

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Wednesday, October 12, 1977 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. SPEAKER: I have the honor this afternoon to welcome two delegations of our colleagues from the councils of the Northwest Territories and the Yukon who are seated in the Speaker's gallery.

We have with us the Hon. David Searle, Speaker of the Northwest Territories; Mr. and Mrs. Donald Stewart; Mr. and Mrs. Arnold McCallum; and Mr. and Mrs. Peter Ernerk. Mr. McCallum is Minister of Local Government in the Northwest Territories, and Mr. Ernerk is Minister of Economic Development.

From the Yukon Territory we have the hon. Mr. Lang, Minister of Education; Dr. and Mrs. Hibberd — Dr. Hibberd is the Deputy Speaker; Mr. and Mrs. Ronald Watson; and Mr. Gordon McIntyre.

I would ask our guests to stand and receive the welcome of their colleagues of the Alberta Assembly.

head: TABLING RETURNS AND REPORTS

MR. LEITCH: Mr. Speaker, I wish to table returns to Question 137 and Question 152.

MR. GETTY: Mr. Speaker, I would like to table certain documents required by the Assembly: the Alberta Petroleum Marketing Commission annual report, the Alberta forest development research trust fund annual report, the oil sands technology and research fund financial statements, The Natural Gas Pricing Agreement Act financial statements, and the Alberta Petroleum Marketing Commission financial statements.

DR. BUCK: Any more oil discoveries, Don?

MR. GETTY: Keep asking me.

DR. BUCK: I might want to buy some shares.

MR. KOZIAK: Mr. Speaker, I have a reply to Motion for a Return 146, which I now table.

head: INTRODUCTION OF SPECIAL GUESTS

MR. SHABEN: Mr. Speaker, may I introduce on your behalf as our esteemed Speaker and Member for Edmonton Meadowlark, 36 grade 5 students from St. Justin School in your constituency. They are accompanied by their teacher Mrs. C. O'Brian, and they're seated in the public gallery. I would ask them to rise and receive the customary welcome of the House.

DR. HOHOL: Mr. Speaker, I should like to introduce, and I'm most delighted to do this, through you to the members of the House, visitors from great distances from our great province. Seated in the public gallery are 25 students from Ipswich, England, attending the Brampton Tutorial College. They are accompanied by their teacher Mrs. Dixson. I should like them to rise and receive the welcome of this Assembly.

MR. MILLER: Mr. Speaker, it is my pleasure to introduce to you, and through you to the members of the Legislature, 36 junior high school students from Lloydminster. They are accompanied by their teacher Mr. Butcher. Mr. Butcher brings students to our Legislature quite regularly. We hope the students enjoy being here as much as we enjoy having them. They are seated in the members gallery. I would ask that they stand and be recognized at this time.

head: MINISTERIAL STATEMENTS**Department of Labour**

MR. CRAWFORD: Mr. Speaker, I have a statement to make on government policy in respect to binding arbitration following the use of the emergency powers of the labor act.

The government has reviewed the circumstances of the recent dispute between the Alberta Hospital Association and the Alberta Association of Registered Nurses, and has concluded that it's in the public interest that remaining points of disagreement between the parties should now be resolved and finally settled. In the course of this review, the government has fully assessed the binding arbitration award which settled the dispute, and has fully taken into account the relationship between the award and the Anti-Inflation Board guidelines.

On July 8, an order in council under Section 163 of The Alberta Labour Act was passed to end a strike by nurses at a number of Alberta hospitals and to assure the uninterrupted, efficient continuation of health care for citizens in need of care throughout the province. The parties to the dispute had clearly failed to reach an agreement. No early end of the dispute was in sight. It was then, and remains the position of the government, that the use of emergency provisions of The Alberta Labour Act was fully justified on strongly humanitarian grounds.

On July 20, the government asked a distinguished Alberta jurist, the Hon. Mr. Justice Donald Bowen, to act as a public emergency tribunal under Section 165 of The Labour Act, the purpose of which is to resolve issues in dispute between parties by means of an impartial, binding, third-party arbitration of differences.

