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# MANDATE WEST

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

## *Alberta follows Federation advice to curb subsidies for private sector*

Over the last 25 years Albertans have shelled out approximately \$6 billion to private business ventures. More than \$2 billion of this amount was in the form of direct investment that was lost or written off on a number of high profile investments which soured or failed to produce any return on the investment. The limit of tolerance was reached when the government agreed to **pay over \$147 million to get rid of its stake in a waste treatment plant** after ploughing over \$262 million into the construction and operation of the facility.

In response to the high level of concern over the past misuse and waste of taxpayer dollars, and to remove the opportunity for government to continue certain activities in business, the government recently introduced the Business Financial Assistance Limitation Act.

With more than 87 per cent of Alberta members supporting the elimination of all subsidies and financial support targeted at the private sector, CFIB took the opportunity to present ideas for inclusion in the legislation.

Brad Wright, CFIB's Alberta Director of Provincial Affairs, met with elected representatives and non-elected officials to convey our clear and simple message—government should immediately and permanently cease all types of financial support for business.

While the Bill fails to prohibit future subsidies and loans, it does limit governments' ability to secretly get involved in business ventures, and inhibits the ability for Ministers to approve individual loans without first getting the approval of the legislature.

The legislation is far from perfect, as there are a number of crown agencies whose financial dealings are exempted, as are grants and specific infrastructure investments. But, like so many other initiatives undertaken in Alberta, this legislation is the first of its kind in Canada, and most of the rest of North America. It represents a positive start toward the development of a more comprehensive Bill, with no loopholes. From this base, CFIB will continue to work for the total elimination of taxpayer funded business financial support programs.

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