chair is in the process of being advised by the Table officer. The members of the committee can understand that if it's not proper, we simply can't proceed with it.

MR. WRIGHT: On that point if I may, Mr. Chairman, what the subamendment is clearly saying is that the motion on the floor is amended to read: the Secretariat (a) is established to. Then it follows: by deleting "may" from subsection 2(2)(a) to (d) inclusive. Cross out the rest of that and continue as in (b). So the whole thing would read: The Secretariat (a) is established to identify, maintain, conduct, promote, and so on, and (b) shall undertake any activities that the minister considers appropriate.

MR. CHAIRMAN: The Chair can't undertake a verbal amendment because the Chair is not able to cope. The Chair would observe from *Beauchesne* 773(4) for the hon. member who proposed the subamendment:

An amendment may not make the clause which it is proposed to amend unintelligible or ungrammatical. That's our problem.

MR. McEACHERN: Mr. Chairman, I believe the subamendment does accomplish its purpose. I think it's just a matter of seeing through exactly where we're going with this thing. The first four sections — (a), (b), (c), (d) — would read: the Secretariat is established to. And then the word "may" ...

MR. CHAIRMAN: Order please. Is the hon. Member for Edmonton Kingsway discussing the amendment before the committee? We're not in a position ...

MR. McEACHERN: The subamendment of the amendment.

MR. CHAIRMAN: We're not discussing the subamendment until we've received in writing from the hon. member something that's more legible.

MR. McEACHERN: Oh, I'm sorry.

MR. CHAIRMAN: I believe the Member for Edmonton Strathcona is assisting the Member for Edmonton Highlands. On the amendment, the Member for Calgary Mountain View.

MR. HAWKESWORTH: Mr. Chairman, I think the amendment as put forward by the hon. Member for Edmonton Meadowlark has considerable merit. The reason is this: in enacting legislation in this Assembly, it's incumbent on all of us, and particularly the minister proposing legislation, that he clarify that legislation as much as possible to focus in on the intent and the purposes to be achieved by that legislation.

What we have presently in Bill 20 is that the secretariat may do this, may do that, may do something else. It gives some kind of general direction without really saying what is expected of that secretariat. What the amendment would accomplish would simply be to state the purposes for which the secretariat is established. Why would you bring in the

legislation unless you would provide a mandate for the board or the secretariat or the council or whatever it is that the legislation attempts to set up? Mr. Chairman, it seems to me patently obvious that you should provide as clear a mandate as you can possibly provide in any kind of legislation that's introduced. All the amendment is intended to do is simply make it absolutely clear what the purpose of this secretariat is — not to be wishy-washy about it, not to engage in a wide variety of possible objectives, but to state very clearly that it is the intention of this legislation to set up a secretariat that will do some clearly enunciated objectives, carry out a clearly enunciated mandate.

Mr. Chairman, it escapes me still as to why the minister would not agree to this particular amendment. It just makes good sense; it tidies up the language. It gives a stronger and more clear mandate to this particular secretariat in terms of accomplishing certain objectives. You can say that a secretariat may do certain things, but it also implicitly states that it maybe won't do those things.

The Secretariat

(a) may identify, analyze, and make recommendations about government policy, programs and legislation that affect women.

For instance, let's say that in one particular year the secretariat did not do any of that. Would they then have failed in their mandate? As I read the legislation being brought in by this minister, they would not have failed in achieving their mandate if they failed to meet that particular objective. This particular objective, the first one, (a), is not clear. It simply is permissive and doesn't actually require that the secretariat achieve that particular objective. If we were to approve the amendment brought in by the hon. Member for Edmonton Meadowlark, that would be clearly a mandate for the secretariat to achieve in each and every year. At every reporting period that secretariat would have to indicate how it had achieved each one of these particular items.

All it's doing, Mr. Chairman, is achieving greater clarity, providing a stronger, more specific, and more clearly stated mandate. I don't see how the members opposite or the government or the minister could really take exception to that particular objective.

Thank you.

MR. PIQUETTE: I rise also to support the subamendment.

MR. CHAIRMAN: Order please. There is no subamendment in order before this committee. Do you wish to speak to the amendment?

MR. PIQUETTE: I rise to speak on behalf of the amendment. I'm quite confident that the members of the government side will see the decency of the amendment. If we're going to be putting out a Bill which has any validity in terms of the Women's Secretariat Act, "may" should be substituted by "shall." Noticing that the members opposite are working feverishly to try and come up with some acceptable wording to the Act, I'm hoping that wisdom will prevail and that by the time deliberation ends, we will have a Bill 20 that both sides of the House can perhaps support enthusiastically.

Are you ready? [Interjections] Okay. Thank you very much.

MR. ANDERSON: Mr. Chairman, in the spirit of co-operation with which we want to deal with women's issues in this House in general, the government would be willing

to accept the amendment as proposed. I did misinterpret the last portion of that. I would suggest, therefore, that the member might wish to withdraw the subamendment, which would be unnecessary to require our support.

MS BARRETT: With respect, Mr. Chairman, I withdraw my subamendment.

MR. CHAIRMAN: The subamendment was out of order. We weren't discussing it.

Are you ready on the question of the amendment to Bill 20?

[Motion on amendment carried]

MR. CHAIRMAN: Are there any further comments, questions, or amendments on Bill 20?

[Title and preamble agreed to]

MR. ANDERSON: Mr. Chairman, I move that the Bill be reported.

[Motion carried]

Bill 19
Alberta Advisory Council
on Women's Issues Act

MR. CHAIRMAN: There are no amendments. Comments, questions, or amendments to Bill 19, hon. minister?

MR. ANDERSON: Mr. Chairman, I don't have many opening comments on this Bill. We discussed it extensively in second reading. I would only say that I'd be happy to respond to questions or issues raised by other members.

If you'll allow me to take the liberty of the committee, I believe in the gallery we have Ms Terry Newman, chairperson of the Saskatchewan advisory council on the status of women. She's accompanied by Ms Margaret Leahey, who is chairman-to-be of the council that we hope will soon be established. If you'd allow me, Mr. Chairman, I'd have them stand.

MR. CHAIRMAN: Any comments, questions, or amendments to Bill 19?

MS BARRETT: Mr. Chairman, I'd like to try my luck on some amendments, please, and I'll hand them over to the Chair immediately. I have more than enough copies, and I believe they're all in order. There should be no problem in that respect.

Mr. Chairman, I can go through these amendments one by one. They would amend the Alberta Advisory Council on Women's Issues Act in a way that I referred to last week in consideration of this Act at second reading. The series of amendments would do the following:

Section 2(2) is struck out and the following is substituted:

- (2) The purpose of the Advisory Council is to improve the status of women in Alberta by
 - (a) promoting the full and equal participation of women in the economic, social, and political life of the Province;
 - (b) increasing the awareness of Albertans of the issues which concern or affect women in the Province;

- (c) advising and reporting to the government, through the minister or any other member of the Executive Council, on matters relating to the full and equal participation of women in the economic, social and political life of the Province, and, without limiting the generality of the foregoing, engaging in such activities as
- (i) identifying specific matters and issues relating to women in Alberta which, in the opinion of the advisory council, ought to be addressed by the government,
- (ii) making recommendations for legislation, policy or other actions by the government with respect to matters and issues relating to women in Alberta, and
- (iii) carrying out any other activities that the minister considers appropriate; and
- (d) researching any matter relating to the equality, rights or status of women in Alberta or causing such research to be carried out.

Section 3 is amended,

- (a) by striking out subsection (1) and substituting
 - (1) The Advisory Council shall consist of not more than 15 members appointed by the Lieutenant Governor in Council for terms not exceeding 3 years.
 - (1.1) Every member of the Advisory Council shall be a woman.
 - (1.2) In selecting women to be members of the Advisory Council the Lieutenant Governor in Council shall consider the knowledge, background and expertise of each woman being considered and shall bear in mind the desirability of including women who represent, or are active with groups representing the interests of labour, native people, immigrants, the economically disadvantaged, homosexuals, the professions, rural dwellers, urban dwellers and the disabled, and the representation of the different geographic regions of Alberta.
- (b) by striking out subsection (5) and substituting the following:
 - (5) A member continues to hold office after the expiry of the member's term of office until
 - (a) reappointed, or
 - (b) a successor is appointed, whichever occurs first.

Section 7 is struck out and the following is substituted:

- 7(1) On or before every fifth anniversary of this commencement of this Act, the Advisory Council shall submit to the Minister a report containing recommendations as to its future operation and as to any amendment to this Act that it deems advisable.
- (2) The Minister shall table the report in the Legislative Assembly within 5 days of receiving it if the Legislative Assembly is then sitting and if it is not then sitting, within 15 days of the commencement of the next sitting.

I move these amendments in light of discussions made by many members in the Assembly last week in second

reading consideration of this Bill. In fact, no members expressed an interest in making sure that the council would not be able to address considerations of and promotion of items of equality for women in Alberta. Moreover, members, the minister included, stressed that it was the government's intention to have a cross section of representation on this council.

One area where the government may be concerned is that in my amendment I have removed the sunset clause in this Act, because I believe we need to have an ongoing review of the work of the council and the progress that government and society as a whole make with respect to recommendations put forth by the council.

Mr. Chairman, this series of amendments does not completely change the nature of the Bill the minister has put in front of us for consideration. I believe these amendments add strength for the council itself, supply a little more arm's-length relationship between the council and the government, inasmuch as it would formalize the relationship between the cross section of the members appointed to the council — that is, ensuring that we have that cross section — and ensure that the council itself has the very specific mandate, not talking about vague items like opportunities but actually talking about an activity that is pro; in other words, in this case, promoting.

It may appear that it's a semantical division between the government's Bill and the amendments I'm proposing, but I submit there is some substance behind the semantical differences and that these recommendations, these amendments, would strengthen the Bill in such a way that women around the province, who for many years have been calling for an independent research and action-oriented council able to communicate with all departments, just as the Women's Secretariat is able to do, have the ability to do so by virtue of statutory mandate. Therefore, Mr. Chairman, I think this would meet with the approval of women in Alberta.

Finally, I pointed out in second reading that there are innumerable bureaucracies and structures throughout our entire society that are dominated by men by virtue of promotion, hiring practices, election, or what have you, where women themselves are not thoroughly represented. It is not the case, as one member said last week, that my caucus particularly wants to completely dominate a council in such a way that it runs the government. In fact, there was nothing in my original Bill that would leave it to do that, Mr. Chairman. However, in this instance there is no officially sanctioned domain that is a recognized body established by regulation or statutory provision of the Alberta government which is exclusively given over to women for their deliberations and recommendations.

It is not that men do not share the overall social goal of promoting equality for women. It is, however, important to consider that women themselves have a forum in which their experiences can be discussed openly, related openly, and then communicated clearly to government departments or the ministers thereof. Therefore, Mr. Chairman, I have specified that the members of this council be women. It would be the one exception to the general rule governing our society, in which men dominate. This one would leave this particular council, not the Women's Secretariat but this advisory council, a public council to be comprised of women only.

Mr. Chairman, I have put a lot of thought into working toward a compromise between the Bill that I sponsored, the Alberta status of women council. Bill 208, and the Bill that the minister is sponsoring. Bill 19. We'll note that not

all the recommendations I made in debates last week are included in these amendments. I believe I have struck the kind of compromise that both the government and the opposition can live with.

I remind all members that the government isn't just a whole bunch of Conservatives; it is also several opposition members who also have ridings to represent and who also take a keen and active concern in their areas for critique; that is, our shadow cabinet portfolios. In this instance I have the full support of the Official Opposition caucus in this series of amendments, and I urge the same to all members.

MR. STEVENS: First of all, Mr. Chairman, I think I should indicate that the government does not contain any members of the opposition. The Assembly may, but the government does not.

Secondly, Mr. Chairman, I'd like to go on record, without tabling my remarks of last Thursday evening, which I believe have been distributed today in *Hansard*, that I completely disagree with the amendment, its content, and each detail as presented today by the Member for Edmonton Highlands.

I can't imagine how we would take any advisory committee or any council and say that they should promote one thing or the other. Surely we expect a council or committee or advisory body to do their very best in understanding what the issues are, in obtaining information from individuals, organizations, and corporations throughout this province and assembling that information and making it available. But to actually say that as a government we would endorse and establish a group whose sole purpose, or one of its purposes, is to promote a particular view which may or may not be a view supported by Albertans at this time — it's a view that has to be developed and understood clearly.

Further, to suggest that this organization should somehow have the ability to increase the awareness of Albertans — that's up to each individual Albertan. Surely all this committee can do is provide information, new information, and an opportunity for feedback and consultation. To suggest in subsection (c) of 2(2) that we should limit the council to these kinds of activities, whether they're social or political or economic — I think that's up to the council to determine in consultation with the minister.

To conclude by saying that "every member of the Advisory Council shall be a woman" — I mentioned last time we spoke, Mr. Chairman, that it may very well be that the Lieutenant Governor in Council will appoint not more than 15 female members. That may very well be the case. Hundreds of members of Alberta's citizenry have been submitted to the Minister of Culture. But to limit the opportunity for one or more men to be appointed I believe is totally abhorrent to the way in which this government establishes its advisory councils and committees.

Mr. Chairman, to say that we should select women who are representative of particular interests or groups — it's true that everyone has a background in something or other, whether that's environmental or educational or career or societal. All of those experiences we have as we go through life help us make decisions, come to judgments, and give advice. But to say that a member of a council or any advisory body represents a particular viewpoint I believe is most inappropriate and would subrogate the advice we will receive from this body.

I could go on, Mr. Chairman. Perhaps other members wish to. I do not agree with the amendments as proposed.

I think they take away from the very substance of the Bill the minister has presented, and I look forward to the vote.

MS LAING: Mr. Chairman, I have some concern about the Member for Banff-Cochrane's concern about the focus of this Bill. Surely full and equal participation in society for all members of a society must be a social value that we could all endorse. It certainly was the foundation of the civil rights movement in the United States and the foundation of the movement around aboriginal rights in Canada and around children's rights. I think we cannot move away from our commitment to this kind of equality for all people.

We must in fact change the name of this Bill to address the issue of women's full participation in society and to recognize that as they are denied participation in society, it's not just a women's issue. It's an issue for men and for children as well. We are all denied their certain level of experience, expertise, knowledge, perspective, and wisdom if we systematically deny one group's full participation in all aspects of society. Even our denial is a form of violence that says something about our society and makes it less human and less humane than it should be. On those points I say we must change this to look at the status of women and not women's issues. Pornography, rape, violence: those are issues for every person, every member of society. We can't stick it in one slot. I don't know how anybody can be against bringing into effect an equal society that recognizes everybody's contribution, strengths, talents, and that kind of thing.