Mr. Justice Bowen speedily undertook the difficult task of resolving the dispute, the complexity of which was increased by the existence of the Anti-Inflation Board and the fact that the federal government guidelines were published and well known. The dispute was, however, the first to be dealt with in Alberta under the public emergency provisions of The Alberta Labour Act since the anti-inflation measures were declared some two years ago. The learned justice, acting in his capacity as a public emergency tribunal, closely examined the effect of both the federal laws

and the provincial laws applicable in this matter. He said:

If the evidence before me is sufficient to show that adherence to the guidelines would work a severe injustice upon either of the parties, then this tribunal must be prepared to depart from the guidelines to any extent that may be necessary. Indeed, the Act itself makes provisions whereby the appeal boards constituted thereunder have the power and the right to allow employees a larger percentage raise than is stipulated in the Act. This power must be recognized by this tribunal and, by analogy, this tribunal should and must have the power to raise the percentage increase where justified.

Mr. Speaker, in the course of the review the government has recently completed of the arbitration award and its relationship to the guidelines, a full evaluation has been made as to why the award should or should not be binding in light of the reasoning given by Mr. Justice Bowen. The government's concern at this time is therefore twofold: first, that the proceedings under the labor act at all times be capable of being carried to a conclusion that is not only binding but is also seen to be fair and reasonable in the mind of an impartial third party, and in the minds of the parties themselves and the public generally; secondly, that the present and any future situation involving the emergency provisions of The Alberta Labour Act and the guidelines of the Anti-Inflation Board do not appear to lead to a conflicting or contradictory result.

Accordingly, the government has decided to take the steps open to it to confirm the award made by Mr. Justice Bowen, and to put into effect the contract between the parties set out in the award.

Throughout all these proceedings the Alberta Hospital Association, in the view of the government, acted appropriately under the circumstances. It took the position that the nurses were entitled to compensation limited by the strict terms of the guidelines. In due course, they presented this case to the arbitrator. From the date of the arbitration award, matters evolved automatically to a review by the Anti-Inflation Board.

Mr. Justice Bowen made ample reference to the uniqueness of a public emergency tribunal under The Alberta Labour Act, and noted the authority the tribunal should have, by logical analogy, in a field where both provincial and federal laws are in force. In coming to his decision he was required to, and did in fact, take into full account the same matters that should be taken into account by the Anti-Inflation Board in cases where the guidelines have been exceeded.

head: **ORAL QUESTION PERIOD**

Anti-Inflation Program

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Premier. Has the government made a decision not to continue participation in the anti-inflation program beyond January 1, 1978?

MR. LOUGHEED: Mr. Speaker, we've just about come to a final conclusion on that matter not to continue

beyond the end of this calendar year. But I believe the final decision should be in the nature of an announcement which my colleague the Minister of Federal and Intergovernmental Affairs will make when he is able to return to the House.

MR. CLARK: Mr. Speaker, then a supplementary question to the Premier. Has the government any evidence to indicate that the anti-inflation control program has been administered in a way to be harmful to the Alberta economy? I relate that to remarks made by the Premier, I believe on October 1 this year.

MR. LOUGHEED: Mr. Speaker, in terms of the anti-inflation program, I think our position with regard to that is a mixed one. There have been some positive features to the program. That's why we have joined and participated in it over a period of time. There are some difficulties with it, as evidenced by the ministerial statement today, and others.

Therefore it is our judgment that we have to look to the longer term. As I recall reporting to the House, some two years ago when the matter was raised I believe I was the only provincial premier who expressed the concern that in a country such as Canada, in an economic sense, if we became involved in permanent controls in the situation of the North American economic milieu, we would find ourselves stifled in terms of risk investment. We have taken the view on a number of occasions that the controls should not be extended beyond a certain period of time.

Insofar as the Alberta government is concerned, we therefore feel that our recommendation to the Legislature will be — by the very nature of the legislation itself, The Temporary Anti-Inflation Measures Act — that it should be temporary, and probably would expire at the end of this calendar year. As I mentioned in my first answer, we will make a final decision in due course.

Environment Conservation Authority

MR. CLARK: Mr. Speaker, I'd like to address the second question to the Minister of the Environment and ask if it is the government's intention to bring amendments in at the fall session this year that will amend the Environment Conservation Authority legislation and replace the permanent independent authority with separate boards whose membership will be appointed by the minister, and these separate boards will really deal on an issue-by-issue basis.

MR. RUSSELL: Yes it is, Mr. Speaker.

MR. CLARK: Mr. Speaker, is the minister in a position to indicate when in this session we might expect this legislation to be introduced?

