

Legislative Assembly of Alberta

Title: **Thursday, April 22, 1993**

8:00 p.m.

Date: 93/04/22

[Mr. Speaker in the Chair]

MR. SPEAKER: Please be seated.

head:

Government Motions

Fiscal Restraint and Administrative Reform

38. Moved by Mr. Klein:

Be it resolved that the Legislative Assembly approve in principle the government's program of fiscal restraint and governmental and administrative reform.

MR. KLEIN: Thank you. Mr. Speaker, I rise this evening to table before the Legislative Assembly, and thus the people of Alberta, an economic development strategy for Albertans, and I would like to table this document now. This strategy when taken in conjunction with the soon to be released budget will together form the foundation of the government's plan to put our financial affairs in order and provide meaningful employment opportunities for our citizens.

Alberta is at a crossroads. The decisions that we as a people take in the coming months will determine the future prospects of our province for the coming years. Very few times in Alberta's 88-year history have the stakes been so high or the need for change so critical. Mr. Speaker, this is such a time. If I may quote from the recently released report of the Financial Review Commission, "The Need for Albertans to Support Change is Urgent." Change is what we now offer.

Albertans face the future with both hope and uncertainty. We have hope because we have met challenges in the past from a position of strength, the strength we have in the abundance of our natural resources and the strength we find in the wisdom and energy of our people. We also feel uncertainty because Alberta is not an island unto itself. In a world consumed by spectacular and rapid change, the guideposts of the past may no longer be our road map in the future.

Mr. Speaker, it is hardly necessary to explain to Albertans that our provincial economy suffered a traumatic dislocation during the last several years. It will be of little comfort to acknowledge that Alberta followed a global trend from which no economy was exempt. It is true that this economic malaise had little respect for geographical boundaries, and it is probable that there was at the time no antidote that would have cured such a devastating blow. The human tragedy that was the by-product of this recession is a story of such magnitude that leaders the world over searched for answers as to what might have been done to avert or lessen the impact of its severity. Alberta, of course, was just as deeply hurt as Atlanta or Arizona, and Red Deer was no better off than Regina or Rhode Island.

Economists today will give us little assurance that the worst is completely behind us, but one thing we can be sure of is that unless we devise a strategy to combat the inevitable, we will be no better off to defend ourselves against the next recessionary wave, whenever it comes.

Some 10 years ago, when I was the mayor of Calgary, I grudgingly came to terms with these recessionary cycles. Therefore, in a partnership with the private sector we devised a strategy that was not an absolute solution but one which was an instrument we used for leveling the pattern of these cycles. The city was then dependent upon a single industry, and consequently our economy

was always at risk and subject to violent swings. When the petroleum industry suffered, the jobs of three of every five were placed in jeopardy, and our tax base was seriously impaired. Therefore, our plan, simply expressed, was to devise and launch initiatives in concert with the private sector that would soften the pattern of these economic gyrations.

We began by establishing an inventory of existing industry, commercial units, and services so that we might forecast how to build and expand on these sectors. Next we prepared an analysis of our city's advantages that would be of interest to a prospective company that might locate in our city. We matched these assessments with a target list of candidate companies, and we set out to pursue their management to become resident in our city.

We also added an international dimension to the strategy, accepting the fact that the boundaries of our market area need not be limited to Canada. Mr. Speaker, the formula was astonishingly simple, and it embraced all who wished to participate. Businesses, both large and small, educational institutions, entrepreneurs, financial houses, and social and tourist agencies all became players in our efforts. The record shows that this strategy did make a difference to that municipality, and while it is perhaps too early to make a judgment on its ultimate success, it did point the city in new directions.

It is new directions for the province of Alberta that I want to discuss with Albertans this evening. To meet the challenge, to confront the future, to keep Alberta strong, we require a new plan, an economic development strategy that positions Alberta to compete at the close of one century and at the dawn of another, not a set of promises, because promises are too easy, but a set of economic development targets. An economic development strategy may be described as the sum total of a society's efforts to stimulate the economy, promote growth, and provide an environment where employment opportunities are created.

Mr. Speaker, over the course of the last year Albertans have embarked upon an unprecedented series of public consultation initiatives. To every single Albertan who participated, I offer the heartfelt thanks of this Legislative Assembly. Those initiatives included: Toward 2000 Together, Creating Tomorrow, vision 2000, the Premier's Council on Science and Technology, the local development initiative, Tourism 2000, the Special Places program, the Round Table on Environment and Economy, and a host of other vehicles used to consult with and listen to Albertans. Some of these initiatives continue. We look forward with anticipation to final reports and in some cases ongoing work.

Nonetheless, we now know that these consultations have produced an amazing degree of consensus about where we should be going as a province. Although expressed differently by the various groups involved, common themes are clearly identifiable: a co-operative approach through partnerships; a focus on competitiveness and innovation; a need to build value-added industries; the need to promote research and technology; a facilitation role for government to be a world leader in bringing about sustainable development; to keep a priority our core programs of education, health, and social services; a commitment to fairness and equality of opportunity; and above all else jobs for Albertans. It is with these themes in mind that the government has worked diligently since last December 5 to produce the economic development strategy that I am proposing today.

Mr. Speaker, our efforts are focused into nine strategic targets. The first and foremost is our fiscal plan. The government has welcomed and accepted the key recommendation of the Financial Review Commission to develop and adopt a workable and enforceable fiscal plan. That fiscal plan will have four components.

8:10

The first part, of course, is the budget itself, to be unveiled by the Provincial Treasurer. It will focus on balancing revenue and spending over four years. In the longer term we plan to generate a surplus to eliminate the net debt, and I cannot overemphasize the importance of this policy. All of our other undertakings are fundamentally rooted in our ability to balance the budget, not in a brutal way but in a planned and orderly way. Mr. Speaker, balancing the budget is a matter of cutting low-priority expenditures and creating new sources of revenue for government from increased investment. I can say little more about the budget this evening other than to assure you that it is being prepared with two themes in mind. One, we don't have a revenue problem; we have a spending problem. Secondly, no society has ever been taxed back to prosperity.

That belief leads me to the second component of our fiscal plan: the need to create a more competitive tax environment. Alberta faces a number of disadvantages, such as a small domestic market, high transportation costs to reach other markets, higher construction costs associated with a cold-weather climate, increasing global competition, rising input costs, and a dependency on lower international commodity prices. If we cannot change those things, then we must change what we can.

One thing we can change is our taxation regimes and strategies. Many of the business and industry representations we received during our public consultations stressed the need for Alberta to maintain a competitive business climate, and although we have the lowest taxes in Canada, that may not be enough. This government is committed to meaningful tax reform. Let me make it very clear: we are looking at making our taxation policies more competitive and less intrusive, not to deal just with the numbers but with the structure.

We will therefore launch a comprehensive review of all taxes, taxation policies, and methods to determine if, in fact, there are ways of restructuring our tax regimes to make Alberta more competitive and to stimulate investment, not to introduce new or additional taxes but to reform the taxation system. The creation of an Alberta tax reform commission is an option we will discuss with a broad range of interest groups in order to be satisfied that we have the proper vehicle to examine tax reform.

Mr. Speaker, as I learned during my time as minister of the environment, creating the right review process is fundamental to getting the right answers. We want the right answers as we look at things like the machinery and equipment tax, the hotel tax, education financing, corporate tax rates and structures, and other taxation issues which have been identified by members of the public. A prime example of a tax that makes us uncompetitive is the aviation fuel tax, a tax that literally encourages airlines not to buy fuel in a province dependent on its ability to market and sell oil and gas products. Our objective once again is not to raise more revenue through more taxes, as some other parties would like to do, but to attract more investment to Alberta by making our tax regime more competitive than any other jurisdiction in Canada. Piecemeal reviews of various tax issues have been ongoing over the years, but a broad and comprehensive examination of all Alberta's tax policies has not been undertaken since the 1950s, and it is long overdue.