I think we need a stronger mandate for this council, that it must be empowered to make sure things happen, that it must provoke full and equal participation. That must be clearly stated as the focus of the council. It must increase awareness. It's not good enough just to send information out. We must work; we must become proactive; we must make sure that things happen. It is only through that kind of education which is proactive that we can achieve some change. It must advise the government as to how change can come about. It must initiate research, often into areas that many of us would rather not look at. It must look at legislation, action, policy. So I believe this council needs a strong mandate. It must be proactive and directive, not reactive and passive. It must educate. It must prepare for change. It must create the tools for change so that change can come about. It must be able to do controversial research on issues that have too long been hidden.

I say in conclusion that the problem in this Bill is the direction — not "women's issues" but the "status of women" so that they will achieve and have full participation in this society. I believe the council must be made up of women because we must hear about women's experience, and we need to hear it from the perspective of women. I would suggest that if we have men on the council, a great deal of the council's time will be spent educating those men on the council as to the legitimacy of women's experience. I would suggest that that is not the council's mandate. The council will look at women's experience, come to understand it, and then their mandate will be to educate the larger society and government.

I would like to give you an example from my own experience. I used to go out to high schools and talk about rape. When I talked about the possibility of rape, girls reacted with fear. When I talked to boys about the possibility of their being raped, once they got over snickering and realized that it was possible for them to be raped, they said, "I'd kill him." They could not accept the concept of

powerlessness, even as we painted a scenario of several assailants with weapons.

I would suggest that many of women's experiences are not held to be legitimate because men have not been in those positions. The council would be much more effective if in fact women can talk about their experiences and then look to the education of the greater society. That's not to say that men cannot understand women's experiences and cannot be supportive of them. But I would suggest that the council should not be spending its time on educating men on the council but must be part of their larger mandate in society.

I would suggest also that we do not consult women about men's unique experiences. Only in a culture that denies women's competency and ability to articulate in a reasoned and understandable way their own experiences and perspectives do we even suggest that we need men on such a council. We certainly don't think we need women to help men talk about their unique experiences. I would say that the women that are chosen must be chosen to represent the diversity of women's experience in this province so that the richness and wisdom of that experience will result in enriched council deliberations and that this council must continue until women have equal and full participation in this society. It must not be allowed to fade away.

I therefore stand in support of this amendment.

MR. DAY: Mr. Chairman, I'll just briefly echo some of the sentiment expressed by the Member for Banff-Cochrane — and somewhat eloquently so, I might say. I have some concern with what I see as some gross inconsistencies in thinking as revealed by these amendments. Looking at the suggested amendment on page 2, "in selecting women to be members of the Advisory Council," certain interest groups are mentioned. I'm a little bit concerned, not at the groups that are mentioned but at a number that aren't. I would say they are conspicuous by their absence. I don't see single parents mentioned here. I don't see widows mentioned. I'm sure if the members proposing the amendment were asked, they would say, "Yes, I also would like to see those included." But they are conspicuous by their absence. I don't see any inclusion for women who choose to be homemakers and stay in the home, also conspicuous by their absence.

The member who is presenting the amendment might say that there is nothing to this. I would suggest and refer to an ancient eastern proverb which says that out of the abundance of the heart the mouth speaketh. Possibly in this case the fact that there is no speaking for these groups is suggestive of something. I could not in any way support an amendment that has such an obvious lack of reference to groups of women in our society who form such an integral part of that society. The very fact that women who choose to be homemakers, for instance, are not included here is again that subtle inference that any woman making such a choice is somehow less than others who would choose a professional direction. So because of some obvious lack of reference to key groups of women in this province who have some very real concerns, I cannot support this amendment.

Looking at page 1, Mr. Chairman, where we see that "every member of the Advisory Council shall be a woman," I have to say that I stand shocked at the level of discrimination that is being put forward by the member. As it may happen, every member of this council may well indeed be a woman. I wouldn't have a problem with that at all.

But the suggestion that in this province in this day and age, we legislate against a whole group of citizens, about half of our citizens, of which I happen to be one — I sense some rejection here. This is giving me a bit of an inferiority complex, that I should be legislated against in such a terrible way.

Obviously, some of this is tongue in cheek, but I want to get deadly serious and say that I would hope that no member of this Assembly would ever support legislation that categorically discriminates because a person is either male or female. At first I found it humorous, but then not quite so humorous when the member the other night was attacking this Bill on the grounds that these were not women's issues and attacking the minister even on the title of the Bill because it referred to "women's issues," when in fact the member who spoke before me just today referred to these as social issues — not "women's issues" but "social issues." I agree with her, and I suggest that maybe there is not unanimous agreement on the part of the NDP caucus on this. I agree; these are social issues. The member proposing these amendments, who is attacking this Bill and suggesting that every member shall be a woman, has severely contradicted herself, because these are social issues.

I would ask every member of this Assembly: please do not go on record for all the rest of the civilized world to see endorsing an amendment that is so discriminatory. Thank you.

MS MJOLSNESS: Mr. Chairman, I'm not too sure that the Member for Red Deer North deserves any comments, but I can't help but comment on one thing. He said that widows, single parents, and homemakers are not included in this amendment. I would suggest that the member take a look at the list of organizations and groups that are represented there. He will see that it does say urban and rural dwellers. I would suggest to him that widows, single parents, and homemakers certainly fall into those categories. Also, they fall into the "economically disadvantaged" as well.

Of course, I rise to strongly support this amendment to Bill 19. In the amendment it states that "the purpose of the Advisory Council is to improve the status of women in Alberta." It goes on to list ways in which the council can work toward this purpose. In Bill 19 as it presently stands, it states that

The purpose of the Advisory Council is to advise and report to the Alberta Government.

I recognize the fact that at some point in time the advisory council should report to the government. But surely to goodness that should not be the purpose of the advisory council.

I think this amendment recognizes the seriousness of this advisory council on the status of women and the important role such a council will play by promoting full and equal participation among women in our society in this province. I think basically what we're talking about here is fairness. I cannot understand why anyone in this Assembly would be against fairness. We have in Alberta one of the biggest wage gaps between men and women in Canada. I ask you: is this fair? This wage gap between a woman and a man also increases with the level of education. A woman with an average high school education earns significantly less than a male with the same amount of education. This unacceptable gap increases when men and women have university degrees. I again say that this is simply not fair. There are many thousands of women who are trapped in

low-paying jobs. We have almost half of women heading single-parent families.

MR. DAY: On a point of order, Mr. Chairman. I believe we're to be discussing the amendments to Bill 19. I have no difficulty with the truth of the arguments the member opposite is bringing out, but I don't think they refer to the amendment.

MR. CHAIRMAN: With respect, Member for Red Deer North, dealing with Bill 19 and the spirit of relevancy, it would appear almost anything is relevant to the Bill before us as long as it touches on women's issues.

MS MJOLSNESS: Thank you, Mr. Chairman.

Almost half of the women heading single-parent families live in poverty. We have heard in this Assembly many inequities that are present in our society when it comes to women. Based on comments that I've heard, I'm not convinced that all the members of this Assembly recognize how serious these issues really are. I think it's time we deal with these issues, because they are a reality. We need a strong advisory council, one that is given the power to deal with these issues in a constructive and meaningful way. This council needs autonomy, and it needs some clout. I think this amendment strengthens the proposed advisory council. I also think we all need to work co-operatively in order that women enjoy equal participation in this province.

I urge that everyone in this Assembly support this amendment. Thank you, Mr. Chairman.

MR. HAWKESWORTH: What is being debated here, Mr. Chairman, is obviously two different notions of what this advisory council is intended to achieve. I think it might best be summed up by the difference between expecting the council to reflect public opinion and the expectation that the advisory council is going to lead public opinion. That is something every member of this Assembly can identify with, because as elected officials or elected members to this Assembly we have two jobs to do. One is a representative function; that is, that we are here in this Assembly to reflect to the best of our abilities what we consider to be public opinion and the public interest. At the same time, we're also elected to lead. From the people elected in the general election a government is formed to govern. A function of leadership is expected of us in this Assembly — not simply to reflect public opinion but to lead public opinion. So there is this tension that's always created.

What we're afraid of on this side of the Assembly, certainly in this caucus, is that by the way this advisory council is being set up and structured, the expectation is that it will simply reflect public opinion, that it's not going to take onto itself the other job of leading public opinion in this province. I guess it comes to the question: to what extent is government able and prepared to fund its own critics? That's certainly something you wouldn't find in anything other than a democratic society, but sometimes in a democratic society I think governments find it very difficult to fund their own critics. You're giving money to a group, and the next thing you know, they're standing up and having press conferences and tabling reports that are sometimes embarrassing. They create some discomfort. Again, we have a tension created. If you provide an organization the means and the wherewithal to be truly independent, you may be setting up a situation where this group is going to at times

be rather a thorn in the side. To what extent can a government fund that sort of activity?

Frankly, Mr. Chairman, I think you would agree, and most people in this Assembly would, at least in theory, that government should not always be comfortable. There should be various groups and individuals out there continually prodding, pushing, and encouraging that government should move in certain directions — to be thorns in the side. I detect that the discomfort with this particular amendment has more to do with the concern that it would genuinely set up a situation where there would be a permanent thorn in the side to government on the matter of women's issues. That is something which we on this side of the House feel is a situation that is quite acceptable. It's important for government to move to correct inequities, particularly as they stand in the way of the full and equal participation of Alberta women in the life of this province. If we're really serious about that, we should also be serious about taking some of the risks inherent with setting up a truly independent advisory council on women's issues. If we're going to be setting up that kind of situation, then we should be giving it the kind of arm's-length independence so that they're free to investigate areas of concern, identify specific issues, and make recommendations for legislation and policy change that at times is going to be very uncomfortable for government because it asks some of those hard-to-answer questions.

Mr. Chairman, perhaps this government doesn't really see its mandate to correct the inequities that stand in the way of full and equal participation of Alberta women in the life of this province. Perhaps it doesn't see that it has a role to change a situation where women are not able to find the same financial remuneration for work they do, where they get trapped into certain job ghettos that are by and large low paying, where they get trapped by being placed in the situation of looking after children as single parents and find it difficult to provide the means to give a full and meaningful life to their children: these kinds of issues. To change those situations will cause some discomfort to the status quo.

We're not content with the existing situation. How are you going to change it? If you change it, it's going to create some dislocation. It's going to take some real action. It's going to take some affirmative action. Unless groups are established out there with the resources, research capability, and wherewithal to help form policy recommendations and monitor what's going on in society and push and prod for changes to be made, there will not be the push on government. There will not be the prodding of government that is required to change those situations. On our side of the House we're concerned that government is not interested in really leading public opinion in any way, shape, or form, but even more important is not prepared to help put in place the organizations, independent from government, that might lead public opinion to correct these inequities and injustices.

Mr. Chairman, these amendments brought forward by the hon. Member for Edmonton Highlands are intended to set up not an advisory council but more an independent council on women's issues, that would really have a mandate to be a critic of government, to lead public opinion, to speak out about some situations that need speaking out on and that will be a real advocate for the equal and full participation of Alberta women in this province.

Some concerns have been expressed about limiting the members of the advisory council to women. Mr. Chairman, affirmative action programs are not categorically ruled out

by the Charter of Rights as being discriminatory. This is simply intended to say that we're serious about making this group reflective of women in the province and are serious about establishing a council that clearly sees its mandate as being the full and equal participation of Alberta women in the life of the province. That is, we're serious about it. It's not just a group set up as window dressing to deflect criticism of government; it's an organization set up to create criticism of government to some extent.

Mr. Chairman, in terms of the amendment subsection (1.2), this is not a prescriptive clause of legislation. It doesn't state that these women on this council shall represent a list of groups. It says that it would be desirable for this council to have women who reflect certain groups of women within our society, but it's not prescriptive; it's not requiring that that council reflect each and every one of those categories mentioned. Whether women are economically disadvantaged, they may be single parents. Whether they're rural dwellers or urban dwellers, they may be homemakers. But this list states that it is desirable, that an advisory council on Women's Issues ought to reflect the broad variety of backgrounds of women in this province so that it doesn't become the purview or the exclusive domain of urban professional women in the women's movement but reflects those women who are in the work force, women of native ancestry, recently arrived Canadians, women who may be having some economic disadvantage, professionals, and rural and urban dwellers. That could be every bit as reflective of homemakers who have chosen to be homemakers, for whom that life-style is an important one and an option which they have pursued. That is a valid choice that women make, and it's valid that that group also be represented on the council. This subsection does not in any way, shape, or form exclude any in that situation.

Mr. Chairman, I think the concept we're proposing on this side of the House is one that this group needs to be an advocate, not a group that would be able to absorb criticism of government from the public but that it would be a genuine and true advocate on behalf of women in this province.

MR. CHAIRMAN: Before we proceed, there will be much business before this committee, and members are urged that if they have amendments or subamendments to any Bill before this committee, the Chair will base its decision on the advice of the Table officers. So members are advised to make sure their amendments or subamendments are in order and take the adequate time to do that preparation, because the Chair will have no other option than to call the question if those amendments or subamendments are out of order.

MR. YOUNIE: Mr. Chairman, after looking at this amendment carefully, I look back at the criticism that was heaped upon our private member's Bill the other night for its restrictions. I look at these so-called restrictions, and I can't think of any group of activists in the province on what we have or have not called women's issues who wouldn't be included in one way or another. So I wonder how that held any water, that we wanted to necessarily be restrictive. I kept thinking that maybe there was a list somewhere of 15 specific organizations we had been referring to, and here it's merely a recommendation that it would be a good idea to look at these various groups who have interests in specific areas. It seems to me to be an immanently reasonable thing to request.

In looking at this, I also consider the present minister and say that I have every faith that in fact without this restriction, because of the attitude he has shown, he would in all likelihood pick a group that would fit into these restrictions, or at least the majority would. I think he would do a good job of trying to pick a representative group. Unfortunately, I don't have as much faith in all Conservatives who have been elected, are elected, or might be elected in the future and therefore be appointed to his position. I can envision a time when a minister who takes his place at some future point might go down to the Royal Glenora and talk to eight or 10 of the ladies having lunch there and off to the Mayfair Golf and Country Club and talk to seven of the women who have just finished the ladies' golf tournament, and that would be our advisory council. The hardest decision they would have made in the last year was whether to wear mink or ermine, and they are supposed to understand what it is like to live in poverty, what it is like to raise a family alone, what it is like to be subject to unfair discrimination.

On that basis I say that it's important to make sure all future ministers have guidelines that would force them, whether they liked it or not, to act with the kind of good judgment that we would expect automatically from the present minister, because we can't be assured that all future ministers will have that good judgment. I think this merely asks future ministers to have good judgment in picking the people for that council so that they will be representative of that wide range of problems and look at them very carefully and very reasonably. On that basis I can't see how anyone could quibble with the common sense behind this particular amendment.