MR. RUSSELL: Mr. Speaker, I hope it would be some of the legislation introduced early. That would be in the next few days.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Has the minister's department already been advertising for the senior position in the supposedly to-be-reorganized ECA prior to the Legis-

lature having a chance to look at and approve the legislation?

MR. RUSSELL: Yes we have, Mr. Speaker. Just so that there is no misunderstanding, the new chairman could be appointed under the existing act or under the proposed amended legislation. So there is no problem there.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Will the people who sit on the individual boards be chosen on the basis of their support for the government's position on various issues or because of their political views? [interjections]

MR. RUSSELL: Mr. Speaker, I'm tempted to answer that question in the same vein in which it was asked, but I'll refrain from doing that. We expect to go to a number of interested agencies, ask for independent nominations, and select citizens from Alberta that way, based on their expertise and interest and the endorsement of their fellow Albertans. That's what we're doing with respect to the coming forestry hearings.

MR. CLARK: Mr. Speaker, a further question to the minister. How many members of the ECA staff have resigned since the government made its decision to wipe out the effectiveness of the agency?

MR. RUSSELL: Mr. Speaker, I'm not certain. It's in the neighborhood of three.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is it the government's intention to retain the Public Advisory Committee on the Environment in the new legislation?

MR. RUSSELL: Yes it is, Mr. Speaker. Our annual meeting with them is scheduled for November 16, and I'm looking forward to that.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is it the government's intention to consult with the Public Advisory Committee before appointments are made to various panels that will be dealing with hearings as they arise? Will there be a formalized relationship in the appointment procedure so that the Public Advisory Committee will have input?

MR. RUSSELL: Mr. Speaker, that's something we had hoped to formalize. I did write the Public Advisory Committee a letter asking for nominations to the first forestry panel, which is supposed to start work very soon. They replied that they didn't want to nominate anybody.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Were discussions held with the Public Advisory Committee before the government made up its mind to change the structure of the Environment Conservation Authority, and could the minister advise the Assembly what the view of the Public Advisory Committee was?

MR. RUSSELL: Mr. Speaker, I met with what might be called an executive committee — it's a co-ordinating committee of the Public Advisory Committee — prior to coming to our final decision. Their viewpoint was that we should continue with a permanent four-member board.

Home Insulation Program

MR. TAYLOR: Mr. Speaker, my question is to the hon. Deputy Premier and Minister of Transportation. Has the Alberta government formally rejected the insulation program offered to the provinces by the Canadian government, which involved their intrusion into some strictly provincial affairs?

DR. HORNER: Mr. Speaker, that question probably could be more adequately answered by my colleague the Minister of Energy.

MR. GETTY: Mr. Speaker, subject to the manner in which the program was presented to the government of Alberta, we felt that we would be unable to participate in it. However, since making that decision and discussing it with the federal government, there was a meeting of provincial energy ministers on September 8, 1977, in Toronto. At that meeting the energy ministers were unanimous in requesting that the federal government meet with the provinces to develop a revised approach for home insulation that would be sensitive to individual provincial needs and concerns, and asked that the federal government take a new approach that should include no preconditions to provincial eligibility, integration of federal incentives with provincial programs, decentralized management, and flexibility in recognition of varying provincial needs.

Therefore, Mr. Speaker, since the energy ministers have made this request to the federal government, I consider that the matter is now reopened for negotiation with the federal government, and anticipate that the federal minister will be calling another meeting of federal and provincial energy ministers to discuss the program.

MR. TAYLOR: A supplementary to the hon. minister. In the meantime, are the provinces who did agree to these conditions now getting federal money for insulation?

MR. GETTY: As far as I know, Mr. Speaker, only two provinces are now receiving federal money. Nova Scotia and Prince Edward Island are getting federal money under an arrangement they entered into with the federal government prior to this home insulation program, although it is a home insulation grant program itself. Other provinces are not yet, and many have not met the preconditions which the federal government stated were conditions of the program. However, the federal government did say Alberta and Quebec were not part of the program.

MR. TAYLOR: One further supplementary to the hon. minister. Should negotiations break down and the Canadian government insist on these preconditions, would the Alberta people be denied this assistance?

MR. SPEAKER: The hon. member's question is quite hypothetical, but perhaps it could be answered as if it weren't.