The third component of the fiscal plan is to deal with the costs associated with the size and structure of government itself. We believe that it is incumbent upon government to review all of our operations first to ensure that we are as streamlined and as efficient as possible before asking Albertans to make their contribution. We believe also that Albertans are ready to play

their part if they see that we in this Chamber are doing our part. It is fair to say that we have been working nonstop since December 5 to meet our part of the bargain.

For the record, Mr. Speaker, let me outline our progress in this area. We have reduced the size of cabinet from 26 to 17. We have reduced the number of deputy ministers and assistant deputy ministers accordingly. The resulting amalgamation of whole departments continues to this day. We have reduced the number of cabinet and caucus committees from 26 to four, and we have opened up that committee system to the public. We have reduced the size of the public service by 20 percent since 1986, and that includes most notably the 1,800 employees who accepted our voluntary severance package this spring. Most importantly, we have made these reductions in a fair and honest way with respect for each and every individual.

We have cut the salaries of cabinet ministers by 5 percent and, I might mention, the Leader of the Official Opposition and the leader of the Liberal opposition. We have cut the salaries of senior officials by 2 percent. We have challenged the senior administration in hospitals and universities and municipalities and others to do the same: not the rank and file, not the teachers or nurses or clerks, but the senior administrators who manage those institutions.

The Government Reorganization Secretariat continues its complete review of all agencies, boards, and committees to determine potential areas for amalgamation, downsizing, and privatization and, in some cases, elimination altogether. The report of that secretariat will be released within weeks.

The list goes on, Mr. Speaker, and the work goes on, because no fiscal plan is complete without this rigorous examination of our own operations.

The fourth and final component of the fiscal plan is to reduce or eliminate direct financial assistance to business. Mr. Speaker, when we talk about a new role for government, we mean that we must be a facilitator and not a participant. [interjections]

MR. SPEAKER: Order, Edmonton-Kingsway. That's the sixth time. Order.

MR. KLEIN: Direct intervention to drive diversification was a policy decision of the early 1980s, and I might add that it was a policy decision that was endorsed by the business community and most Albertans. It was a policy that did pay dividends, but it was a policy that also incurred losses. [interjections]

Speaker's Ruling Decorum

MR. SPEAKER: Pardon me, hon. Premier. Excuse me, please.

Hon. members, we went through this earlier today. I expect the courtesy of the House. You know the appropriate standing order: 13.

Mr. Premier.

MR. KLEIN: Thank you, Mr. Speaker.

We will continue to meet the commitments incurred in that period, but the policy of using direct financial intervention to drive an industry may be considered officially terminated.

Before I leave the matter of fiscal policy, I want to publicly issue an invitation to those who watch and assess Alberta from afar. Before they pass judgment on Alberta and on what this government is committed to in its fiscal plan, I invite them to visit this magnificent province of ours, to see Alberta, to see the infrastructure that we have built in terms of our roads and our schools and parks and hospitals and universities and facilities for

our seniors and facilities for our young people, to see firsthand those things we call deemed assets that simply can't be calculated in pure financial terms. I believe it is incumbent on those who pass judgment upon us and our province to come and see that there has been money well spent and that when we talk about debt and deficits and assets and liabilities, we are talking about an investment called Alberta. So come and see some of the measurables not yet measured. Mr. Speaker, we are doing everything we can to protect the future of that investment, and that means a solid fiscal plan with clear targets, immediate action, and positive results. Albertans will see that plan on May 6.

8:20

Mr. Speaker, while I said that our four-point fiscal policy was the key to our economic development strategy, this plan is also made up of eight other strategic targets where we will focus our energies in the future. In the 1990s no plan for the future is complete without a commitment to research and innovation. It shall be the policy of this government that science, technology, and industrial innovation are critical components of economic growth and form an integral part of our economy. Both the public and private sectors are engaged in a number of areas where work on research and innovation is under way. We must harness those initiatives.

As outlined in the paper I tabled earlier, the government proposes a number of specific moves in this area, including developing innovative models to foster joint university/industry research, to substantially increase the focus on commercialization of technologies for sale abroad, to increase available funding for investment through public and private capital funds, and, working through Alberta Education, to ensure that science, technology, research, and innovation all become an integral part of our curriculum. In dedicating ourselves to this policy of research and innovation, we must remind ourselves that a world of rapid change only accommodates those who change with it.

The third element of our economic development plan is to build on our strengths; that is, to rededicate ourselves to the industrial sectors that have sustained us so well in the past. Nothing more, Mr. Speaker, than getting back to the basics.

Mr. Speaker, in previous efforts to diversify, more emphasis was put on developing new industries and less emphasis was put on sustaining the old, and that must change. A critical part of our economic development strategy will be to refocus our efforts in agriculture and food, petroleum and related industries, forestry, tourism, high-technology infrastructure, and small business in general. In each of these areas we have identified our strengths and set targets for the future.

In agriculture and food we are stressing value-added products, re-examining payment structures such as the Crow rate, and developing new sectors such as ethanol production, all to meet our target of doubling the value of food processing shipments by the year 2010.

In petroleum and related industries the Minister of Energy has in four short months made tremendous progress in continuing to revamp the royalty system for an annual industry saving of \$25 million and in simplifying, reducing, and eliminating regulations and administrative costs.

In forestry, consisting of over 600 Alberta companies and more than \$3.5 billion in investment activity, our target remains to be a world leader in sustainable forestry development. It is nothing less than an investment in our future.

Another of our strengths, tourism, currently employs 100,000 Albertans and generated an estimated \$2.8 billion in revenues in 1991. The government, by continuing to promote Alberta at home

and abroad, invest in tourism-related infrastructure, and train a highly skilled hospitality work force, has set a target to exceed tourism receipts of \$4.4 billion by the year 2000.

Small business represents 90 percent of all Alberta business and will always be a strength. Our task is to do what we can to make it easier for small business to thrive. The government, as part of its review of agencies, boards, and commissions, will identify ways in which to improve access to capital. It will also address the special needs of small business during our comprehensive review of taxation policy. We believe there may be creative ways in which to reduce or defer some taxes for small business start-up. As well, in partnership with municipalities and business organizations we intend to establish business centres in Edmonton and Calgary to better co-ordinate our activities with small business in particular. Mr. Speaker, we will continue to work with the federal government to ensure that our mutual efforts at supporting small business are co-ordinated with little or no reduction and overlap.

A final strength upon which we need to build, Mr. Speaker, is one that truly is a success story of our diversification drive in the 1980s, and that is our high-technology infrastructure. Just as research and innovation is a component of our economic development strategy unto itself, the infrastructure that supports it is a strength we must build upon. From our research institutions, both public and private, to the incredible technology available there and to the highly educated and skilled work force that drives it, we have much to offer an information-based world.

Mr. Speaker, building on our traditional strengths is only the first step in creating new wealth in our province. There are other emerging areas that if carefully selected could create exciting new opportunities for wealth creation. Short of direct government financial assistance we can do much to promote activities in areas such as environmental engineering and design, information technologies, aerospace and advanced materials, medical services and biotechnology, and transportation infrastructure. As part of our economic development plan the government will work with the private sector to facilitate the growth of these industries in order that they complement our more traditional activities.