Thank you.

MR. CRAWFORD: Mr. Chairman, I move the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. GOGO: Mr. Speaker, the Committee of the Whole has had under consideration the following Bills: reports Bills 29 and 37, reports with some amendments Bill 20, and reports progress on Bill 19.

MR. SPEAKER: All those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

[The House recessed at 5:29 p.m. and resumed at 8 p.m.]

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 36 Local Authorities Election Amendment Act, 1986

MR. NELSON: Mr. Speaker, I'd like to move second reading of Bill 36, the Local Authorities Election Amendment Act, 1986.

The changes to Bill 36 are basically housekeeping in nature to reflect the needs of our rural counties, giving

them legislatively the same consideration as their urban cousins.

The second part of the Bill relates to a person's voting on a bylaw or question with respect to any school matters. This means that only a person who is a resident of a summer village is entitled to vote on matters concerning the schools in that district, including any item that relates to the school matter.

The third item in the legislation, Mr. Speaker, is wards being addressed considering today's reality in our cities and towns, where wards are. The present legislation addresses nominations by wards but does not reflect that into the election. This legislation allows for a candidate, or candidates where more than one person represents one ward, and in effect places the nomination and election processes in tune with each other.

This section, Mr. Speaker, deals with the minister's relieving the Lieutenant Governor in Council in the regulatory function that normally goes to the Lieutenant Governor in Council. It is felt that the minister can, by order, respond more easily and just as effectively as the Lieutenant Governor in Council when matters affecting areas of their responsibility come up. The process for requests to the minister can be handled more quickly and will streamline the system. Fewer delays will occur for our municipalities and counties.

[Motion carried; Bill 36 read a second time]

Bill 42 Alberta Energy Company Amendment Act, 1986

[Adjourned debate September 5: Mr. Pashak]

MR. PASHAK: Mr. Speaker, I made most of my comments last Friday with respect to this Bill. Perhaps by way of conclusion I could just summarize some of the points.

I think the Alberta Energy Company could have been a very good vehicle, an effective vehicle, to provide employment for Albertans during these times of difficulty. I think it was a mistake in the initial instance that it wasn't created as a Crown corporation. For example, it could have entered into partnerships with drilling companies. It could have drilled wells in Crown lands, thereby establishing new reserves that could have been held in some kind of partnership between private companies and the government itself. It could have bought cheap gas and stored it for that point in time when the price of gas will undoubtedly rise again in the future. I think we missed a great opportunity by not using the Alberta Energy Company in that respect.

MR. TAYLOR: Mr. Speaker, in speaking on this Bill, I'm going to take advantage of the fact that you can talk about the principle involved here, and do a bit of complaining.

When the Alberta Energy Company was first announced here, it was a sort of marriage of the old Social Credit idea and free enterprise that Alberta Energy was going to get out there and take Albertans' money along with government enterprise and build a way for Albertans to be represented in the oil industry. It was a very surprising philosophy coming from a Conservative party, even a Progressive Conservative Party, to decide that the public didn't have enough access to get into the oil business by buying shares in Canadian, American, or multinational corporations, that they had to come forward themselves.

In addition, of course, just to make sure that the thing didn't flop, they gave them the subsurface rights on the Suffield experimental station, which covered a huge area, an area that's larger than most countries of Europe, that ran for something like 60 miles one way by about 50 miles or so the other. If that didn't keep the company alive, this group of free enterprisers and rugged individualists then were also given a good chunk of the Primrose Lake oil and gas to make sure the company would stay alive. And just in case, if all these rugged, hairy-chested, free enterprisers still couldn't make money, they were loaned \$40 million at a low rate. That, to me, was a pillaging of the public purse in one of the most unholy ways. Even an NDP government would have been too ashamed to do something this overt. They would have at least called it a Crown company and not taken away the land and rights that belong to all Albertans and gave them to a company that now belongs only to a few Albertans. We had a massive transfer of public rights that belonged to everybody, to a select few.

Compounding that issue, when we've been short of gas markets the last half a dozen years, Alberta Energy has carried on like Mickey Mouse in the *Sorcerer's Apprentice*, using gas rigs right, left, and centre to drill up the whole Suffield exploration block and anything they can lay a hand on down there, which we gave them free. It was not insulting enough, Mr. Speaker, to not only give them the land to drill to keep the company going, but when there was a shortage of gas markets and we had so much trouble — all the legitimate companies and companies that were trying to make a living finding gas markets — we had the government-owned baby out there competing with it by drilling wells right, left, and centre.

I know this is a sort list of all that's wrong with the company, but this is all added to the fact that they promised they were not going to compete. You know, in a way I think they're right. They're not competing. They had everything handed to them. They're probably right. They kept their promise that they were not going to compete with the oil and gas industry. A friendly front bench over there gave them anything they wanted. So it's not competition; it's a gift.

But to go on a little farther, if the public of Alberta or our shareholders get up at any meeting of Alberta Energy and ask, "How much is the president being paid, what are the stock options, and what kind of deals are made at upper management?" they're stonewalled. They're told: "No, that's not a matter of public business. This is a matter of private enterprise, and consequently, although the Alberta public has a large shareholding in the company, we are not going to ask what kind of salaries, perks, and stock options are given to top management."

Mr. Speaker, I know that all it is is a sort of window-cleaning bill to bring the Act incorporating the Alberta Energy Company under the new type of rules that now govern companies in Alberta, but I just can't find it in my heart to give them any kind of succour, help, or agreement whatsoever.

MR. WRIGHT: I echo the sentiments of the last speaker, Mr. Speaker. The fact is that this was a good thing in principle, assuming it was to be a vehicle for the people's participation in the oil and gas industry. That concept was perverted. The principle that there might have been a presence of the people of the province of Alberta in the oil and gas industries to do directly what otherwise the

government tries, recently largely unsuccessfully, to do indirectly, was quite perverted. Now we are asked to tidy the whole thing away, write it all off as another basically privately owned public company, and it is just against the principles that we hold in this party, Mr. Speaker.

MR. SPEAKER: May the minister sum up?

HON. MEMBERS: Agreed.

DR. WEBBER: Mr. Speaker, I would like to review *Hansard* from last Friday to see the comments that were made by the Member for Calgary Forest Lawn and possibly respond to some of the comments he made at that time in committee stage of the Bill.

I do find it interesting, Mr. Speaker, that we hear these free-enterprise speeches from across the way at a time when it suits them. I guess that's one of the opportunities of being in opposition, that one day you can be a free enterpriser and the next day you speak the socialist line. We have the hon. Member for Edmonton Strathcona saying he would like to echo the comments from the Liberal leader, the Member for Westlock-Sturgeon, about competition with the private sector out there.

There's no doubt, Mr. Speaker, that Alberta Energy Company was well accepted by the public when the shares were issued and the company was formed a number of years ago. We restricted the percentage of shares to 1 percent so that your average Albertan could buy shares into the company, and they did so. They took it up very quickly, and it's been a very successful company over the years.

As the hon. member has indicated, the changes to the Act are for the most part not of a substantive nature at all but are necessary as a result of a need for the Alberta Energy Company to come under the purview of the Alberta Business Corporations Act rather than the Companies Act.

I also stand corrected, Mr. Speaker. I believe when I introduced this Bill, I indicated that because of the Companies Act being repealed, it was necessary to do this. I think if we check, we'll find that the Companies Act has not been repealed. However, it is necessary for this Bill to come under the purview of the Alberta Business Corporations Act.

[Motion carried; Bill 42 read a second time]

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

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. GOGO: Mr. Speaker, I'd like to introduce to you, and through you to members of the House, a man who spent not only some time in this Legislature but devoted a great deal of energy to trying to get government out of our lives by dealing with deregulation. Seated in the members' gallery is the former hon. member for Edmonton Whitemud, Keith Alexander. I'd like Mr. Alexander to rise and receive the traditional warm welcome of this Legislature.

head: **GOVERNMENT BILLS AND ORDERS****(Second Reading)***(continued)***Bill 43****Motor Vehicle Statutes
Amendment Act, 1986**

MR. ROSTAD: Mr. Speaker, I move second reading of Bill 43, Motor Vehicle Statutes Amendment Act, 1986.

My initial comments were made upon tabling this Act. However, I might point out that aside from cleaning up some of the inconsistencies and making some administrative changes to enhance service delivery, the main principle of the Bill is to indicate the first step of this government in emphasizing the seriousness of driving while suspended.

I point out that this Bill initiates a charging section for driving while suspended. The old Bill had a very innocuous and often difficult section under which to bring charges. There's also a separate penalty clause. This should indicate to the public and the courts the seriousness that's accorded to driving while suspended. It indicates fines up to \$2,000, licence suspension of six months, and 14 days' imprisonment on second offence with consecutive suspensions.

Also, this Bill rationalizes the penalty for the offence of refusing to blow. That particular offence is being withdrawn from the Bill, and it's being rolled in with a similar penalty for impaired driving or being found guilty of having over .08 milligrams of alcohol in your blood. The penalty is rationalized in the sense that it's six months' suspension for all three instances. Also, the Bill rationalizes some off-highway motorcycles and mopeds so that they can be regulated when they are used on public property.

I would welcome any comments.

MR. WRIGHT: Mr. Speaker, there is no single principle to this Act except that it attempts to make the Highway Traffic Act better, and speaking for myself, I have no disagreement about it. In Committee of the Whole I will have some remarks to make on details, really, of particular sections, but I have no objection on principle, Mr. Speaker.

MR. CHUMIR: Mr. Speaker, I would like to restrict my comment to one aspect of the Bill in relation to the penalties for driving while the licence has been suspended. I would note that while the legislation clarifies the penalties and the situation relating to driving while the licence is suspended, the penalty still remains the same: a fine only for the first offence, and jail for a second offence, but only if that second offence takes place within one year of the first conviction.

I'd like to comment on both of those aspects critically, Mr. Speaker. First off, I'd like to suggest that the imposition of simply a fine in an instance where a licence has been suspended for impaired driving and the motorist then defies the suspension — in my view that merits more than a simple fine. There should in fact be in those circumstances a jail sentence of seven days, I would suggest, which is the provision that the government of British Columbia posed some three or four years ago. That piece of legislation has been struck down for other reasons relating to procedural matters pursuant to the Charter of Rights, but I believe, in principle, that they are correct and that we should be taking a stronger position and a stronger stand in respect of penalties for those who flout the laws relating to impaired driving.

The government has been severely criticized in respect of that issue. I'm sorry to see they have not been more responsive on this matter, because I think it is well known that enforcement of the laws on impaired driving are very difficult. The statistics state that only approximately one in 2,000 impaired drivers are apprehended. Once they are apprehended, the suspension of the licence forms a potentially important deterrent to that type of conduct, yet there is the same remoteness of apprehension. It is very unlikely the person will be apprehended.

Accordingly, I would submit that in that instance it's very important that there be some muscle to show the concern of the community in that regard, particularly in light of the fact that those who drive while their licences are suspended are in fact second offenders, not necessarily of the impaired driving but of a related and consequent matter. I would submit that their decision to drive is very similar to contempt of court in respect of the order not to drive. My main concern with respect to the licence suspension relates to that of impaired drivers, and I think we would have done well to send a message to those who drive while their licences are suspended under those circumstances.

The second concern I have is the more global one of the jailing for a second offence only if the offence is within one year. I am undoubtedly sounding very draconian at this particular point of time, but again I point out the seriousness of the consequences of individuals who flout traffic laws and the remoteness of individuals being apprehended. We have a precedent to this approach of the government, which is an approach of leniency. The approach of the government is one of being disinclined to apply severe measures, and I consider a 14-day jail sentence, as is provided here, to be within that realm of a severe sentence. The government is very reluctant to apply those provisions strongly, and the classic example is that under the Criminal Code, which provides for a 14-day jail sentence for a second conviction of driving while impaired.

The policy of the government up until late last year was to seek the jail sentence only in the event that the second offence took place within one year of the first. This was at the very same time the province of Ontario was seeking the jail sentence when the offence took place within five years, and British Columbia had no limit. At the same time, we were seeking that penalty only if the offence took place within one year. But what is the signal? What is that saying? What it really says is that the government does not take the matter as seriously as do these other provinces. Keeping in mind the unlikelihood, the remote chance, of catching an impaired driver during that period of time, I think some muscle is required.

The government has changed its policy with respect to seeking the jail sentence in impaired driving cases to circumstances in which they occur within two years, which is still a soft approach, in my submission. At a time when the government is reviewing the legislation dealing with penalties for licensing, we see a continuation of that attitude, not a recognition that we have to move forward and tackle this very difficult problem by getting tougher with it. Instead of making changes that deal with the issue, they have left the provision the same, and the more serious consequence only flows in the event that there is a second offence within one year, which would be a miracle to find. There probably are motorists caught under those circumstances, but the chances are — as an old client used to say, "Fat chance."

My concern with respect to this legislation is that they just aren't tough enough in several areas where public concern and the issue demands that they be tougher.

MR. GOGO: Mr. Speaker, I'd like to make some comments relative to Bill 43. I don't think there's any question that the public in general would endorse almost any measure the government would take in dealing with the question of impaired drivers and suspended drivers. It seems to me that it's always easy to take that attitude. I must confess that I support the Bill for the very same reason. My recollection is that just a year ago we had some 100 convictions for impaired driving every working day of the year: a very serious problem. We were reaching, at a peak, some 30,000 convicted impaired drivers in this province. What was it we discovered? We discovered that some 25 percent or more were repeat offenders. The natural reaction was: "You weren't tough enough with them. Get tougher."

With respect, if you talk to those who have a lot of experience with impaired drivers, you recognize that many of them suffer from alcoholism. They have alcohol-related problems. It seems to me it's, I think someone used the word "archaic," to try to take that approach and say someone with a disease ... The medical community in North America, not only Alberta, has conceded the point that alcoholism is a disease, albeit maybe worse than diabetes or maybe not as bad as diabetes; I don't know. But let's not think for one minute that the way you deal with repeat offenders is to throw them in jail at \$31,000 a year and do nothing for their problem. That's why I'm very proud of what AADAC did with regard to the repeat offender program, where those who in the eyes of the Driver Control Board had alcohol-related problems spend a weekend at a place like Henwood or a motel in Grimshaw or somewhere else and have that problem addressed. I'm gratified that that part was done and that this government, at a cost of some \$2 million, was prepared to support that.

Mr. Speaker, I couldn't help but observe for the last three weeks, driving back and forth to Edmonton, the RCMP stopping people on the road and checking their licences. I think the government has taken some very dramatic moves already with the matter of the suspended driver. As we've all heard from the Solicitor General himself, there are ways that people have been able to duplicate licences. I think the police are doing a remarkable job of checking the licence with the registration and other ID.

Mr. Speaker, I want to make two points that are very important to me. If this government is sincere, as we purport to be, with regard to the suspended driver, I think there's a great case for publishing their names in the daily press. We seem to do it for everything else. It took me three or four years attempting to get the media, mainly the press, to publish in the daily press the names of those who are convicted in our courts, which are public. The *Edmonton Journal*, of course, which is beyond and above all that, simply wouldn't do that, but the *Lethbridge Herald* has done it now for some year and a half, and in my view it's very successful. *Fort McMurray Today* started about two years ago.

An incident happened in Lethbridge several months ago where a young mother, 27 years old with two children, read in the paper that the next-door neighbour had been convicted. She saw him driving his car, phoned the police, and in two minutes it was over. How do we expect the public to know if we don't publish it? I think there's a great case, Mr. Speaker and Mr. Minister, for a pilot project in a given community of publishing those names by government, not by the whim and the wish of a local newspaper.

The final comment regards the matter of refusing to blow. I'm sure it must irk the Member for Edmonton Strathcona,

from his learned profession. If the history of our British system has taught us anything, it's that the state has an obligation to prove someone's guilt beyond a reasonable doubt and not for a man to incriminate himself or a woman to incriminate herself. Yet it seems that blowing and thereby incriminating yourself or refusing to blow and automatically admitting guilt, must be a very difficult thing to absorb for many of us. The mandatory blood testing is another example. However, having said that and having said how strongly I feel about the rights of people not having to incriminate themselves, when we look at the number of people who die each year in this country — some 3,000 last year; that's about 30 plane loads of Time Air passengers — surely the problem is serious enough and I think should concern us all enough to say that in the interest in the public, having the .08 legislation and we in this province changing the penalty from three to six months' suspension for refusing to blow to be on par with other provinces, are justified.

So, Mr. Speaker, I'm pleased that the hon. Solicitor General has convinced government to take some very strong steps, as we're seeing in Bill 43, and I would certainly encourage members of this House to support it.

MR. PIQUETTE: I rise to speak to Bill 43. Unlike the member that's calling for perhaps more draconian methods of putting people in jail on a more frequent basis, one of the things I would like to see this Bill address is that rather than a jail sentence as an automatic consequence for a repeater, especially if the individual has a history of alcohol abuse — and really a jail sentence is not going to be a helpful matter in this particular case — I think we should have instituted in this Bill the option of mandatory alcohol treatment programs so that the judge or the legal system has that choice of making sure that we're simply not going to be treating all individuals under the same law. Again, if you're looking at an individual who has an alcohol problem, you know, jail has really never in any cases done very much to change that individual unless along with the jail sentence there has been some mandatory alcohol abuse type of treatment. So I would urge that perhaps before third reading this be included in the Bill. I think it would go a long way in terms of making sure that we have a well-rounded policy here for the implementation of the motor vehicle statutes.

The second aspect is more or less responding to a member here who indicated that we should be publishing in the newspapers names of individuals who are caught driving under the influence of alcohol. The only trouble is that in northern Alberta, with the high native population, it seems the only names that appear in newspapers are the native people. I really don't concur with that because that is not, in my feeling, a way to be answering that kind of concern. I think the number one thing we have to be doing is making sure our police forces are properly enforcing on our Alberta highways, with the apprehension of people, the stopping of traffic to make sure we don't have — perhaps the concern of the Member for Calgary Buffalo that we don't catch these people who are repeating in terms of driving under the influence. Judging from the number of times that I've seen the police on the highways checking for impaired driving, I guess his concern is to some extent justified. I think it's more because of the fact — I'm wondering how seriously we are enforcing the regulation we have at the present time as opposed to the fact that we need to throw people in jail automatically if it occurs beyond the one year.

Those are the only two comments I would like to make on Bill 43.

MR. SPEAKER: May the hon. minister sum up?

HON. MEMBERS: Agreed.

MR. ROSTAD: Thank you, Mr. Speaker. I thank all members for their comments. I don't take issue with the intent of the comments, although I think the content of some of them is a bit askew.

The Member for Calgary Buffalo mentions that there's a fine and not enough imprisonment and that we should imprison everybody on a second offence, no matter the time. He was directing his comments mainly to impaired, but there is probably a higher amount of significance given to suspensions for demeritable instances. We would end up imprisoning and incurring a great deal of cost in comparison to impaired driving, the offences that are not usually as serious.

As I mentioned in my initial remarks, this is a first step to indicate to the public and to the courts that this government takes driving while suspended seriously. As I mentioned, the old Act did not have a charging section. This does. It's not the government that metes out the penalty. This Assembly puts the penalty into the Act; the courts apply the measure. I think that has to be clearly pointed out. Again, the Member for Calgary Buffalo indicated that perhaps it's the government that isn't taking this seriously enough. It is.

I also want to point out, as I've reiterated many times in the House, that we have a study under way which takes in police forces, the motor vehicle division, and the Attorney General's department to rework our system. Perhaps there will be more significant changes in the future, but this is a first step that can be made now, and there's no use making it piecemeal. We just want to send the flag up.

We have a suspended driver apprehension program, which is very, very effective. Within the next two or three days I hope to be able to report to the Assembly the significant level of apprehension, that the public has been made aware of this, and the effectiveness of it. It's also very frightening to know the number of people out there driving while they are in fact suspended.

I think this is a significant first step.

[Motion carried; Bill 43 read a second time]

Bill 48
Workers' Compensation
Amendment Act, 1986

MR. DINNING: Mr. Speaker, it gives me great pleasure to move second reading of Bill 48, the Workers' Compensation Amendment Act, 1986. I believe the Bill is pretty well self-explanatory, but if I may just make a couple of comments that I think will be helpful to hon. members.

This Bill provides for an 8 percent increase across the board to all those who currently receive pensions under the Workers' Compensation Act. It provides for an increase in the minimum pension payable from \$675 per month to \$730 per month. It also provides for an increase in payments from \$139 a month to \$150 a month to dependent children.

Mr. Speaker, the 8 percent increase in no way takes payments to pensioners under the Workers' Compensation Act above the current ceiling of maximum earnings equal

to \$40,000 per annum. This increase, the first of its kind since 1982, is one that I believe and the government believes is fair, responsible, and responsive to the needs of our workers who currently receive pensions under the Workers' Compensation Act. It is also responsive and fair given the times we are in and the kinds of burdens that those people who fund the Workers' Compensation Act and who pay for the ongoing operations of workers' compensation find themselves in.

Mr. Speaker, I think it's important to underscore the contribution and responsibility of employers in this province in the funding of this service. It's one that I believe is responsible for and responsive to all members of the working sector in Alberta. I'm very proud to be able to stand before the Assembly tonight and move this Bill for second reading.

MR. EWASIUK: Mr. Speaker, I rise to speak to Bill 48. While I certainly welcome the amendments being proposed, I must add that I think they are rather too little. Surely when you consider that there have been no increases since 1982 and that the cost of living since that time has increased by some 30 percent, to suggest at this point that an 8 percent increase is sufficient and adequate I think is really understating the case. The minister must well be aware that there are literally hundreds of people in the province who have called me and other members of our caucus and obviously talked to people of the government, urging that some action be taken to alleviate the kind of problem they were facing in terms of attempting to keep up with the cost of living. Eight percent certainly does not do that.

I also want to pose the question: does it apply to people who are only on total disability or to those who may have partial disabilities as well? Of course, there is a difference, and I would certainly like to get that cleared up. If it does not apply to other than the totally disabled — and there are many, many other people in the province who are perhaps not going to receive anything — that certainly is not acceptable. If there are going to be changes, I would like to see the minister take some action in that direction.

Quite frankly, I am disappointed. I was hoping there would be an amendment that would take care of the kind of problems the minister must obviously be aware of that are facing people on compensation in this province. We have all received some form of increases since 1982. These people have not received any increase, any kind of benefits, yet here we're only giving them 8 percent, and I think probably even worse, it's only retroactive to July 1, 1986. Surely we could have at least, at the minimum, made it retroactive to 1982 to take up that slack period in which time there have been no increases.

I guess we're in a dilemma. We can't say that we don't support the Bill, but on the other hand I think it's totally inadequate. It does not meet the requirements of the people in this province. I would hope the minister would really reconsider the whole issue and come back with something that would really be more appropriate and would take care of those in this province who are now living on compensation and are finding it very difficult to live.

MR. HAWKESWORTH: Mr. Speaker, I'd like to echo some of the comments raised by my colleague. We certainly welcome any improvements that are being introduced to the Workers' Compensation Act. Certainly they're long overdue, but in looking at the amendments being made, I think one has to compare them to what might have been in the Bill as well as what is in this Bill.

I think there are some interesting statistics. For example, Alberta has one of the worst records in Canada as far as injuries and death and dying in the workplace. You're much more likely to meet violent injury at work than through an automobile accident or criminal assault in this province. Between 1984 and 1985 injured workers' claims increased 10 percent, from approximately 55,000 to 60,000. The Workers' Compensation Board recorded surpluses of \$25 million in 1983 and \$24 million in 1984, refunding \$22 million to employers in 1984, and total assets of the board were over a billion dollars at the end of 1984. One of the reasons for this situation, as explained by people connected with the Workers' Compensation Board, is that this financial picture is largely due to reduced claims due to a decision not to increase compensation benefit levels. Well, to an extent that's been addressed here in this Bill, but appeals of decisions increased 69 percent in that same period.

Beginning in the summer of 1985 and certainly through the last several months this last winter there were lots of concerns brought to the attention of the public about the way injured workers were being dealt with and treated. Certainly in Calgary there were pickets and hunger strikes. People feel very, very strongly about the treatment that they've been receiving in recent months and the last several years from the Workers' Compensation Board. There are lots of reasons for them, and this only addresses one of them, in part.

There's no independent review process of a claim. There's no external review process, and the law does not allow an appeal to the courts. Therefore, in some significant way natural justice is denied because of this lack of an independent process. And I'm sorry that the minister hasn't taken the opportunity presented by introducing this Bill to include that kind of a process.

If you look at Ontario, for example, Bill 101 was passed in December of 1984. It established a new board of directors with substantial business and labour representation. It established an outside appeals tribunal, a panel of cabinet-appointed medical practitioners, a panel to advise on occupational disease compensation, and advisory and representative services for employers and workers. The review appeal system — for example, just simple things like access to board files. Where an issue is in dispute, the injured worker has a right to a full copy of his file. It has set up a compensation appeals tribunal organizationally independent of the Workers' Compensation Board, and one section of that Act gives exclusive jurisdiction to deal with appeals of matters arising out of workers' claims, appeals regarding employer matters, and other matters expressly conferred by the Act.

Mr. Speaker, for what is in here in terms of increasing the compensation, it's an improvement on the existing situation, and to that extent we certainly support it. But there are so many issues outstanding in terms of workers' compensation in this province that need to be addressed that I'm disappointed that the minister hasn't taken the opportunity presented to have a much fuller review of the entire role of the board and improve the ways in which that board could better function.

So with those comments, Mr. Speaker, I would move adjournment of debate on Bill 48.

MR. SPEAKER: We have a motion to adjourn debate. Is there a call for the question? All those in favour of adjourning the debate, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The Chair needs a show of hands or something. I can't read that one.

We have a motion to adjourn debate.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion to adjourn debate carries.

Bill 11

Alberta Stock Savings Plan Act

MR. JOHNSTON: Mr. Speaker, I am very privileged to move second reading of the Alberta Stock Savings Plan Act, Bill 11.

I guess, Mr. Speaker, there are times in your career when you look at certain milestones which you consider to be important, and I must say that regardless of the views and expressions of concern about this Act, I consider this to be one of the important milestones that I have been privileged to be a part of in my short period in this Assembly. At the same time, it's the kind of thing that those who've been involved in the private sector can look to in terms of finding some complimentary statement of support and of agreement from the government when the private sector is attempting to muster its own strengths — its equity strength, its intellectual strength — to focus on a particular problem which the people of Alberta have long recognized over the past few years and now find themselves at an opportunity to react to by collectively bringing their own capital to the market, and to focus on the needs to muster economic strength across the province to develop, to diversify, and to invest in important initiatives for this province.

Therefore, Mr. Speaker, I consider this to be a very important part of the economic profile and platform which this government stands for and which has been part of our economic plan which we outlined through the election, culminating in the May 8 victory for us and, in part, serves the purpose of strengthening a variety of sectors which I consider to be important, which I think has been expressed as objectives which we want to achieve within this government in the near term.

So, Mr. Speaker, I'm very privileged to play a small part in this legislation. I think it's important that we point to the support we received: my former colleague Mr. Hyndman, who had this job before me, members of my cabinet, including the former Premier and the current and former ministers of economic development, who have all been strong supporters of this initiative.

At the same time, Mr. Speaker, it's one of those success stories that you can point to when you talk about the Alberta white paper. There have again been some criticisms about that initiative. I think when any government undertakes to canvass the people of Alberta to talk about their view of economic change, to talk about the kinds of initiatives that are important to the people of Alberta to succeed in diversification, to muster the financial strength that this province

clearly has and to deal with some of the problems which have been reported to you, then, of course, you must take some of the risks of the consequences of that action. There were some risks involved in the white paper, but at the same time, there were some important recommendations which we have been able to deal with. Again, one of them is the Alberta stock savings plan.

When I consider the many presentations we received from a variety of interested parties across this province on a variety of issues, one we can talk about today is the recommendation from the Investment Dealers Association. I must give my thanks to them as well. In their recommendation they suggested that what this province needed was a strengthening and a mustering of the equity investment dollars in this province to allow the private sector to achieve its own objectives, to diversify and to fully realize what we consider to be our place in the overall economic performance of this province.

When we brought together this Alberta stock savings plan, it was not with little thought. A great deal of consultation has taken place, an abundance of discussion was before us, and an awful lot of debate in the meantime shows up in this legislation. For us to consider it to be perfect in all aspects would be a vain expression, and everyone knows that this government is not one to point to its own vanity but a government which recognizes its fallibilities and limitations but deals with what it has before it. To err is human, Mr. Speaker. We'd be the first to admit that humility. But to have a bias for action is something else entirely, and we will also take the same credit for having a bias towards action. That's what resulted in this legislation: a bias towards action, an opportunity to take some risk, a chance to be in the forefront ...

MR. MARTIN: Smile, Dick.

MR. JOHNSTON: I can smile because I'm very happy about this legislation, Mr. Speaker. It's an important achievement for us, and at some point, all members of the Assembly will agree with that.

But it is, in fact, an opportunity to support the private sector, which is recognized by this government as being the backbone to initiative, the ones who create jobs, the ones who take the risks, and the ones who establish the capital formation of this province.