A fifth element of our economic development strategy is a refocusing of our efforts to stimulate community-based economic development. In the past, as I pointed out, our efforts had been to attract nonresident investors by being an economic participant. That will change, Mr. Speaker. Our efforts in community-based economic development will be to foster growth from within the community by providing proper infrastructure and acting as a facilitator. We will be encouraging communities to adapt a regional approach and to pool their resources in order to offer a wider scope of amenities. To assist in this regard, the Department of Municipal Affairs will commence a review of the role of regional planning commissions to ensure that their efforts conform to this new policy. We will also continue the local development initiative that identifies and adjusts existing programs within smaller communities. We will also launch three pilot projects to assist the potential of Alberta local and diversification bonds to encourage residents in local projects.

MR. McINNIS: This is all NDP policy.

MS BARRETT: Stole it from us.

MR. McEACHERN: Yeah, almost sounds like a New Democrat.

MR. KLEIN: Glad you like it.

Finally, we are examining the concept of a risk insurance fund to protect bondholders should projects prove not to be viable. Mr.

Speaker, in all of these efforts at community-based economic development we want to provide the tools for Alberta's smaller communities to compete in a competitive environment.

The sixth part of our economic development plan speaks to an issue that was raised time and time again through our many public consultations. It is the urgent need to reform our regulatory environment; in effect, to change the way we do business. This process began with the restructuring of cabinet departments in December, but it has become clear to us that it must be formalized into an action plan. A review of regulations and legislation will have two phases.

In phase 1, commencing immediately, all departments will be required to strike a small task force of senior officials to identify regulations and policies needing revision or outright elimination because they are seen to be unnecessarily cumbersome or outdated. Mr. Speaker, this review will be completed by September 1, 1993. Action plans to amend or eliminate identified regulations will commence immediately thereafter.

In phase 2 input will be solicited from business, large and small, agriculture and energy associations, and other advocacy organizations to identify regulations which in their opinion may hinder economic development or that have proven contentious in the past. One example of this currently under way is the review of the Electric Energy Marketing Agency, which at the request of the stakeholders will be completed on July 15 of this year. Nonetheless, with this two-stage regulatory review, one internal and one external, and with the introduction of sunset clauses and streamlined administrative practices, our goal is to reduce the often cumbersome government rules and regulations.

8:30

Mr. Speaker, no economic development strategy can be considered complete without an international strategy. This seventh element of our plan recognizes that Alberta is an important and influential player in the international marketplace. Alberta currently exports approximately \$19 billion in goods and services, and we are setting a target of increasing that figure to \$24 billion by 1996. A key to this strategy will be to reorganize and refocus our international offices. A review of these operations is currently under way, and we are satisfied from preliminary reports that we can do a better job to promote Alberta and Alberta exports abroad. Priorities for these offices will be trade and investment, immigration, and tourism promotion. By joining forces with the federal government's international efforts and by involving the private sector more effectively, we are confident that we can do a better job and save money at the same time.

The cost savings involved from the restructuring will allow us to increase our presence in the new areas. The government intends to pursue the concept of retaining, at minimal cost, individuals resident in targeted areas who can promote Alberta through their contacts without the expensive overhead associated with full-fledged foreign offices. A trade expert is now located in Siberia. We have added a representative in Taipei in the Canadian Chamber office, and in June we will appoint an individual in New Delhi, India. If successful, we envision a network of these local representatives in numerous locations around the world to promote our province.

Before I leave the international arena, Mr. Speaker, allow me to say a word about our emphasis on immigration that I alluded to earlier. Alberta is an open and tolerant place that welcomes those who want to contribute to the building of our society. We know that some who've come to Alberta face a difficult transition. Different languages and traditions and culture can be intimidating things. Let there be no misunderstanding of our policy. To those

who wish to come to Alberta to participate in the building of a great province, to those who want to work hard and make a better life for themselves and their children, to those who will respect our laws and work within our institutions we offer an open door to the greatest province in the greatest nation on earth. It matters not where you come from, what language you speak, or what religion you practise. Alberta's history is the story of newcomers, and so it shall be Alberta's future.

Mr. Speaker, our international strategy also involves initiatives at home. At home the international business information systems will be enhanced. As well, the forum for international trade training will be provided at Grant MacEwan Community College. This is a program to provide skills for Alberta employees to learn concepts and practices of international trade and advance skills for employers and owners of businesses exporting or considering export opportunities.

Finally, we will aggressively promote the reverse trade show marketing concept to entice more international business leaders to hold conferences and trade fairs and meetings in Alberta. An aggressive international presence is critical to helping Albertans send their goods and services abroad. It will take time, and it will cost money, but in economic development terms the benefits of selling Alberta far outweigh the costs. In setting a target of increased exports to \$24 billion by 1996, we reaffirm our policy to make Alberta a force to be reckoned with on the international stage.

Mr. Speaker, the eighth component of our plan is to deliver on Albertans' stated desire to work with other governments in a spirit of co-operation and not confrontation. This, too, was a common theme throughout our public consultation process. There was a time in this country not so long ago when our relationships with other governments, particularly in Ottawa, were marked by barriers and mistrust. Our mutual economic needs are too critical to allow that pattern to continue. Aside from any political allegiances we may or may not have, we now need new economic alliances. Our economic future will depend on a clarification of responsibilities between the federal government, the provinces, and municipalities.

Mr. Speaker, we need to bring down the barriers and build economic partnerships. Progress and potential exist in a number of areas. In environment, for instance, we will continue our work to streamline the environmental assessment and review process and to ease the regulatory burden. In Alberta itself we will be reducing the regulatory overlap between Alberta Environment, local planning authorities, local health authorities, and Alberta Health. In the area of interprovincial trade Alberta will be a vocal participant in favour of reducing interprovincial trade barriers at the national negotiations to commence in June of 1993. We will propose formalizing a western economic development strategy with the other three western Canadian provinces to make the best use of our pooled resources. We have endorsed in principle with other western Canadian provinces the development of regional industry alliances in the area of value-added food products and environmental technologies.

With Alberta's distance from markets the development and maintenance of modern, efficient transportation is critical. Our partnerships with other governments will focus on the proper integration of our transportation networks. To build upon our current infrastructure of road and rail, the government will commence immediately the development of an Alberta air transportation strategy. In consultation with the newly formed airport authorities in Edmonton and Calgary, whom we will ask to take the lead, and with the assistance of Alberta's smaller airports, our task will be to make the most of our already formidable air transportation infrastructure.

Mr. Speaker, Alberta is a partner in this country, and our task is to make the most of our partnerships, regardless of past differences.

The ninth and final element of our economic development strategy, the truly human element, is job creation through skill development. It involves nothing less than preparing tomorrow's Albertans for tomorrow. Well-educated and highly trained people are the key to achieving our goals. We need results-based education that prepares our students to meet emerging technologies and to deal with change more rapidly than at any other time in the past. Some things can be done immediately, such as our intention to simplify access to financial assistance for students. To that end, we will be consolidating into one department the services provided by the Students Finance Board, the Alberta vocational training program, and related assistance under the supports for independence program. Some of these issues are much more broad, and it is therefore the government's intention to immediately launch a broadly based call for public input into a practical, long-term plan for adult learning with particular emphasis on increased training and retraining opportunities in the labour market. This action has been called for by many Albertans and was most notably a common theme from those who participated in the Toward 2000 Together process.

8:40

Mr. Speaker, those nine strategic areas together form the basis of an economic development strategy for Alberta. As I said at the outset of my remarks, it is not a set of promises; it is an economic development plan that sets targets, and the most important target of all is employment opportunities. We believe that focusing our energies into these nine areas will build a climate conducive to wealth generation and job creation. Indeed, our target – not our promise but our target – is the creation of 110,000 new jobs between now and 1997. It is a realistic and an achievable target that will require all of us to play our part. For government it means a complete dedication to making these nine strategic areas our priority. It also means putting our financial affairs in order. As I said, the Provincial Treasurer will bring down a budget that will call for sacrifice but will also complement the initiatives set out in this plan. For business, industry, and labour it means a new relationship with government where an agreed upon set of targets is achieved with an agreed upon economic strategy. For the public it means that change brings risk, but risk brings opportunity.