MR. TAYLOR: That's why we have the Alberta Energy Company.

MR. JOHNSTON: And that's why we have Lochiel Exploration, because you also took a chance. That's why you took a chance. You know that when you take chances, you have an opportunity to succeed and an opportunity to fail. That's exactly what I'm talking about, Mr. Speaker. We also have an opportunity to do just that with this legislation, an opportunity to muster the economic strength of this province, the private sector initiatives, and to capitalize on what we consider to be the important direction this province is taking. This is not a little piece of legislation; this is an important piece of legislation. I consider it to be part of the economic program which this government is supporting.

In second reading, Mr. Speaker, I simply want to outline for the Assembly some of these initiatives and perhaps refine them a touch more, talk about the way in which this program will operate and the way in which we intend to support it through a variety of tax legislation. Let me begin

by saying, as I've indicated, that the history is before you. It results from the white paper initiative. It's part of the financial infrastructure paper initiated by this government, which all of you had an opportunity to read, the position and policy statement on enhancing the Alberta capital market. As well, we must give credit to the Investment Dealers Association for providing us with the rough framework for the way in which this legislation operates.

At the same time, it does take advantage of the tax system in this province. We work on a tax basis that if an individual has an opportunity to make some additional money for hard work or risk at the margin, he should be rewarded for that. That's the way I think the system should operate. If you want to step out, if you want to work harder, if you want to take some risks, if you want to invest, if you want to generate jobs, or if you want to build something, then some of the rewards must go to you. But along the line, those people who want to play a part in it should also receive some of the rewards, and that's what this legislation does, Mr. Speaker. It allows the tax system to reward the individual investor: to receive some tax credits for his investment, to be able to invest in the future of this province, to be able to invest in the small businesses which are going to take an initiative in certain key sectors of our economic profile, and as a result, to receive some economic benefits via the tax system.

That's a fair and equitable way to do it, Mr. Speaker, because it applies to all people; it isn't directed to any particular individual. It's based on his decision to invest, and upon that investment, along with a couple of criteria, that individual then reaps the benefits of tax savings. That's a similar profile to other programs we've initiated, which have received fairly wide acceptance across the province of Alberta and have to some extent been copied by other jurisdictions, to attract, muster, and focus the investment potential of this province. We will continue with some of these initiatives. In this case, I simply want to indicate that one of the linchpins of this is in fact that the tax system does work to muster the investment potential, and we will use the tax system wherever possible to trigger that kind of investment opportunity for the private sector.

In this legislation, Mr. Speaker, we have segmented the kinds of companies that will be eligible. In talking about the white paper's subset Enhancing the Alberta Capital Market, we spelled out some of the objectives which we wanted to achieve. It's unnecessary for me to repeat them, because all members have had a chance to read it. All members know that in this white paper we are attempting to do several things, among which would be the need to strengthen the Alberta Stock Exchange, the need to muster the equity capital that I've talked about, and the need to transfer some of the funding of private companies from debt to equity. That's all been discussed, debated, and to some extent substantially defended in that white paper.

Flowing from that piece of timely work responding to the needs of the private sector, we have put this legislation in place. In those objectives we have attempted to capture in Bill 11 essentially those initiatives: to strengthen the Alberta Stock Exchange, to muster private-sector investment, to use the tax system to distribute the equity and kinds of benefits which flow to the individual investor, but at the same time setting in place some criteria which limit the kinds of activity which can receive credits under the program. So, Mr. Speaker, we have satisfied those objectives. It's an ultimate follow-up to the discussion on economic futures for this province, and it is now putting in place what we consider to be the elements of that program.

We have talked about the kinds of corporations which are going to be affected. We have emerging corporations, expanding corporations, and mature corporations. Under each of those categories, depending on whether you use assets or revenue tests, you get a variety of tax write-offs, whether it's 30 percent in the case of the emerging corporation or down to 10 percent in the case of the mature corporation. Each individual investor under the Alberta stock savings plan has an opportunity not only to invest in the future of this province and the future of Canada but to take advantage of tax credits as well. That's how this process operates. It's fundamentally simple. It rewards the risk-taker for investing and uses a very simple redistribution process of government through the tax system to reward that individual on top of his own opportunity to reap economic benefits from the capital gains on his investments or, for that matter, the capital losses on his investments. So, Mr. Speaker, it's a double opportunity.

In this legislation we have attempted to categorize those companies, to make some judgment as to how they can succeed under the tax legislation, and to provide them with an eligibility certificate which allows them to claim the certificate and then to issue the stock under the prospectus. That's how the process operates. It's fundamentally simple, driven by the objective to engender investment and muster the strength of the private sector, and it uses the tax system to reward the individual taxpayer.

Mr. Speaker, we have put in place some tests of eligibility. It is not without some thought that we have given consideration to those corporations that should be eligible for the program, it is not without some thought that we have given some thought to those who should receive rewards in the tax system, and it is not without some thought as to where the economic benefits should flow under the program. As I've already admitted, it's not perfect in all respects, not perfect by any imagination, but it is in fact a fair attempt, a fair first approach — our attempt to muster the strength. As I've indicated, we do have an opportunity to do something significant for the people of Alberta, for the private sector, for the people who want to muster public-sector support, to use and encourage the stock exchange in this province to do something significant. That's what we attempt to do. That's why this legislation will be brought forward and why we have to bring in place some test of eligibility.

I don't know how our colleagues across the way will react, Mr. Speaker. I know they're going to look through the pages; they're going to snipe at certain sections. They're going to say to us: "You know, that money isn't going to stay here in the province. You know, this is the wrong attitude. You know, this isn't going to sustain the private sector." And on and on it's going to go. I don't want to prejudice my good friends across the way. I'd be the last to try to put words in their mouths, because to begin with I can't speak their lingo. In any event, I would not want to prejudice what they're going to say. Far be it from me to second guess such esteemed colleagues. I can bet you, Mr. Speaker, that they're going to get up and say, "Well, we're playing the role of the opposition." They're going to hang on their waistcoats, put their fingers in the waistbands, and expound long and loudly about the weaknesses in the legislation. There may well be some weaknesses; I've already admitted there may well be some weaknesses in the legislation. But I think there are more strengths than weaknesses. I will stand on the strengths as opposed to being captured by the narrowness of the criticism I know is going to flow from across the way.

Mr. Speaker, there are some other tests in this legislation, tests which I'm sure others will talk to us about strengthening and tell us there's not going to be any way we can police the way in which investment dollars are going to be held within the province. From my view, I don't know if I want a policing role. I think government is far too often encouraged to try to build barriers around this province, attempting to balkanize the economic union that is at the heart of the success of this great country of ours. I think that we need to do something which will allow the private sector to do more than just look at the Alberta opportunities but look beyond the geographic limits which are sometimes illogically and certainly arbitrarily defined by some boundary running up and down in some kind of north/south alignment.

Mr. Speaker, let me say to you that for every dollar of so called leakage which takes place in this investment profile through the Alberta stock savings plan, there will be abundant additional dollars coming to our province as other provinces put in place a similar plan, emulating, copying, and using the strengths of this plan. Of course, it's impossible to capture entirely investment dollars within the narrow, arbitrary boundaries of this province.

So I want all my colleagues in this Assembly to listen very carefully when they start to criticize this program that it should not be too soon to criticize. You may find that the criticism simply stops or freezes the opportunity for additional Canadian dollars to flow to our province, so richly needed for us right now and so important to the economic union of this country. From my point, balkanization of Canada, an attempt to isolate this country within the narrow boundaries running in some north/south alignment, is the wrong way to go. I will give up the leakages, because I know that in this legislation there is an opportunity to do more than simply capture the investment dollar. Flowing from this legislation, we have an opportunity to do much more than that: to establish head offices, to provide assistance to the service sector, and above all to strengthen the Canadian economic investment community. That must be one of the objectives above all which makes this an important piece of legislation.

I've talked about the tests, the ways in which we will use the tax legislation to provide opportunities: the 30 percent down to the 10 percent, the revenue test, and the asset test. These are all designed to encourage the small investor to move his dollars from his own pocket, from his bank account, into investment in a small company, perhaps a public company, and to reap the benefits of tax incentives. We will do that, Mr. Speaker. This legislation will in fact do that. Since we introduced this legislation some few months ago, at least 30 corporations have already applied for eligibility certificates in this province. They are attempting to muster over \$80 million in investment and to provide a diverse set of investment opportunities for their shareholders. All of this will focus on the importance of diversifying our economy after mustering the private sector strength and using the tax system to do just that.

The proof is there. My colleague across the way, Mr. McEachern, asked for a statement. I was very happy to oblige him, to show him the successes of this program already. I forget the date, but since then additional corporations have come to the market and more will come when this Bill proceeds through second reading, committee study, and third reading.

Mr. Speaker, all eyes in the investment community, not just in Alberta but certainly across Canada, are on the way in which this Bill progresses. They want to see a statement

of support, because that will surely be a statement to private-sector investors. That clearly must be one of the thrusts we must underscore in terms of initiatives in this Legislative Assembly.

We haven't been too easy. Since my colleague Mr. Hyndman introduced the legislation, we have strengthened the so-called "Alberta presence" test. I have done a couple of things in consultation with my colleagues from caucus. We have attempted to maintain the fact that it should be Alberta based, that it should have a head office in Alberta. We have even swept in the associated corporation test so that those companies that have registered themselves in Ontario and are setting up a shell corporation in Alberta simply to succeed under the program will be excluded. Those tests are now in place, Mr. Speaker, and I think they're fair. They look at wages and labour payments; they sweep in the management fees.

As I have already indicated, they have talked about the associated corporation. It's not just the company that's head-officed here in Alberta that must be evaluated in terms of these tests for the Alberta presence; it's corporations right across this whole nation. So you cannot get around the 25 percent residency test by simply incorporating a shell company here and having your head office somewhere else. We've attempted to adjust for that, and I think that significant test has unfortunately already precluded some companies that wanted to use the loophole which is apparent to get around the presence.

That's why, Mr. Speaker, with the head office requirement and the labour and wage test here in this province, using the management fees as well, we will reap economic benefits in this province. There's no question that the service industry and the investment community will reap benefits from this program, and I know that these tests are significant as well.

At the same time, Mr. Speaker, we have taken out of the legislation some of the opportunities to stack the benefits. Historically we talked about the fact that you could not use the small business equity corporation benefits and the Alberta stock savings plan benefits. We have eliminated that kind of stacking. We have gone on to eliminate other kinds of flow-through advantages wherein some tax advantages flowed to the individual investor and, on top of it, flowed through to the Alberta stock savings plan. Therefore, your effective cost or effective investment was nominal. We have eliminated those. We can't eliminate them all, because as soon as we plug a loophole, those creative lawyers across the province would find ways to open them up. It's not for us to be the policing agency. We simply want to give broad guidelines as to how it will operate. But we have removed and improved the stacking factors over that legislation introduced historically.

As well, Mr. Speaker, with the possible exception of some trust companies, investment corporations are ineligible. You have to be an active business corporation. You have to be pursuing real gain. You can't simply muster the strength of the province and put it into some kind of investment, whether it's Canada savings bonds or investment in one of the bank stocks. You have to be doing something active with that money. Therefore, the active income test has also been an important criterion in terms of making this legislation operate.

Mr. Speaker, the individual investor. If there's any strength to this legislation, it is dependent upon the individual investor. If the individual investor does not want to take the initiative, does not want to risk his own capital, does not want to take the maximum \$3,000 tax credit, then of

course this program, this entire system, is going to fail. But you and I know that the individual in this province is a risk-taker. He believes in the future of this province and wants to take the risk, wants to invest, and is encouraged by the tax system. We can point to the Alberta Energy Company situation, to Nova Corporation, and Alberta Gas Trunk Line. It's examples of this order where we've found that the investor did in fact take a chance, was confident of the future of this province to invest in various corporations and in fact took out his cheque book and unrolled the dollars and made a work force.

I think this is what's going to happen with respect to the Alberta stock savings plan. I think the broker and the investor are going to make this operation work. The broker has a responsibility here as well, Mr. Speaker. Of course, he has to make the first contact in terms of the sale of the stock, but he also has to keep very comprehensive records to show that these dollars have been invested in legitimate, eligible shares of an Alberta-based corporation listed on the Alberta Stock Exchange along the tests I've outlined. Every year the eligible investor will get a statement showing what his eligible investments are, and he will be able to take this to his tax consultant or use it himself in terms of his own calculations and come up with his tax credit.

Mr. Speaker, if he tends to remove that investment, he can roll it over to some extent, but he has to maintain the investment. He has to maintain that eligibility for at least two years; otherwise, he loses the tax credit and any claimed tax credit from historical or previous years. So it's a two-year incentive, and therefore the dollars have to be invested fully over that period. If the individual tends to become other than an Alberta resident — and I can't understand why that would ever happen — then that investment is of course lost as well.

As well, Mr. Speaker, the eligibility test with respect to investment is spelled out. It's a question of accounting and reporting by the broker, and again as I indicated, I appreciate both the initiative from the Investment Dealers Association and their support in designing a system which is workable from the private sector's point of view.

Mr. Speaker, that in a very few minutes is the broad outline of this program. It does attract Albertans to the stock market. It does strengthen the Alberta Stock Exchange. It certainly strengthens the private sector and its ability to raise equity money in the market, and it does in fact encourage diversification and investment and generate new jobs in this province. All that is done by this piece of legislation, and all of that has been the focus of some debate over the past few months in this Legislative Assembly. I can say very clearly that over the past few years I think this is one of the greatest pieces of legislation which will do exactly those four initiatives that I talked about. It will respond to the kinds of suggestions we received from the private sector through the white paper process, through the Alberta capital markets, through recommendations from my colleagues in the Investment Dealers Association and in the Legislative Assembly, including past colleagues, in particular Mr. Alexander. All of this has been focussed in this piece of legislation.

Mr. Speaker. I simply say to you that it is our intention to proceed with this legislation. We have no doubt about the efficacy of this legislative Bill, and we have no doubt at all about the response of the private sector to this initiative. Therefore, I strongly suggest to all of my colleagues, from both the opposition side and the government side, that they speak "yes" about the future, give us cogent criticisms

about change, but moreover provide underscored support for this legislation.

Mr. Speaker, I move second reading of Bill 11, the Alberta Stock Savings Plan Act.

MR. McEACHERN: I rise to speak on Bill 11, the Alberta Stock Savings Plan Act. It is an interesting piece of legislation. It has made some underlying assumptions, some of which are quite good. It has some problems, so I want to explore those problems, the good and the bad. Overall, the Bill moves in a direction that I think this party can support, but that's in spite of some of the early problems the minister acknowledged. We're happy that those are behind us and have led to some changes in the Bill now before us.