Mr. Speaker, we do not profess to have all the answers. To the critics who demand all the answers we offer instead ideas, we offer targets, and we offer a plan. Let them do the same. We lay this plan before the people of Alberta confident that it reflects their vision of the future, that it echoes the words of a Canadian historian who wrote that there are few parts of the Earth where history is bound so inseparably to the character of the land itself. You can feel the history of Alberta as you travel across it, and you can feel the future too. It is with our eyes fixed firmly on the future that we offer this plan for Albertans and trust in their judgment.

I thank you.

MS BARRETT: Mr. Speaker, in his closing remarks the Premier said: let the critics offer a better alternative. Quite frankly, on an einsy-teinsy budget the New Democrat Official Opposition offered five substantive papers this winter which put this document to shame. We costed out every one of our programs. We didn't talk about vague targets. This isn't even an economic wish list. You wouldn't present this to Santa Claus. He'd have no faith in it. I can't believe the vagueness of this statement, and I want to ask,

first of all: how much did the government spend advertising in the daily newspapers today, asking people to watch this incredibly important speech? How many copies of this vague document did they run off? I want to know if this is the election material that this government plans to hand out at taxpayers' expense in a couple of weeks when they drop the writ. If it is, I say, "Shame on them."

Now let's talk about the most important subject facing Albertans right now, and that is unemployment. Who was the brilliant person in the American election who finally said to George Bush, "It's the economy, stupid"? This is not about the economy. This is about vague wishes. This is about generalized targets, and they can't even prove the accuracy of their so-called projections noted on the last page, page 23. It's the vaguest thing I've ever seen.

Mr. Speaker, let's talk about unemployment. Do you know that for every person unemployed it costs the system \$54,000? It would be cheaper to hire them than to leave them unproductive. Fifty-four thousand dollars a year in lost productivity, lost consumption, and demand for benefits that people need: that's what it costs.

Does this document say exactly where the jobs are going to come from? Not a bit. Not a one. Mr. Speaker, in the *Edmonton Journal* today, Safeway advertises lots of jobs, "Maximum 15 hours per week." Is this where the Premier gets his figures from for his 110,000 jobs over the next four years? Give me a break. Fifteen hours a week is not employment, and you can't have economic recovery without employment.

I'd like to point out some other facts about unemployment. Mr. Speaker, there are 3,400 fewer Albertans with jobs today than there were four years ago when this Conservative government was re-elected. According to the government's own employment statistics, last month there were 1.210 million employed Albertans compared to an average of 1.214 million in 1989. There are 50,500 more Albertans out of work today than there were four years ago. That's no track record to be proud of.

I can't believe the unmitigated gall and all this standing ovation for a track record where that Premier sat at a cabinet table knowing that the former Provincial Treasurer was not telling the truth when he stood here and asked these people to stand up, in a standing ovation, while he declared his budget to be balanced. It was deceitful, it was wrong, and Albertans are going to be mad when they get to the polls in a few weeks, Mr. Speaker.

Last month Alberta's actual unemployment rate was 10.7 percent, was 10.1 percent on the seasonally adjusted basis. In 1989, the last time we went to the polls, Alberta's unemployment rate averaged 7.2 percent. They think they've got something to be proud of? Not a chance.

In about the same four-year period, Mr. Speaker, the unemployment rate for youth was 16.7 percent going into the summer of 1989. Now it's 10.1 percent. By the way, I want to tell you that in the same four-year period the Conservative government ran up the provincial debt by \$10 billion and lost billions of taxpayers' dollars on fiascos like NovAtel, MagCan, and GSR.

MR. SIGURDSON: What business acumen that was.

MS BARRETT: Yeah. Oh, these guys are great managers all right. They tell Albertans that only they know how to run a province. Give me a break.

They've accrued the worst debt per capita ratio in the country. They ought to be ashamed. Then the Premier says he's cut the salaries of ministers, deputy ministers, and assistant deputy ministers by 5 percent and senior executive employees by 2 percent, but not the salaries of teachers and nurses. Mr. Speaker,

not only are they losing in their wages; they're losing their jobs by the hundreds and by the thousands. [some applause]

MR. KOWALSKI: Are you happy about that?

MS BARRETT: No, we are not happy about that, Mr. Deputy Premier. The applause I think has to do with the accuracy of the statement.

Mr. Speaker, in response to the government's, the Premier's challenge to have the critics offer a better alternative, the New Democrats developed five big, major policy papers this winter, each one of which is 30 pages long, each one of which is detailed when it comes to every job that is projected and how much will be spent on every one of the initiatives. I notice the government cloned - cloned - a lot of the ideas and left them vague. You don't want to be specific, having adopted New Democrat ideas.

Mr. Speaker, I propose to you that this document is nothing more than an election strategy; it is thinly veiled. I wonder, in conclusion, about the Provincial Treasurer and the Premier telling us a few weeks ago that we're going to get a unique budget. What's a unique budget? You 'unique' up on them and get them when they're not looking? I expect that this budget we're going to get on May 6 will not be a line-by-line budget. I think it's going to be a vague economic statement like this. I don't think you've got the plan. I'll tell you who does though: the New Democrats. Phone us at 427-2236 and I will personally send you copies of an economic and fiscal plan that is going to work for the people of Alberta and that isn't so vague it wouldn't even constitute an economic wish list.

By the way, in conclusion, I say no to the motion. It's a silly motion. It's as bad as every one of the motions that this government has presented in this House since 1986. They haven't got a fiscal plan. They haven't got an economic plan. They haven't got a renewal plan. All they want to do is get through the next election. It won't work.

8:50

MR. SPEAKER: The minister of agriculture.

MR. ISLEY: Thank you, Mr. Speaker. I listened very carefully to my favourite little snowflake from Edmonton-Highlands, and I didn't hear any specifics. I heard a lot of emotion. I heard talk of five big policy papers. I'm assuming what was said about the five big policy papers is representative of what is in them. As far as the unique budget is concerned, you'll have to wait a week or so.

It's a pleasure to stand in my place as minister of agriculture and congratulate the Premier on what I would say is an excellent economic strategy with a lot of meat in it, if the people across the House can understand. What I'm particularly impressed about is the move back to building on the strengths of the Alberta economy and the recognition in this document that the first strength is agriculture and food production.

I'm also very pleased, as should be many others in the House, that this document announces an enhanced ethanol policy for the province of Alberta. Very specifically, it does two things. It guarantees in a five-year contract that the 9 cents a litre that is on the table today will remain for a five-year period, and it makes the grain going into ethanol plants eligible for the Crow benefit offset program as long as that program is in place, assuming that once the program is not in place, the method of payment will have been changed and the distortion in grain prices on the prairies will disappear. I think it's important also to note that the policy will terminate in the year 2000. You'll remember that I said it's a

contractual arrangement for a five-year period. If either of the parties across the way were to form a government in this province, I doubt that anyone in business would go into a contract with them, after listening to their two leaders using all their questions in the last two question periods trying to encourage the government to break contracts as opposed to honour them.

I'm also pleased to see the emphasis that is put in here on the local development initiatives and the announcement of three pilot projects using community development bonds as a mode of financing them. I might say that those community development bonds and those three pilot projects could be created by private-sector individuals; they could be created by community-based associations. There's a definite incentive in the structure of the program to bring a fair amount of equity into the project to ensure success. That is done by providing an 80 percent security on the bond if there's 25 percent equity, 90 percent if it's 30 percent equity, and 100 percent security on that bond if it's 35 percent equity. We look forward to some of the communities that have been out there talking about projects coming forward rather quickly to be the first three pilots. Once those pilots are done and assessed, then we'll make the decision as to whether we move to a full-fledged program.

What I'd like to do now is say a few words about what we're recognizing in here as Alberta's number one industry, and that's agriculture and food. Alberta today has the largest primary farming industry on the prairies when you test it in terms of cash receipts at the farm gate, achieving \$4.9 billion in 1992. That means that because of the diversification of Alberta agriculture, with 60 percent of the cultivated acres that the province of Saskatchewan has, for three years running we have had a larger cash return to our farmers. That's directly related to the way the farmers have diversified and started to value add to their own primary products.

We have moved to the point where we produce one-quarter of Canada's wheat crop, one-third of its canola crop, one-half of the barley crop, and close to half of the nation's oats, which by the way are selling at premium prices and exports are up over 100 percent in the last year. I think they're up 400 percent since oats were taken out from under the Canadian Wheat Board. We now produce close to 45 percent of Canada's beef cattle. As a result of the feedlot industry infrastructure that has developed and the two most modern slaughterhouses probably in the world, certainly in North America, being located in our province, we now slaughter 55 percent of Canada's beef herd.

The hog industry is receiving fairly good returns at the moment. We still have problems to resolve in the hog processing sector, and we're continuing to work on those. I might add that I believe I had some support from across the way when we picked up the recent losses in Gainers and kept that plant operating, a plant which returns to this government from provincial income tax more money than I announced that day, a plant that since we've taken it over has injected \$110 million worth of salaries into the city of Edmonton, has paid over \$13 million in utilities and taxes to the city of Edmonton, and has put over a billion dollars into the pockets of northern Alberta producers from the purchase of hogs and cattle.

Let me now talk a bit about Creating Tomorrow, which the hon. Premier made reference to as one of the consultative processes that we went through recently which contributed partly to the development of the economic strategy. Creating Tomorrow was a process that was started because many in the agricultural industry didn't feel that they really got enough input into the Toward 2000 Together process and started a parallel process, industry driven, beside it, if you wish. There were 14 regional conferences held

under *Creating Tomorrow*, from as far south as Bow Island to as far north as Fort Vermilion, to the east side of the province and to the west side, with two of those being in Edmonton and Calgary to involve the food processing industry. It then culminated with the provincewide two-day conference in Red Deer on January 7 and 8, 1993. In total, over 2,000 people in the industry – primary producers, processors, agrifinancing people, agribusiness people – came out and took part. They came out of Red Deer with a very clear vision statement as to where they wanted to see this industry by the year 2007. It reads as follows:

Alberta's agriculture and food industry will: be profitable, be environmentally sustainable, be globally competitive, value its people.

They do not want to depend on government, as most of the policies I hear from the ND Party would indicate.

They also established three specific goals.

Goal 1: To improve our competitive position in domestic and international markets.

Goal 2: To sustain our natural resource base and the environment.

Goal 3: To enhance the strengths of our people, families and communities.

Then they proceeded to attempt to develop strategies that would achieve those goals and subsequently that vision. Under goal 1, "to improve our competitive position in domestic and international markets," they had strategies such as "develop competitive cost structures" and "identify and respond to opportunities and changes in markets."

9:00

I would submit to members of the Assembly that the current heated debate around the Dr. Carter study on the continental barley marketing proposal is an example of what people were asking for here. I think it would be fair to say that the bulk of those 2,000 participants would be very supportive of the institution of the continental barley marketing proposal which would simply expand the off-board selling opportunities to our barley producers that they already enjoy within Canada, providing that barley goes for animal consumption: opening that up and expanding it to anywhere in North America and expanding it to processors who process barley for human consumption. As we discussed in question period today, the study would indicate a \$65 million additional return to the producer at the farm gate. The study also projects that the new marketing opportunities would encourage the transfer of more acres of land into barley production and could lead to a net gain of \$127 million to the industry.

The implementation of that proposal would not do away with the hon. Member for Vegreville's favourite institution, the Canadian Wheat Board. It would simply leave the Wheat Board in the position of handling export sales that are offshore. The Wheat Board could cut down on its administration a bit by no longer being between the producer and the buyer in North America, and the Wheat Board could prove to producers that it gets the best return to them, because it would have the option of playing in the North American marketplace and the world marketplace as well.

Another strategy was to "ensure government activities strengthen, not compete with, the private sector," which is very consistent with some of the themes that you heard the Premier talking about. "Generate, transfer and apply information and technology." "Develop value-added products." A strong recognition that one of the greatest impediments to increasing the value-added products on the prairies is the way the Western Grain Transportation Act pays the \$724 million annually to the railways to do nothing but take grain in its rawest form, uncleaned, and put it into export position for the benefit of some other nation. I'm pleased to say that at the conclusion of the mini economic

conference held in Alberta, where Deputy Prime Minister Mazankowski and seven federal cabinet ministers spent two days in discussions with our Premier, Mr. Klein, and seven provincial cabinet ministers in Calgary, an agreement was reached on reform of the Western Grain Transportation Act.

Basically, there were three points to that agreement. With respect to the method of payment of the Crow benefit under the Western Grain Transportation Act, the ministers agreed to continue the present process aimed at finding a national solution through a whole farm income approach, net income stabilization, ag type. That really says that we agreed to try and find a national solution that would pay the producer, because the only people or institutions that have net income stabilization type accounts are producers.

Secondly, we agreed that the federal government will proceed with enabling legislation which will provide for a national solution which can include provincial variations in design and delivery of the program. That basically says that you could deliver that program differently in B.C., Alberta, Saskatchewan, and Manitoba.

Thirdly, it was agreed that enabling legislation would be introduced in time for August 1, 1994, implementation. We have also submitted to the federal government the Alberta preference as to how we would like to see this work. I think it would be fair to say that the Alberta preference has the Manitoba compromise in it now, it's got the Quebec compromise in it, and it's got a little bit of the best solution, which was the old Freedom to Choose.

Basically we're saying that we're prepared to start with that \$724 million as was outlined in the Toronto meeting, set aside the railway allocation of \$88 million which would be used to pay the fixed costs on grain-dependent branch lines until they're abandoned, and it would be used to partly offset additional transportation costs to affected producers.

Secondly, we've agreed – and this is the Manitoba compromise – to 10 percent of the balance then being used for the adjustment allocation, which, number one, would address the Saint Lawrence seaway costs and hence allow us to take them out of the Canadian Wheat Board pool account from which they're currently paid. That would have the immediate impact of increasing the price of grain to the producer in Alberta by approximately \$8 per tonne, maybe \$8.50 for all on-board grains. We're proposing that the balance of 90 percent would then be issued directly to the farmer's NISA account based upon arable acres that they operate – not necessarily own but operate – adjusted for productivity, adjusted for distance from port, and that that go on into perpetuity. It's possible, in my mind, that we could end up with a national agreement that pays out everyone the same way, under the same triggers under NISA, where the farmer's determination of his entitlement could be done differently. You know, we're not insisting that Manitoba or Saskatchewan follow the Alberta model, and we're hoping that they don't try to insist that we should have to follow theirs.

Another strategy is to "diversify commodities, products and services to meet present and future market needs," and lastly to "develop market-responsive continuing education and training."