However, one of the first things one notices about the Bill itself is that none of these principles, objectives, and assumptions the minister talked about are in the Bill. Where are the principles? Where are the objectives? If we don't have them spelled out in the Bill, how can we hold the government to explaining down the road whether or not they have lived up to those objectives? I had to look around for other information to find out what the objectives were, and of course I've listened to the minister at times. But guess what? We find the four main objectives outlined in a nice pamphlet. They're not good enough for the Bill, but they're okay for the pamphlet. I want to read through those objectives. I don't find any particular objection with them, but I think it's worth putting them on the record very specifically in the House. They are from a brochure put out by the government in promoting the Alberta stock savings plan last January. The first one:

To strengthen the private sector and create jobs by providing expansion capital for new and growing Alberta companies.

The second one:

To attract more Albertans to capital markets, and encourage equity ownership of Alberta companies by Albertans.

The third one:

To encourage diversification of, and investment in, Alberta-based industries.

And fourth:

To strengthen the Alberta Stock Exchange and the Alberta financial environment.

Mr. Minister, those are very worthwhile basic objectives, and I think they should have been in the Bill. I think the government tends to write very sloppy Bills. They don't say where they're going or what they're doing with their Bills. They give all power to the minister and then just sort of assume that somehow later on maybe things will be accounted for and people will know where they're going and what they're doing. Those things should be in the Bill.

Those four objectives are built on an underlying assumption, and I think it's a correct one, that there is a need for equity capital in the province of Alberta. If we're going to diversify the economy and create jobs, which sort of boils down those main objectives, then we have to consider how we can do it, whether we can do it with debt capital or equity capital or a bit of both. Two of the loan programs outlined in Bills 12 and 14 indicate major loan programs, but there comes a point when small businesses and new businesses and expanding businesses should be looking at equity capital rather than just loan capital.

In Alberta I think that's fairly evident when you think about the basic fact that Canadians — and I guess that

includes Albertans more than most — tend to save a greater percentage of their income than many other nations in the world. For instance, compared to Americans we save some 14 percent of our income, and American citizens save only 4 percent. It means that they are much more willing to risk their income. We tend to shove our money in the bank and leave it there, just take the accrued interest and hope that other people will borrow that money and put it to use. Of course, somebody has to borrow it and take the risk in the form of equity. The economy becomes more sluggish if that's not being done.

So, Mr. Speaker, this Bill is a timely companion, if you like, to Bills 12 and 14. That doesn't say that it is without its faults. As the minister so rightly said, nothing is perfect, and I think we could find some improvements for this Bill.

The fundamental principle behind the provision of section 7, where you distinguish the size of the corporations that qualify and the different percentages that each of them then get — 30 percent for the smaller corporations, 15 percent for the expanding one, and 10 percent for the mature corporation — also makes sense. You should encourage the smaller investors in this province, and this Bill does that.

I support this Bill in spite of some reservations. I want to make the point that generally speaking, a tax credit or royalty reduction or tax rebate, even if it's given before the taxes are collected, is in some ways really not much different from a grant or an expenditure. If you look at the anticipated revenues of the province and forgo some of those revenues, that's really not much different from collecting them and then paying it back out again, and I think that the taxpayers of this province deserve a very full accounting and a very careful explanation of why and how they should spend their tax dollars. So I want to go on record as saying that the New Democratic Party has grave reservations about giving away tax dollars too easily or too freely. Sometimes governments tend to give away money or forgo income on the assumption that it will do certain things and then don't necessarily follow up to see that it actually works. In other words, there should be some strings attached sometimes. There should certainly be a full accounting and a way of finding out afterwards if the giveaways have achieved what they were supposed to achieve.

I think of the SBEC program. I know the members on the other side of the House are high on this program. They've committed another \$11 million to it, but personally I'm not so sold on the idea. It has a rollover problem. The minister said that it created 18,000 jobs, but I don't see any details presented to us that back that up or show that that has really happened. So again the accountability, where these dollars go and what they do, is very important, and I think the taxpayers deserve to have that accountability.

This Bill does not give away tax dollars that we've already collected, nor in some ways, you might argue, ones that we can necessarily anticipate we would get if we didn't have the ASSP scheme to start with. In other words, it's saying to the private sector, "If you will go out and create business and make money, we will give you a tax credit so that you won't have to pay quite so much of it in taxes." It makes it more acceptable in the sense that you're not giving away something we would normally expect to get if we didn't bring in the program. So that seems to me to make this program more acceptable than many tax giveaways or tax write-offs or tax credits.

Mr. Speaker, section 4(1)(d) states that a corporation would be eligible if it "is not involved in any prescribed activity" on the date of the certificate of eligibility, and

this causes some concern. It raises the question: what is prescribed activity? Of course, the answer is the usual one this government gives us in Bills of this sort: that will be defined later by the minister. It would seem to me that the Bill might contain some details in that area as to what he had in mind. Of course, the other aspect of that is the minister's being able to regulate without having to explain to anyone else why or what he's regulating. Another question is why the involvement in this activity is only limited to the date of the certificate and not after, and that is also part of section 4(1)(d).

Finally, part (e) of that same section provides two definitions of wage expenses — and this is more of a question — depending on whether the corporation applies for a certificate of eligibility on or before July 7, 1986, or afterwards. I'm wondering why that date was chosen and why the definition is different for before and after. That is just a question I would like the minister to answer.

Section 4(3) allows for the Treasurer to refuse to issue certificates if he feels that some corporation is conducting business "in a manner that is contrary to the spirit and intent of this Act." Mr. Speaker, I already mentioned the lack of any principles being laid out in the Act. You can talk about them outside or when you're introducing the Bill or in your brochures or when you're talking to the press, but they should still be in the Bill. If you are to refer to the spirit or the intent of the Act, there should be some intent or spirit or principles or objectives outlined in the Bill itself to make this section make sense. It really allows the Provincial Treasurer a bit of a blank cheque in this regard, and he could refuse a company with little or no reason. To go to how obviously ridiculous it could become, if he didn't like somebody's politics, he could refuse to issue a certificate of eligibility when they might qualify in all other ways. I'm not suggesting this minister would, but the Act and the power granted to the minister are open-ended enough that that could indeed happen.

[Mr. Deputy Speaker in the Chair]

In section 28, Mr. Speaker, there is also a concern I would like to raise. It provides for an amendment to the Income Tax Act. Here the Act is defining that the cost amount basically constitutes the total cost of a share and allows that this amount could include brokerage or custody fees prior to April 1, 1986, I believe, but not after. I'm wondering about the date. I'm also wondering if we won't end up giving a tax credit for an investment not only in new or expanding enterprises but also in broker fees. It seems to me that the broker's fee might not properly be considered part of the investment. So I would like some comment from the minister on that particular point.

Mr. Speaker, perhaps the most serious lack in the Bill may be a failed opportunity. I've indicated that basically we can live with the Act but that it has some shortcomings. I would like to get to what I think is perhaps the greatest shortcoming. If you are going to try to encourage business activity in this province, to meet those objectives, it would seem to me that you could be more specific in doing that by adding a slightly different way of giving out the credits. Instead of just giving a flat rate based strictly on the size of the company and then leaving the companies totally free to decide what area they would like — I guess it's only right that they be free to decide what area they want to get involved in. What I'm suggesting is that the government could give extra encouragement if they got involved in areas

that were seen as being particularly helpful to Alberta, and I have some fairly specific suggestions in that line.

I'm thinking in terms of diversification. Extra credits for some company starting a brand-new industry, not carried on here in Alberta before that company started it, would seem to be a very obvious diversification technique, or companies that are expanding into new areas — it wouldn't have to be starting totally new industries — or sectors that basically need some strengthening. We see a weakness in our agricultural industry, for instance. I'm not sure that would be a good example in this case. But if there's some industry in Alberta that we perceive as being slightly weak at this stage, perhaps extra credits could be given for something like that.

Although the federal minister was rather negative about giving a lot of emphasis to Alberta content in the companies that take advantage of this tax credit scheme, nonetheless I think you could give more credits for a higher content without really destroying the spirit of the openness of the market. If some company's percentage was 50 percent or 75 percent Alberta content, they might qualify for a higher set of credits or extra credits compared to the basics. Perhaps one more, and this one isn't necessarily written in stone. If we wanted to encourage the development of an industrial base in our smaller towns or rural areas so that we don't end up with just two major cities and a depopulated rural Alberta, we might like to give extra credits for, say, a company that would establish in a small town or rural area as opposed to one of the urban centres.

Mr. Speaker, I raise these not as written in stone or that they have to have these kinds of ideas built into the Bill, but it does seem to me that the government lost an opportunity to take a more positive direction with this Bill than they have done already. The Bill is basically okay to a point, but I think it could be better if some of these ideas were incorporated into it.

There are some other concerns I have. I'm thinking of the financial sector. Again, I'll start this one with a question. I understand that the Canadian Bankers' Association had asked the government somewhere along the line if banks could be allowed to act as brokers for this program. I'm not ready to advocate that. I'm merely saying that this question has been raised. I would be very interested in the response of the minister to that suggestion. It seems to me that it could be seen as a way of strengthening the Alberta content if you were thinking of your banks as really being the Treasury Branches and the credit unions, which are Alberta based. On the other hand, most of the major banks are owned down east. So I'm having anomalous feelings on this particular suggestion.

You'd also have to look at the role of the banker/broker and wonder how you would handle deciding whether to talk somebody who was borrowing money into borrowing it and then investing in an Alberta stock savings plan or, if they had money, whether he would ask them to deposit it in his bank in a savings account or try to sell them an ASSP. There might be some interesting questions arising as to what role the banker/broker would play and if he would have any built-in conflicts of interest or anything. I just raise those as questions, not that one has any easy answers at this stage.

However, since I've raised the question of building a financial base in Alberta, it seems to me that the government has to take stock of that. They can look back at their white paper all they like, but the fact is that we've had a lot of trouble in Alberta with our financial institutions: several

failed banks and trust companies. I think this government is going to have to stop and think very carefully about its regulatory role in the banking industry. I know that the federal government is reassessing that in light of the Estey report on the CCB.

MR. JOHNSTON: Have you seen it?

MR. McEACHERN: No, but the assumption is that once that report is in, which it will be fairly soon, the federal government will be taking a hard look at the regulations that govern banks in this country. I think the Alberta government should get very much involved in that process, because we have a lot at stake. We are essentially a society that's dominated by finances from outside Alberta, not just outside Alberta in Canada but also outside Canada. I think the government needs to take a very careful look at that.

Mr. Speaker, the same goes for the Alberta Stock Exchange. With the fact that First Commonwealth is closed and cannot trade on the Alberta Stock Exchange, we now have very little Alberta content on that exchange. I believe there are two brokers in Calgary that list themselves as Alberta-based companies. I think they're single brokers in each case. So we are now almost without any Alberta-based presence on the Alberta Stock Exchange. I believe there are some 42 companies trading on the stock exchange, and almost all of them are from outside Alberta. Again, I think this government needs to take a look at the equity financial picture in this province. I think the Alberta stock savings plan is a good move to get some Alberta-based activity going, but the people handling the buying, selling, and trading on the Alberta Stock Exchange will inevitably almost all be from outside Alberta. I think the government needs to take a hard look at the Alberta Stock Exchange and how it's operating and maybe another look at the Alberta Securities Commission and how it's operating in terms of regulating the financial markets of this province.

Mr. Speaker, I've spoken on the Bill with the basic intention that we support the principle of the Bill. We think it has merit, but we think the government has missed an opportunity to do a better job of creating jobs and diversifying the Alberta economy. They could take another look at that Bill and see if they couldn't meet some of those objectives more fully by looking at some of the ideas we've put forward tonight.

MR. MITCHELL: Mr. Speaker, I rise to speak in support of this Bill in principle. [some applause] By that response, there seems to be some suggestion that I would do otherwise. There has never been any suggestion that I would do otherwise. I have always been in support of this Bill and this program in principle.

MR. JOHNSTON: And this government.

MR. MITCHELL: But never this government's Treasurer.

This is premised on an excellent idea. We can presume — and I think presume with some certainty — that the Alberta stock savings plan will work toward assisting in the building of equity markets in Alberta at a time when they need that assistance. It will encourage Albertans to save and to invest, and that is intrinsically good. We think that it will encourage Albertans to actually invest in enterprises that will assist Alberta's employment and economic development. It will probably contribute to objectives like diversification, and those are all worthwhile pursuits. I would

like to congratulate the government for building a program around these kinds of ideas.

I would also like to congratulate the Treasurer on the humility that he has demonstrated in the re-presentation of this Bill. It is refreshing to see. In particular, there seems to be an effort to enhance the Alberta impact of this particular program. Whether or not that's enough remains to be seen, and debate at committee stage will probably bring out the kind of detail that will really answer that question. The minister is to be congratulated on his efforts to avoid the stacking of benefits. We in the Liberal caucus heartily congratulate him on his evident response to questions raised in debate earlier in this session in the Legislature.

We have had a problem with the prospective implementation of this program. Our concerns were not frivolous. They were based on experience with the Bryndon Ventures prospectus, which we know was an embarrassment to this government and will go down in history as positively contributing to the better implementation of this plan. We need not rehash the details of Bryndon Ventures except, as the Treasurer so often says, to say that it saw Albertans paying \$150,000 to guarantee \$55,000 worth of investment in this province and in the order of \$300,000 worth of investment elsewhere in this country. We hope that the changes to this Bill will ensure that that kind of imbalance will not occur in the future with prospectuses issued under this program, under this Bill. In our criticisms in the past and in our debate now, we simply want to ensure that this program will emphasize employment and economic development opportunities for Albertans in Alberta and not elsewhere.

We see that there is some hope for this in the minister's ability to exercise discretion. I believe he has already demonstrated a precedent in this regard, that he will exercise that discretion in not issuing a certificate of eligibility to a company threatening to invest in a water slide amusement park in California and to invest a good portion of its money in Whitehorse. Based on those precedents, we are encouraged to some extent that the minister will exercise his discretion properly.

However, nothing is certain in that regard, and in section 4(3) the exercise of the minister's discretion is based upon his assessment of the "spirit and intent" of this law. We have reservations with that statement, to the extent that the spirit and intent of this law are nowhere established in this Bill. Therefore, it leaves something to be desired in determining how the minister will exercise his discretion. We believe the spirit and intent of the law should be specified in this Act and that it should address the question of significant employment and economic development opportunities in Alberta. We can offer detail in the committee stage of this debate.