When I move to goal 2, "to sustain our natural resource base and the environment," the strategies that our people at the grass-root level came up with were:

- Research and develop environmental information and technology
- Educate industry participants about environmentally responsible production, processing and distribution practices
- Advance public education about environmental and food quality issues
- Test current and future policies, programs and regulations for environmental responsibility and use appropriate ones

- Develop incentives to protect and improve the environment
- Build strategic alliances inside and outside the agriculture and food industry

Under goal 3, "to enhance the strengths of our people, families and communities," they came up with the following strategies:

- Improve quality of life through rural development, including local value-added industries
- Encourage family business and entrepreneurial spirit
- Provide opportunities for and encourage continued education and training
- Build pride by projecting a positive image
- Attract youth and new entrants to the industry
- Increase public understanding of our agriculture and food industry, including its benefits to Albertans.

I would also have to say, Mr. Speaker, after attending, I believe, 11 out of the 14 regionals and the Red Deer conference that the other main messages that we were hearing were: "Government, step out of our life. Don't direct us. Be a facilitator. Don't come up with programs that tell us what we should be producing or that send the wrong signals as to what we should produce. Open the marketplace up to us. Let us read the market signals." I think it's certainly our intent – and that's so consistent with what you heard the Premier saying – to move in that direction.

9:10

We made a commitment at the end of the conference in Red Deer that if it was their desire, we would set up an industry advisory committee – self-funded, not government-funded – the mandate of that committee being to push and urge the government on the one hand to implement the type of strategies that I've outlined here and work on the program changes and at the same time encourage industry to buy in and do their part. The response to that was dramatic in terms of the number of nominations that we received, and we've currently got a committee independent of government assessing those nominations to make the recommendations on who should be on that committee. I'm hoping that within the next two weeks we will be able to announce the membership of that committee, and it will be able to start its work.

On the department side it is currently finalizing the first white paper ever written in this province on agriculture, which is at this point in time being debated in front of the standing policy committee. Once it goes through those stages, it will be released to say: this is what government is prepared to do in response to this large consultation process that we went through.

With those comments let me just encourage particularly those opposite to read and understand this and quit trying to direct the lives of our farmers.

MR. SPEAKER: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I was listening to the rather smooth presentation of the Premier tonight. As we progressed probably 50 or 60 percent through that paper, one compelling thought kept coming to my mind, and that was Peggy Lee's comment: is that all there is? If anything distinguishes this document, it is its level of superficiality, it is its lightness, it is its lack of depth, it is its lack of insight.

Mr. Speaker, as I listened to the presentation, how trite it was, I realized that perhaps the only thing that would be missing by the end of it was some reference to *Paradigm Shift* or mention of *In Search of Excellence* or the odd reference to Faith Popcorn. This is a pop document, Mr. Speaker. This is not a plan. This is not a focus on the future where we can take this province. This is not leadership.

If you need an example of lack of leadership, Mr. Speaker, I draw your attention to page 9. One of the most important issues facing government today is what it shouldn't be doing. How can it get out of the way of the private sector? How can it stop picking winners? Well, it can sure pick losers. The fact is that this Premier can't make a decision about that particular overwhelmingly important issue. It says right here, his words, "Reduce or Eliminate Direct Financial Assistance to Business." Which is it, Ralph? And if you're going to eliminate it, then, why do you dwell upon the point . . .

MR. SPEAKER: Order. Proper names of constituencies.

MR. MITCHELL: Which is it, Premier? And if it is that you're going to eliminate it, why is that you dwell in this particular paragraph on the fact that

the government has created Standing Policy Committees to ensure that an ongoing program review is in place and that clear criteria for grant programs are established and available to the public.

Well, if you're going to eliminate it, why would you need criteria upon which grants would be determined? There is no leadership. There is only indecision. There is only pure cynical politics, Mr. Speaker.

I was struck as well by the quality of presentation. I said to myself: I wonder which ad agency wrote this document? As it unfolded further and further, I realized that no ad agency would have put its name to this document. This is an inside job. It is a document which emphasizes CCR: consult, consider, and review.

In and of themselves those aren't bad ideas. Governments should consult the people of Alberta. That should be an ongoing process. There should be openness, and there should be a fundamental reform to the Legislature process that allows that to happen. We have such a detailed reform in our mandate for reform document. There is no detail in this document about how to truly consult and create openness. It is not improper that a government should consider. Of course they should consider, and it is certainly not improper that a government should review, but let's remember that this government shouldn't be in the mode of considering, consulting, and reviewing. It should be in the mode of doing, taking action. They have had the problems that have given rise to efforts of this nature, to identification of the issues embodying a document like this. They have had evidence of these problems for seven consecutive years. This government, the people on this front bench, the people on this back bench, many of them have been in the government for seven consecutive years. They have presided over the financial slide that this government has undertaken. The Premier, Mr. Speaker, has been in this government for four of the last seven years. Finally, after five months of his stewardship – and I use that word loosely – of this government, we get something that resembles some kind of plan, and that is incredibly light and incredibly weak.

I was struck by the expense, and I, too, wonder, as my colleague from Edmonton-Highlands wondered: how many copies of this document are going to be produced and at what cost, and is this going to form the basis of some kind of political campaign in the next election? I was struck by that old adage that we used to see in 1989 or 1986: you know, the Conservatives were going to buy Albertans' votes with their own money. Well, they've taken that one step further. They're now actually going to buy with Albertans' money the very campaign that's going to sell Albertans – or they think it is – on buying them with their own money.

It is a cynical document. It says that it sets targets of 110,000 jobs. They can't defend where these jobs are going to go. It's as though they picked these numbers out of the air: 8,300 in other

manufacturing – other manufacturing; I wonder which “other” that would be – 39,100 jobs, not 39,101 or 39,102 but 39,100, in community, business and personal service; 17,800 in tourism and travel. I wonder how they picked those numbers. I wonder in what smoky room and which one of the triumvirate did it, the three that seem to be running this government.

If you looked at the cost of this government's job creation strategy, taking NovAtel, MagCan, GSR, Myrias Research, and Northern Steel, you'll see that they spent \$797 million of Albertans' money to create 2,065 jobs. That's \$385,000 a job. If you multiply that by 110,000 jobs, that's \$385 billion. That's a promise, Mr. Speaker: \$385 billion to create those jobs.

Mr. Speaker, to carry the cynicism one step further, the Premier asserted his commitment and his understanding of the importance of immigration and immigrants to this province. He was exactly right in what he said: immigrants have assisted us in building this province. Immigrants do not create a drain on our social assistance programs. Quite the contrary. Immigrants create jobs. Many of them take jobs not from Canadians and not from Albertans, but they do jobs that Canadians and Albertans don't seem to want to do, and in the process of doing that they build a base. They create businesses, and they create jobs for other Albertans and other Canadians. If some of them have to come to this country, and very few of them do, without speaking English, it is hardly a strain on us Albertans, on the generosity of Albertans to say, “We will assist you to learn to speak English.” From the point of view of the Premier tonight, these are only words. They are words, and he had the chance to act when those words were directly confronted by his Minister of Community Development. The one action that would have proven that he meant those words would have been to ask her to resign her position in that portfolio.

9:20

The Premier said: we really want to look to the future. I can appreciate that; he sure doesn't want to look to the past, Mr. Speaker. He certainly doesn't want to look to the past. Let's talk about eight consecutive deficit budgets. Let's talk about targets. That's how much credibility these targets have. We had a target in 1991-92 to balance the budget. They had it. I have quotes from *Hansard* where the Premier got up and said: this is a great plan, that 1991-92 budget; we're going to balance the budget. Two point six billion dollars out. It's very interesting that they would emphasize targets. They've got a track record of being able to assess targets.