We would of course be much more comfortable with a minimum 50 percent guideline for eligible companies under the Alberta stock savings plan. This is a precedent that has been set in Quebec. It's also a precedent that is not inconsistent with the 75 percent requirement of the Alberta government's own SBEC program. I realize that there may be some differences in the administration of these programs, but we do have concern; we are uncomfortable with the fact that the limit has been left at 25 percent. To some extent the exercise of the minister's discretion can offset this, and if there are problems in the negotiation of arrangements with the federal government, we can appreciate the minister's frustration. We would feel much more comfortable if he could simply firm up section 4(3) in the exercise of his discretion.

I would like to mention that I tire of this balkanization argument. If we are to take the balkanization argument to its logical conclusion, we would not be able to undertake the SBEC program and we would not be permitted to undertake the Vencap program. There would be many programs that this government has done and will continue to do in the future that it would never be able to do. The fundamental premise is that we are under no obligation to spend Albertans' money elsewhere in this country or in the world. In effect, by paying \$150,000 in tax credits to send \$300,000 outside this province, that is exactly what we are doing; we are spending Albertans' money elsewhere. We don't have to do that. The balkanization argument is a tired argument and doesn't serve a purpose in this debate.

We would feel better, as would the NDP, if this Bill would specify its objectives. It's difficult to imagine that it can ever be implemented properly if those objectives are not specified publicly and are always at the fore in the minds of those people who have to implement it. We would also like to see objectives specified so that from time to time we can measure the success of this Bill, soon to become an Act, we presume, against objectives. We believe that you can't manage it, you can't be sure of its success, you can't motivate people to achieve under a program such as this unless they can achieve toward objectives.

Just a small technical point. Sections 14 and 15 deal with payments upon revocation. If a certificate of eligibility is revoked or changed, my question is — and it's probably easily answered — what happens if the company doesn't have any money at that time? It seems that they address the company paying the money back, but in any event wouldn't it just be that people would no longer get their tax deduction or however that is implemented? Perhaps the minister could clarify that.

Finally, we have a further caution about this program. In the past the minister has raised this program along with the small business equity corporations program and Vencap as being essential elements of this government's commitment to solving the financial industry's problems in this province. In fact, these programs will contribute to the strengthening of equity markets in this province. Hopefully, they will also contribute to the development and strengthening of the brokerage industry in this province. They will not help other forms of financial industry in this province. They will not help credit unions unless credit unions are allowed to distribute stock under these programs. They would not have assisted the CCB. They would not have assisted the Northland Bank or any trust company that has been active in this province or the few that remain active in this province.

There is a danger that with its position and policy statement on enhancing Alberta capital markets, the government will consider that it has done enough to strengthen the financial industry in this province, and it has not. This particular white paper does not address the broader issue of the financial industry in Alberta. It mentions trust companies only in passing on page 11 and deals largely with what's been done at the federal level and does not make a commitment to doing things at the provincial level. We would simply like to hear the minister say: "Yes, this is not enough. We will be going further. We will have a forward-looking, far-reaching, co-ordinated strategy for the financial industry in Alberta."

MR. JOHNSTON: That goes without saying.

MR. MITCHELL: That's great; we finally agree on something.

With that, Mr. Speaker, I'm finished. Thank you.

MR. HAWKESWORTH: Mr. Speaker, I don't want to disappoint the Provincial Treasurer tonight.

This is a program where we're talking about public money, and I'm afraid that politicians can be a bit flippant at times when we deal with that particular topic. I want to make sure that we do this program right and do it as well as it can be done, and if the opposition doesn't raise some of these concerns and issues, I don't know who will. In recent years we've seen some disappointing experiences with various tax write-off schemes, I guess because by their very nature they can be complex and there are all kinds of potential loopholes that can sometimes be misused and used in ways that were never intended. For that reason we have to be very, very careful to draft the legislation properly in order that it achieves the intended objectives.

As has already been stated, Mr. Speaker, if you want to find the objectives and principles of this program, you can't find them within the Bill; you have to go to a little publication, a brochure that states what the objectives of this particular program are. I find it a bit of an anomaly that you have to go to a brochure to find out what a program and a Bill is intended to achieve. Nonetheless, among these noble objectives is the business of creating jobs and encouraging diversification, and this has already been referred to by the Provincial Treasurer this evening.

What is the strategy this Bill employs to accomplish that? Where do we find the sections that will show us how jobs are going to be created and diversification is going to be achieved? First of all, in the matter of diversification, there might be two possible sections within this Bill where we could find some indication of a diversification strategy being pursued by the Alberta stock savings plan. One might be in the area of emerging corporations compared to mature corporations. For example, in this Bill an emerging corporation is eligible for the maximum percentage tax credit. 30 percent. If we compare that to mature corporations, which can have up to half a billion dollars in assets, we find that those are eligible for only 10 percent.

If we take, for instance, an Albertan who has \$10,000 to invest in, shall we say, an eligible corporation, if that were to be invested in an emerging corporation, they could achieve the maximum tax credit of \$3,000. If, however, they put the same \$10,000 into a mature corporation, they would get only a \$1,000 tax credit. My question is: would that \$2,000 difference be a sufficient difference that it would help those investors make up their minds to put their funding into a smaller company, into a new enterprise in this province? Would that be enough of a difference to encourage them to take the greater risks inherent in a new activity? I guess time will tell. Mr. Speaker, but I remain highly skeptical that that kind of difference will be enough to encourage investors to put the money where it's supposed to go if you want to get diversification in this province. It's from the smaller start-up businesses that diversification in this province is going to come, and unless money is provided in that sector, I submit that we're not going to get diversification in Alberta.

I might also remind the Provincial Treasurer that it's from the smaller businesses in this province that job creation is going to come. As I understand the definition put forward, it's in the emerging corporation that you're far more likely to find small business. I'm not sure the maximum percentage difference between those small businesses and what are called mature corporations is going to be sufficient to get

the money into that sector where you'll need it in order to achieve diversification.

The second area where the Provincial Treasurer might direct my attention is the section where you could look in order to ensure that activity is going to be directed into diversification of the economy, the section that says "the corporation is not engaged in any prescribed activity on the date of the certificate." I would presume by that — and I may be making an assumption — that in certain areas of the economy or certain kinds of activity, the Provincial Treasurer might say that that is an activity that is not eligible for a tax credit. Therefore, in an area where Alberta has a strong base, they may say that that kind of activity will not be eligible and in that way hopefully direct investment funding into other activities, which would end up in diversification of the economy.

I may be making an assumption here, because I cannot find "prescribed activity" actually defined anywhere in this Bill. What is "prescribed activity"? Is this the section the Provincial Treasurer might use to direct investment money into diversifying business in this province? If that is the case, then how will that particular section of the Act be used, and how will it achieve that particular objective? These are important questions, Mr. Speaker, because they go back to the principle of this Bill, the principle of diversification of the Alberta economy, and this is seen as an important instrument in achieving that objective. I think this should be more clearly spelled out inside the legislation, but I would also welcome the comments of the Provincial Treasurer in that regard.

The second area is very important in view of the unemployment rate in this province, in view of what happens in people's lives, in families when people become unemployed, when they cannot find work. It's a vital problem for a lot of Albertans. They're looking to this government to help create jobs, to use its resources to encourage job creation and provide meaningful employment for Albertans. Again, this Bill is being suggested as part of that job-creation strategy by the provincial government. I would also have to look at the Bill to ask: what is its strategy for achieving jobs, and how effective is it likely to be in creating jobs in Alberta?

In order to be an eligible corporation, as I understand it, 25 percent of the labour expense has to be spent in Alberta, which presumably means that up to 75 percent of the labour expense can be spent outside Alberta and it would still be an eligible corporation. The Provincial Treasurer made a wonderful appeal for Canadian unity and the importance of Confederation and our economic life together as a nation. It's wonderful to hear those words spoken in this Assembly, but I wonder if the rest of Canada knows how generous Alberta is in providing tax relief to corporations and creating jobs in other parts of the country. Perhaps if they were more aware of how generous the Provincial Treasurer is, they might be more willing to consider some of the financial circumstances this province is in and might be far more willing to assist us at this particular time, instead of the spoiled-brat image that Alberta seems to have achieved in recent years because of the kind of image the government has portrayed to the rest of the country.

But it doesn't really get to the basic question; that is, do we want to spend public money to diversify the economy in other provinces and perhaps even other countries? If that's not the objective, if the objective is to create jobs for Albertans in Alberta, then why not modify the eligible

percentages? For example, what if an Alberta business was able to achieve 75 percent of its labour expense here in this province? Why couldn't they then achieve a higher eligible percentage under this particular program? Again, that would be an incentive for those businesses to create the work and the jobs in this province.

Another option would simply be to raise the minimal labour expense to get at least 51 percent of it spent in Alberta so that in the final analysis Alberta tax dollars would be used to support Alberta business to create Alberta jobs. What's wrong with a 51 percent minimum Alberta labour expense? I don't see anything wrong with that kind of requirement to ensure that this piece of legislation truly becomes an effective instrument for job creation in Alberta.

Mr. Speaker, this is something that I've mentioned, and my colleagues in both parties on the opposition side of the House have mentioned these particular points. We do that because we emphasize the importance of these particular kinds of changes at the enactment stage of legislation. When we come into the area of tax expenditure programs, it seems that the only opportunity for legislative review and control occurs at the initial stages, when legislation is proposed and enacted. The Auditor General remarked in his latest review — and it's been quoted in this Legislature before — on how little control the Legislature exercises over tax expenditures. Once a program has been set up, the annual review is very little in comparison to the regular operational budget review of provincial departments.

In reviewing Bill 11, we're saying tonight: "Let's make it achieve the objectives it is intended to achieve. Draft it carefully, ensure that public tax dollars are spent to the maximum effect in order that we have a diversification strategy that is genuinely effective in Alberta and a job-creation strategy that actually works to create jobs in Alberta."

I would urge the Provincial Treasurer to seriously consider the criticisms directed at the Bill and the positive suggestions we've made at this stage and will be making as well in greater detail at committee review of this legislation. We've done it for a purpose: to make this legislation really work to achieve what it's intended to achieve. In order to do that, you've got to target this program for maximum effect to achieve its objectives.

Thank you, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, in speaking in support of the Bill, I will try not to go over too much plowed ground. I know that the Treasurer's response remarking on his humility — he should know that it's easy for many people to practise humility, because they may have more to be humble about than a lot of others.

I have a couple of points that I want to talk about that may improve the plan, and maybe some questions. It appears to be designed, and the Treasurer tells me it's designed, to try to catch a lot of small investors, people who maybe heretofore haven't invested in shares. One is maybe something a little clearer on, say, a checkoff against salaries or some sort of system. I suppose that might be available to the brokers indirectly, but maybe it would be helpful if it were clear that such a system of orderly checkoff — after all, if you can buy union dues on checkoff, maybe you can also buy some Alberta stock plan shares on the same system.

Another area. We've had some troubles in Alberta, and I'm sure the government will assure me that it's not their fault. Nevertheless, there have been brokers going broke, if you'll pardon the pun. It would appear that the way this

plan is set up, in many of these cases I don't think you would expect the average investor, especially the small investor, to take anything home. They would probably leave the shares for purchase on deposit, particularly if they can be rolled over from time to time, as the Treasurer pointed out. Consequently, there's a built-in bias to leave this fund with a brokerage house. It might be wise, in touching up the Act, to put something in to make sure that the shares on deposit are insured, so there's no concern about the broker going broke or the shares not being there after a couple of years, at least, in the process. I think it would be wise to set up some sort of system that's outside the Canadian deposit insurance or outside normal insurance to cover this area as far as the average individual is concerned.

Next, there is a question that I know may not bother this government. The nationality of those taking advantage doesn't seem to bother the government as long as they pay income tax here. In other words, we may have foreigners that — as you know, under foreign rules you only have to be present in a country a little over six months before you start paying income tax in the country you've adopted. In other words, if you're American, Dutch, or British, and you move to Canada, you start paying income tax very soon. I don't know whether it is quite proper that someone who is not of Canadian nationality should amass a fair amount of tax deductions for investing. When it is finished two, five, or 10 years down the road, if they move back to their country of origin, they have in effect taken shares that have been purchased by a tax write-off by us. In effect, it's increasing foreign ownership.

While we're on that, Mr. Speaker, I noticed that the Treasurer said that only the first issue of a share qualifies; in other words, the initial share issue. I am wondering if the Treasurer would think of going a little bit toward us economic nationalists over on this side of the House. Maybe in addition to those first-issue shares, although they may have been issued a number of years ago and may have been traded a couple of times, those shares that would be purchased from a foreign holder could qualify. In other words, shares now held by different foreign companies or individuals, if they wanted — this could be a method of encouraging us to buy back Canada or buy back Alberta, whatever way you want to call it. They would be treated the same as an initial issue if it was a distribution — secondary, tertiary, quaternary, or whatever it is — provided it came in from foreign ownership and had always been held by foreigners up to that amount.

Lastly, all I can do is support the request I've heard from this side of the House that we would be better if 50 percent rather than 25 percent had to be invested in Alberta. But I'm sure we're not going to turn your head by flattery, blandishment, or threats at this stage of the game. Nevertheless, I think 50 percent would have been more logical.

Mr. Speaker, just to give time to roll on. There is room in the Bill for appeal to the supreme court of Alberta, as the minister so wisely put in there. But how are they going to be able to judge an appeal if there is not a very clear statement as to the spirit and intent of the Act? It's going to be very difficult. What are they appealing? If somebody appeals something, is it because you didn't like their blue eyes? In other words, I'm sure that if the minister turns some of them down, he's probably turning them down under the Act rather than what membership they hold in a political party. Knowing the justness and fairness of our Treasurer. I know an appeal would have to be hung on the spirit and intent of the Act. I think maybe that could be outlined a

little more carefully to make it easier, let's put it this way, for the appeal person to make their decision.

With that, I would like to congratulate the Treasurer once again. These little glimmers come along about every four years in my opposition to this government and give me hope that they are joining the 20th century. Consequently, I don't want to discourage him in any way, shape, or form.

Thank you.

MR. MARTIN: Mr. Speaker, just a few comments about the Bill. I won't take a great deal of time, because many of the things have been said. As the Treasurer is well aware, we in the Official Opposition support the principle. I don't think that's any surprise to the Treasurer, because we've said that before. We also agree that there is a desperate need for equity capital compared to debt capital. I think we have to be fair, though. In terms of Canada, it wasn't Alberta that first thought of this. I believe it was the PQ in Quebec that brought in a similar type of program, and the Treasurer can correct me.

Mr. Speaker, just two or three things that I would like to bring to the attention of the Treasurer in the spirit of co-operation and good ideas, which he asked us earlier in the day to come back with. The one thing I'd like to look at is the area of start-up operations. Mr. Speaker, as the Act is presently drafted, I believe it will offer very little incentive to the brand-new ventures. As I understand it, to achieve a certificate of eligibility, you must be eligible for trading on the Alberta Stock Exchange. I can understand the purpose of this, but if we really want to be risk-takers and real entrepreneurs, it's the level below that, the brand-new companies, that is having trouble getting capital, whether it be debt or equity. Many of the new companies will not qualify, as the Treasurer is well aware, to go on the stock market.

I was wondering if there was any thought to perhaps having different categories. For example, for the type of company that I'm talking about, there might be some sort of certificate of eligibility and people would know that that's an even greater risk. There might even be more tax credit for these types of people that wouldn't necessarily be on the Alberta Stock Exchange. It seems to me that there's a desperate need for that type of capital. It's the brand-new companies with the brand-new ideas — if I may put it in the Treasurer's words, the real risk-takers. There are some already established companies that perhaps wouldn't need the money as much as them. I'm suggesting, Mr. Speaker, that we might look at that as a possibility, having different categories so that there might be something done for the really new companies that can't necessarily qualify to be on the stock exchange.

Mr. Speaker, the other area that I think is an important one — and my colleague from Edmonton Kingsway talked about it — has to do with targeting. I see nothing wrong with the Bill as it is, that we encourage people to invest wherever investments might occur. But it seems to me that especially in the need for a diversified economy, the idea of targeting makes a lot of sense. Again, it's not telling people where to invest. But if you're prepared to take greater risks or are prepared to move where the government wants you to move, whether it be from the white paper that the Treasurer is talking about or whatever — the things that we see as important — you're going to get an even greater tax credit if you move in that direction. It seems to me that this could be a very valuable, an even more valuable, tool for diversification, something that we des-

perately need. There could be different levels of risk, if you like, in terms of the tax credit. Without enlarging on it, I think the Treasurer is well aware of what we're driving at.

The only other point that I don't believe has been made today, Mr. Speaker, has to do with encouragement for Alberta brokers. I know there aren't many of them, but this is another industry that I believe you did spend some time talking about in your white paper. I see nothing — and maybe the Treasurer can correct me — that is meant to encourage the growth necessarily of local brokerage firms. I suppose if there's more activity generally, the Treasurer could argue that that's good for Alberta brokerage firms. But I think we could go even a little further, and perhaps additional tax credit could be used if a person were dealing with a public share offered by a local Alberta brokerage firm. For example, if that Alberta firm were being used rather than another firm, what's to say that on a different level of tax credit they wouldn't get even more tax credit — again, targeting to Alberta firms that would have a spin-off in terms of diversification.

There are some other points that I would make, Mr. Speaker, but those are the three or four comments I would like to leave with the Treasurer. As with the rest of the hon. members, I think it is a step in the right direction. I think the principle of trying to get equity capital in this way is a sound one. As we have said on this side of the House, we will support the Bill in principle, but we think we have laid out not just negative carpeting but some ideas that the Treasurer may want to take back to make the Bill even better. I'm sure that's the job of all of us in this Legislature.

MR. CHUMIR: I also have a few comments to make, Mr. Speaker, and I must confess to some ambivalence with respect to this legislation. As a matter of principle and in a practical sense, I like and support the concept of encouraging investment in equity in our community and the subsequent creation of jobs. However, I must say that I do have some reservations, perhaps going as far as angst, about the trend of government having to give inducements for every element of investment which takes place in our community. We appear to have come to a time in which it is becoming increasingly rare to find a business investment being made in Canada without some government largess or support.

We hear announcements of magnesium plants in Alberta, and lo and behold there's a government loan involved. We hear of a forestry project in northern Alberta, and once again there's a government loan. We have tar sands expansions taking place, and we find that the expansion studies are being paid for by government. We now have two very major government loan plans being introduced in the House during this session. I hope the members of the government don't sleep under any illusions that we are dealing with a free-enterprise government. The government is everywhere. It's part of modern life in our economy these days. The trend is national.

How many investments have been made in Ontario and Quebec, one might ask, in the last two years without government largess? There haven't been many, and the most successful businessmen of our time are those who know how to play the government card. In one sense this trend is inescapable. Provinces are forced to play the game in order to be competitive with other provinces, and countries are forced to play the game in order to be competitive with

other nations. On another level, politicians are forced to adopt policies which appear to have successfully stimulated the economy in other provinces. These are realities of their time. They have to be faced. In many ways they're beyond our capacity to control. But we should be very clearly aware of the direction we're going and what is happening in a very, very big way.

[Mr. Speaker in the Chair]

I would like to digress briefly to note . . . Perhaps I won't digress; I'll carry on to note that most of these are philosophical questions and lamentations. As I noted, as these plans go and in isolation, there is not a reasonable approach to try to enhance the capital markets in this province, with the exception of the fact that there is no requirement for funds raised to be invested in Alberta. I quite frankly find it very, very difficult to understand why Alberta taxpayers should foot the bill to pay for businesses in such potentially esoteric places as Redondo Beach, California. So I am supportive in a narrow sense insofar as this legislation is crafted. However, considering the plan as part of the increasing role of government that I spoke of a moment ago, I'm distinctly uneasy. I recognize that the trend is going to continue, and recognizing this, it appears to me to be incumbent upon our leaders and policymakers to develop rules which make sure that the role government plays in these matters is responsible and that we don't take potentially ruinous risks with our public funds.

I would like to suggest several rules for consideration of the House in this regard. One rule I would suggest we consider is that when the government bears a very substantial portion of the risk, particularly in large projects, we make it a policy for the government to get a piece of the action. What I have in mind in particular are projects such as the Husky upgrader which has been proposed, in respect of which is my understanding that the governments of this country were prepared to take a very, very substantial downside risk with all of the upside benefit to go to a private sector corporation. I think that is unacceptable. It's not the way this province governed itself when Syncrude was formed. It went into an equity position. I think if we're going to take a large piece of the risk, it should become a rule that we get a piece of the action.

Another principle I would like to suggest is that we must make sure that when the government is offering inducements for investment, the investor bears a significant share of the risk. In this regard, I would very much like to compliment the government for what it has attempted and for what I hope will be a successful attempt to avoid stacking of tax benefits, because the potential result of stacking of tax benefits is that very little of the investor's money is involved. In many instances in the past, in many investments, almost all of the money involved has been government money. What that means is that the discipline of the marketplace totally disappears. What you have in those instances are promoters having the opportunity to come in and sell investments to individuals who have very little at risk and who are told that they have upside potential because there is so little of their own money in it and lots of government money. The end result is that we get very, very bad investment decisions. That has been a trend in this country in many instances over the past 10 years, and it has cost us dearly. I compliment the government for getting into the act on this matter — slightly late, but better late than never.

A final point I would like to suggest in terms of these types of programs is that again it's the element of risk.

The investor has to bear some risk to give the discipline of the marketplace. I'm concerned that when we're dealing with numerous small investors, the risk being borne is not an informed risk and the risk we really run is the risk of the promoter being able to sell an uninformed investor on an investment because of the significant role the government plays. We run risks of having replays of Audit Resources, blind pools, and other things.

I'm not suggesting here that we've gone beyond the balance, because I think the 30 percent credit is a balanced one under the circumstances. But I propose this as a principle, because if we're going to be heading in this direction — and as our society and economy is involved, I think there is every likelihood that we're going to continue in this direction — we have to develop better rules so that the trend of increasing government largess does the best job it can for our community, given its inherent limitations. At some future time we will undoubtedly be forced to think very, very hard about whether this is, in fact, the direction we should be moving.

MR. SPEAKER: May the minister sum up?

HON. MEMBERS: Agreed.

MR. JOHNSTON: Mr. Speaker, I think this evening we've seen a fairly sage approach to discussion of an important piece of legislation, where reasoned and considered debate has flowed on all sides of the House. Careful consideration has been given to advancing the understanding of the piece of legislation, and for my part at least, heated rhetoric has been avoided. In that sense, Mr. Speaker, from my point of view this has been the way in which the Assembly should operate. I hope that on other pieces of legislation of similar importance, with similar implications to the people of Alberta, a similar model can be followed. I should say that I appreciate the very constructive approach taken by members of the opposition, and their addition to the discussion and understanding of this legislation is certainly helpful to me. That doesn't mean, of course, that I fully agree with all the points made, nor would you expect me to. But I must say that I do appreciate the tone, the understanding, and the attempt to provide informed discussion about this legislation.

At one time, Mr. Speaker, I used to think a lot about Lester Thurow. He recently made a career of talking about picking winners and losers, the so-called zero sum game. All of us know and have read, I'm sure, Lester Thurow and the way in which he says that all economies, and all governments in particular, should point their finger to those kinds of initiatives, those kinds of industries, and in fact those kinds of people, I suppose, who should be winners in our economy, and that we should set about as a government a direct and clear policy to ensure that those industries are successful, are attracted to our jurisdiction, and receive the so-called largess of government. That's a vertical kind of approach to a way in which programs can operate, and I was at one time attracted to some extent to what Thurow had to say. Obviously, other governments across North America must have been attracted to what Thurow had to say, because if you look at all other countries, all other states in particular, you'll find an immense number of incentives directed to attracting certain industries to their jurisdiction, based on the so-called targeting approaches suggested by some of my colleagues across the way.

Targeting is a reasonable approach, and I think in Alberta, rightly or wrongly, we have done some targeting. We have attempted to pick certain winners. I myself was an advocate of developing and bringing to Alberta the chip industry to ensure that we had at least this big engine of developing so-called high tech diversification. I guess if I erred, I erred in favour of the targeting approach or of picking a winner. The difficulty is, Mr. Speaker, that I'm not too sure the government has the full wisdom, the full understanding to be the one who will pick fully and completely and specifically the winners within any economic situation. And I know that the member across the way, Mr. McEachern, has given some thought to stacking or focussing the tax incentives so that we could in fact come up with a particular industry or particular kind of company which would be successful, and I would be amiss if I didn't say that at one point that did have some attraction to me.

What we have opted for here is the so-called horizontal approach to attract industry. We are not attempting in any way on a vertical basis to say that this sector, this group of companies, this particular industry is the one that we want to target, the one that we consider to be the winner against all others and the one, conversely, where the losers must emerge. We were not the ones to have the infinite wisdom. I've already admitted to being fallible, and all of my colleagues will agree. Even my wife says I have a lot of weaknesses, and if I start to go on with my weaknesses, I'm going to start to believe them myself. Nonetheless, I don't believe that I have the total wisdom to pick the winners or, for that matter, to designate those that are going to be the losers.

So what do we do instead? Well, Mr. Speaker, there's a funny thing about marginal economics. If the marginal rate of return is there, the private sector, in its wisdom, will say: "You know, that's where I'm going to put my money. I can make the evaluation of the risk. I can decide what the rate of return's going to be. I can calculate what my cost of investment's going to be. I'm going to attempt to measure and evaluate all these items." Now, my friend from Buffalo talked earlier about correlation analysis. I spent a long time studying correlation analysis, an awful long time. I can go on for hours talking about r and things like that, but it really doesn't make much difference. The evaluation of risk is a funny thing. You have to take your money out of your pocket and put it on the line. That's the correlation analysis. That's what makes it work. And the guy who takes his money out of his pocket, puts it on the table, and says, "By jinks. I'm going to take a risk", doesn't know about correlation analysis. He doesn't know about r factors. He's got some idea about what he wants to do in terms of making a return, and he doesn't want the government to dictate to him. All he wants to do is to have equal opportunity.

My colleague from across the way talked about equal opportunity for women. Well, we need equal opportunity for the private sector, too. The best way to achieve that, Mr. Speaker, is [inaudible] tax policy. If you want to take the risk, you get the tax break. It's as simple as that. We're not going to target. We're not going to tell the winners and the losers who is going to be successful or who is going to lose.

I have to admit, Mr. Speaker, that there is an element of targeting in this legislation, and all hon. members have mentioned it. That is, if you're a small company — new initiatives, very little record, no assets, low revenues — you're going to get an extra break. That's the kind of initiative we're talking of. But anyone who wants to take that initiative has an opportunity to get that break in this province, and that's how this system is going to operate. We're not going to say that those people in the meat

processing industry or the telephone industry or whatever industry it may be are going to get any particular advantages. We just haven't got that infinite wisdom to judge that. The only people who can judge that are in fact the private sector itself, who have in their own mind the evaluation of that risk.

A lot of people have written about it. I can only say that in my judgment, having thought about Lester Thurow and others who talked about the zero-sum game and having looked at the marginal performance of economics, that is the simplest explanation as to how you engender and develop investment in this province. That's why this legislation is formed along that line. It isn't that we forgot about or ignored stacking of these kinds of tax credits. It's just that we don't believe, Mr. Speaker, we have that infinite wisdom which allows us to judge which industries, which companies, which people, for that matter, can succeed in this province. Therefore the tax system is a horizontal system: you put your money up, you take the risk, you get the benefit. A very simple system. But you know what? It works.

MR. TAYLOR: It's different than you did with Alberta Energy, though.

MR. JOHNSTON: Alberta Energy is one of those mixed venture economies that we talked about. I don't know, Mr. Speaker, if I want to go any further in terms of dealing with whether or not the province should be taking an equity in corporations. That's a long and protracted debate, and I'm not sure in my own mind that I've come to a fair conclusion as to whether or not the province should be in or out. I have some mixed positions. My notes are not absolutely clear, but I think it was Mr. Martin, the Member for Edmonton Norwood — Mr. Speaker, I apologize for the informality — who said: "You know, there could be a series of companies just below those who have the up-

front money to register and just above those who have a very small amount of capital who need to have some assistance." He triggered some thoughts in my mind. It may well be that there needs to be a new layer of so-called public unlisted corporations, which is a categorization that we may have to look at. That kind of initiative and thought is helpful.

On the whole, I think I've dealt with the question of targeting, and I think I've given my explanations on what I consider to be the errors in targeting. I'm sure, Mr. Speaker, that as we move through the debate in line-by-line discussion with respect to Committee of the Whole, we'll have more opportunity to look in more detail at some of the concerns, to explore further some of the very wise recommendations that were made. I hope, from our point of view at least, to provide the defence as to why this legislation is put forward in the manner that it is.

Again, Mr. Speaker, I appreciate the comments and views of my colleague from Calgary Buffalo, the expert who made his life in avoiding tax legislation. I much appreciate his recommendations about the weakness of providing assistance to those people in the private sector, lawyers in particular, who want to use the system. But all have made a valuable contribution.

I simply want to move second reading of this Bill, Mr. Speaker.

[Motion carried; Bill 11 read a second time]

MR. CRAWFORD: Mr. Speaker, in adjourning until tomorrow, the business tomorrow will be Committee of the Whole for study of Bills. We will start with Bill 19 and, if there's time after that, will go to the Bills in the order they are listed under committee.

[At 10:35 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]