They have presided in the past over a slide from \$12 billion in positive assets seven years ago to \$11 billion in negative liabilities: \$23 billion. This Premier, although he says he wants to be change, was here for four of the seven years that it took them to implement this financial collapse. They have lost \$2.1 billion in loans and loan guarantees. Mr. Speaker, let me put that in perspective. An average year's corporate income tax revenue to this government is \$700 million. The insult is that they took three years' worth of corporate income tax, invested it in business, in a way that businesses would be better able to do with market discipline, and the injury that they added to that insult is that they lost it.

What this document comes down to, Mr. Speaker, is a question of credibility. Does it mean anything? If it means something – it probably doesn't mean very much – could the government ever implement it? Do they have the credibility to establish in people's minds that they, in fact, could implement it?

AN HON. MEMBER: None.

MR. MITCHELL: Well, none.

Mr. Speaker, credibility comes from the past. Let's look at that track record. They said that on December 6 it was a new dawn, it was a new government, it was under new management. I say that if it was under new management, they would have been different. They would have been changed. They had the chance to do it. They could have said no to the \$9.3 million that they wanted to throw into Gainers, and they said yes. No change. That could have happened on December 5. It could have happened on October 5. It did happen months before that, and it happened again weeks after this so-called change. If they were changed, they would have said no to the \$50 million that they threw at Canadian Airlines. We said no to those two things not because that was an easy decision in either case, but because that is a necessary decision. We do not have the money. Until they back up that kind of rhetoric with some kind of tough political decisions, it amounts to nothing more than rhetoric. [interjections]

MR. SPEAKER: Order.

MR. MITCHELL: Why would anybody want to believe that this can happen? If they were different, Mr. Speaker, they wouldn't have taken \$4.5 billion . . . [interjections]

Speaker's Ruling Decorum

MR. SPEAKER: Order. [interjections] Order. It seems fairly evident that Edmonton-Belmont is back in the House.

Hon. Member for Edmonton-Meadowlark, I'm a bit concerned that that last named member plus your own leader are in some exchange, and I can't hear what your comments are. Perhaps now you'll continue.

MR. MITCHELL: I'd be happy to repeat them for you, Mr. Speaker.

They're not different; there is not change. This is the same old crew trying to give itself some kind of new polish and some kind of new label, but it has not changed. What we have is a document that is too smart by half. It is, in a word, I believe, pathetic. It will not work. It is superficial. It does not set out a plan. We have waited for five months. There is still no plan; this does not constitute one. What we need in this province is an election, and we challenge the Premier to call one just as soon as he possibly can.

MR. SPEAKER: The Minister of Energy.

MRS. BLACK: Well, Mr. Speaker, thank you for recognizing me. We've just endured another 20 minutes of pure boredom from something that has nothing to say.

Mr. Speaker, I rise tonight to speak on Alberta's new economic development strategy. This is a new day in the province of Alberta. The pop document that the hon. Member for Edmonton-Meadowlark referred to is something that I suggest he read and he try and digest; I know it's difficult. Maybe over the weekend he'll be able to digest this. We've just listened to another 20 minutes from him, and you know, there wasn't one thought that came out of the man's mouth. There wasn't one idea, one alternative, or one suggestion that came out of his mouth. It's the same nonsense that we have heard for four years in this Legislature. He hasn't given us one thing, not one thing.

He talked about consulting, Mr. Speaker, consulting and reviewing. Well, that's the role of government, something the Liberals will never have to face because they don't know how to be a government. They don't know how to represent the people.

This government has gone out and spent the last four months with the people, and before that we were with the people to come up with a document on the future of our economic strategy within this province.

The previous speaker also talked about credibility. Credibility? I have a problem when the person who's developing an economic strategy – in fact, the two I see in the Liberal caucus or the second opposition party – has so much Principal behind him. I find that very difficult to call the word “credibility” when we're talking about an economic document, a strategy for the future, Mr. Speaker, because for four years I haven't heard one. I hope that's not your strategy: just to come out and throw more dribble to the people. If that's what the Liberals are saying, good luck.

Mr. Speaker, tonight I want to talk about the Department of Energy and the energy industry, the sector that is very important to this province. When I look at this document, I'm pleased to see that in fact it's a document that recognizes many factors that are very important to this industry. It talks about fiscal realities; it talks about facing the fiscal issues of the province. Those are factors that are very important to this industry. Those are things that the industry has faced. Those are things that the industry has said: “Government, you must face the fiscal realities. You can no longer avoid them; you must face them.” They've also said that if we're going to develop further in our business, we have to have more research. We have to have more innovation. They've also said: “Don't turn your back on us. We're the strength behind Alberta in the energy sector. We're the very basis of the economic well-being in this sector.” They've also talked about: “Let's look at other opportunities to create wealth within this industry. Let's look at things that are community based, how we can develop things in our own communities that are in small power producer programs, that are in other initiatives within renewable energy initiatives. Let's look at regulatory environments. Let's review that. Let's consult back and forth. Let's look at an international strategy, a way to develop a new marketplace within this industry. Let's look at intergovernmental partnerships within this industry. Let's not have duplications and overlaps, and most importantly let's create some jobs and skill development.” Mr. Speaker, those are the nine elements of the economic strategy. They fit energy to a T. The energy industry has been waiting for this kind of a strategy to work in co-operation with government.

Let's go over some of these areas, Mr. Speaker. This industry has had a very difficult time for the last 12 years. Most of it started with the result of the national energy program, brought in by the Liberal government federally and supported, I might add, by Westlock-Sturgeon, who last year in this House stood up and said bring back the national energy program. That's the Liberal policy, Mr. Speaker.

9:30

MR. PASZKOWSKI: Who said that?

MRS. BLACK: Westlock-Sturgeon sat in this House and said that. He yelled it across.

The second thing that led to this was the downturn in the marketplace, high interest rates, and the differential on the U.S./Canadian dollar. Fiscal realities are not new to the industry, Mr. Speaker. This industry has had to face them all the way along. In 1986 we saw a drop of 50 percent in the price for crude oil. That not only hit the provincial coffers, but it also hit the industry very dramatically. We saw a softening in the gas prices. We didn't have a marketplace. We have opportunities today that we didn't have 10 years ago. We got rid of the Liberals in the federal government, thank goodness.

What can we do collectively and through consultation and review with an industry that is the very backbone of this province? Well, Mr. Speaker, we can work with this industry, and we can look at ways in which we can co-operate and have a benefit for all Albertans. We are, in fact, the people that protect the interests of Albertans and the resource royalties here. We do that as government.

Mr. Speaker, we put in place last year a revamping of our royalty program. This was done to help our industry get going, give them a start. We made some modifications to a royalty structure that had not been reviewed since the 1970s. It had to be reviewed. It took two years of consultation with industry and government departments to put this review in place. [interjection] Consultation is not good? I'm sorry; that's the only way to go. That's the way to do it. We brought this program in, and we put it in place in the fall. We've seen activity levels increase as a result in part of this royalty program – phase one, the restructuring of it. It has developed our industry. It's moved our industry along.

We then said in January that we're going to go into phase two of this program, again with consultation with industry. We said that the second phase will be the simplification side. We'll take the industry into a simplified royalty program, something that had to be done again through consultation and review with industry, which the Liberals object to. We went out and sat down with industry, and we said, “What do we need to do?” We need to simplify this whole process to cut out a tremendous amount of administrative costs that were burdensome and cumbersome and were taking up costs of government, costs to the industry. We said that we would put this simplification program for gas royalties in place and we would have it operational by January 1, 1994. Mr. Speaker, that program is under way. We are proceeding with that program. That program alone will give industry back \$25 million a year in savings on administrative costs. What will it do to government? Because every document they file we receive, it will save government, once the program's operational, \$20 million a year in administration costs. Now, that's called building on strength, co-operation, communication, and consultation. I know that's something that the opposition objects to.

Mr. Speaker, we also worked with industry this spring. We had a development drilling program for crude oil in place that was to expire on March 31, 1993. Due to early spring breakups, road bans, the activity level that had increased throughout the industry, we were not able to complete that program. We worked with industry, and we extended that program to the end of June. That's a benefit to not only the industry but to all of Alberta, to have that drilling program continue on.

MR. PASHAK: [Inaudible] relevance to what's in the plan.

MRS. BLACK: I just heard from the NDP, “That's a stupid plan.” Well, I can just tell you, Member for Calgary-Forest Lawn, that you can face the people in Calgary and tell them that that's a stupid plan. Calgary-Forest Lawn, you can go back and say this as well. As of last week I met with the Canadian drilling contractors. They told me that in the last three months we have put 7,500 people back to work in this oil patch. In addition to the 7,500 people that were back to work in this oil patch in the last few months, they have increased their forecast for drilling activity in the province of Alberta, and it will be up to around 6,000 wells this year. The program is working. That comes from consulting with industry, working with industry to a common goal. The goal is to get our industry back working to its full potential in the province of Alberta as quickly as possible, and that is what we are

doing. That's called economic development strategies. That's working.

Another thing the industry said to me was that we have a cumbersome regulatory process in this province: every time we put a new regulation in place, we create more forms, but we forget to take the old ones out. The challenge has been put forward, Mr. Speaker, because industry has said: "This is costing us money. This is slowing down our activity." This is costing government money. There's a task force in place, through consultation and review, that I have asked industry to participate in, and they are going through the regulatory bodies right now and identifying specific regulations that are in place that are redundant and unnecessary and can be eliminated. Our goal is to take the one foot high rule book and bring it down to four inches, and that will happen.

Another situation arose that is in keeping with building on our strengths. The hon. minister of agriculture and rural development and I had a situation develop; it was called surface access. We had a problem within this industry. We need to build on the two strengths, the agricultural industry and the energy industry. So we asked two groups, one from the energy industry, one from the agricultural industry, to join together to review surface access problems, to sort them out without government intervention, to sit down and reach consensus, and to develop a collaborative approach of how they can sort out their differences, keeping in mind that they both have the same objective: to have a successful, profitable, and healthy industry both in the agricultural industry and in the energy industry. Do you know, Mr. Speaker, that through that kind of consultation and review, which the opposition objects to, both those industries for the first time have sat together at the table and are developing a strategy of how to deal with the outstanding issues, how to do it without – without – government intervention? That's called looking at regulatory environments. That's called developing opportunities.

9:40

We also had another situation arise with the Electric Energy Marketing Agency. A year ago a review had been done. A report that I filed in this House in February had been sent out to the public. The report had a number of recommendations within it. I went back and asked the stakeholder groups to review those recommendations. I asked them: "Don't tell me they're wrong. Tell me what you would have in place of those recommendations. It's too easy to say everything is wrong; that's not good enough. Come back with an alternative." What happened, Mr. Speaker? For the first time I asked the stakeholder groups to join together, which they in fact did. They sat at the table together, and again they saw an opportunity to correct something, to make some headway. They came back to me, the four major stakeholder groups, in a joint letter and said: we believe that without government intervention, we can come to consensus for a new structure and model for the delivery of electrical power within this province. They, all four – Alberta Power, TransAlta utilities, Edmonton Power, and the city of Calgary – collectively joined together and said: we can develop new opportunities in a new framework; would you give us that opportunity to do that? I said: "You're darn right I will. Go ahead and do it. Come back to me and give me that model. Let's work on it. But don't forget you also must deal with individuals. You cannot just have the four groups. You must deal with individuals so that people have input into that process." You know what? It's working. They're working right now to develop that framework and that model to come back to the government with some recommendations.

Mr. Speaker, someone said to me when I was out on travels of Alberta in the last four months since becoming Minister of Energy

that the energy industry is a sunset industry. Well, that's absolute nonsense. This is a sunrise industry. When you look at this industry and you realize the potential that sits in this industry with new technology, new developments that we have today, we have the ability to go back into old reserves and reservoirs and pull out probably another 20 to 30 percent of the existing pools. We can do that today with the new technology and developments that have taken place within this industry. We have the potential to produce in our oil sands fields, which I call the jewel of Alberta, enough oil with today's leases to provide all of North America with their necessary supplies. In fact, in the existing leases that we have today in our oil sands reserves, we have more crude oil than they have in all of Saudi Arabia. So when someone tells me that this is a sunset industry, I say that that's absolute nonsense, because we have a potential right there today, right there waiting for us, to supply all of North America with their needs over a number of years. We have taken technology, and we have brought those reserves into a commercial position. Today through our investment in the Lloydminster upgrader facility, we are producing 30,000 barrels a day of upgraded crude. Within three years we should be up to 42,000 to 45,000 barrels a day to go through the Lloydminster upgrader. That's progress, a dream come true.

On Monday I was up in Fort McMurray, and I went through a process. I went out on the draglines, Mr. Speaker. Anyone that hasn't been out on those draglines should go and see what's there. It's a phenomenal process. I went in it for a ride and delivered a load of oil sands in a 240-ton truck.

MR. CARDINAL: That's power.

MRS. BLACK: That's power. You bet it's power. And that's progress.

I can remember when I was in the oil industry, Mr. Speaker, back when I worked for a company called Sun Oil, that we had an affiliate called Great Canadian Oil Sands up there. We didn't have those kinds of trucks. When I got back up there and had a look at this, it's phenomenal the development that has taken place.

Mr. Speaker, what I also found exciting is when you tie in building on our strengths and our conventional crude, looking at our new markets for our gas, and going up in our heavy oil and oil sands projects. Somebody over there said to me one day that it's not environmentally friendly. Well, I've got news for you.

MR. SPEAKER: Excuse me, hon. member. You have what?

MRS. BLACK: I have news?

MR. KOWALSKI: You can't use "hell."

MRS. BLACK: I didn't say "hell."

Mr. Speaker, what I have is news for you. I went over there, and I'll tell you; this was so exciting. I saw the reclamation process through the science and research programs that they have up at Fort McMurray. I saw a field where they had reclaimed the land. They'd planted wheat on that land last year. The land has reseeded the wheat, and it's growing again this year, on reclaimed lands. I then went over to a buffalo paddock where they've got natural grasslands growing on reclaimed lands. The buffalo have been breeding, and they're going to be restocking Wood Buffalo park with these baby buffalo. That's on reclaimed land. You never hear any accolades going into this industry from the opposition. They ought to go out and see it, because it's phenomenal what they are doing in this industry. You just have to go to

Fort McMurray – I was there on Monday – to have a look and see.

Mr. Speaker, many other things are going on, many other initiatives are taking place.

**Point of Order
Relevance**

MR. PASHAK: Mr. Speaker, a point of order.

MR. SPEAKER: A point of order, hon. minister. I think we have a purported point of order.

MR. PASHAK: Standing Order 23. I'm just wondering what buffalo breeding has to do with the economic strategy for the province of Alberta.

MR. SPEAKER: Thank you. There's no point of order. [interjections] There is no point of order; the whole thing is part of the energy discussion that is taking place.

Debate Continued

MRS. BLACK: Mr. Speaker, the only reason I mentioned it was because of the tremendous research that has taken place on the environmental side of things.

Mr. Speaker, in keeping with the hour that we have come to tonight, I wish to adjourn debate.

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

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

[At 9:48 p.m. the Assembly adjourned to Friday at 10 a.m.]