MR. GETTY: At the present time, Mr. Speaker, I would just say I'm hopeful we would be able to work out a co-operative energy conservation program with the federal government that would include an insulation program. At this time we'd rather not speculate that we might fail in that regard.

MR. NOTLEY: A supplementary question for clarification to the hon. minister. Is it the view of the government that there should be no preconditions? Or would it be the view of the government that conditions arrived at as a result of government-to-government negotiations at a national conference between the federal minister and the provincial ministers could in fact arrive at a set of terms and conditions that would be agreeable to the province?

MR. GETTY: The second assumption would not involve preconditions.

DR. PAPROSKI: A supplementary, Mr. Speaker. I wonder if the hon. minister could indicate to the House whether it is true that any small benefits that would flow to Albertans under this federally sponsored program — that in fact Albertans would be taxed. What would be the average amount that the individual might benefit?

MR. GETTY: Mr. Speaker, inasmuch as it would involve taxation, I imagine each individual would be affected differently. But it is true that the federal program, as presently conceived, would be a taxable grant of \$350. Therefore some portion would presumably return to the federal government.

MR. KUSHNER: A supplementary question to the minister. Would the minister inform this Assembly if some of the provinces are now in fact participating in that program?

MR. SPEAKER: Possibly the hon. member could address his inquiry to the other provinces.

Hall Commission Recommendations

MR. NOTLEY: Mr. Speaker, I would like to direct this question to the hon. Deputy Premier and Minister of Transportation. In view of the urgency of meeting the challenge of the Alcan pipeline proposal, is the minister in a position to report to the Assembly what progress, if any, has been made concerning the Hall report recommendation about the CNR taking over rail services in northwestern Alberta?

DR. HORNER: Mr. Speaker, unfortunately I can't advise the Assembly of a great deal of progress in that regard. We are hopeful, though, that out of the hearings and the royal commission now going on in British Columbia, we will get the concurrence of the British Columbia government and the BCR to join us in trying to have one railway service in northwestern Canada, if you like, which would simplify and improve the rail situation in that area.

I do know the CNR has done some work relative to

the proposal made by Mr. Justice Hall. We've been following up and pressing the point at a variety of meetings with Mr. Lang. We hope we are now going to get very strong support from British Columbia.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the government's position one of supporting Mr. Justice Hall's recommendation with respect to the operation and ownership of rail lines? Or is it still the position of the government that a northwestern rail authority should be established, not necessarily involving the ownership as such of the different lines?

DR. HORNER: Well, Mr. Speaker, I think the only difference between Mr. Justice Hall's recommendations and those we placed before the Hall commission is, in fact, the name of the entity after it would be done. Mr. Justice Hall suggested it be a research and resource department of Canadian National as the national railway company. Our suggestion was to make it one unique authority operating a variety of railroads in the area. The question of ownership doesn't come into it until those negotiations take place.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Have any discussions or negotiations taken place yet with respect to the disposition of the Alberta railroad to resources and the value that would be placed on that particular investment?

DR. HORNER: No, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Deputy Premier. In view of the Alcan pipeline, can the minister advise the Assembly what time frame the government foresees for dealing with the question of the ARR and its relationship to the total authority — the total approach of an integrated rail system in northwestern Alberta and northeastern B.C.?

DR. HORNER: Well, Mr. Speaker, I'd love to be able to give a time frame we were in control of. Then I think some things might happen. However, because we have to await the federal government and its concurrence, I can't give a time frame. I can assure the House, though, that at a recent meeting of the board of directors of the ARR, we were conscious of what will happen with the Alcan pipeline and are soliciting business for that railway.

MR. NOTLEY: Mr. Speaker, a final supplementary question to the hon. Deputy Premier. Has the government been able to obtain any preliminary information or estimate at this stage as to the impact of the Alcan pipeline on the revenue picture of the ARR?

DR. HORNER: Mr. Speaker, that would be very premature because we don't have that kind of information as yet. Departmentally, we are meeting with Foothills and trying to assess the tonnage, where it will come from, where it will go, and what railroads and roads will be used in putting it in place.

Crop Losses

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Agriculture. Could the minister indicate whether his department is taking an assessment of the crops which have not been harvested due to the rains in the last few weeks?

MR. MOORE: Yes, Mr. Speaker, we have a weekly update with respect to the amount of unharvested crop in the various regions of the province.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Has the government discussed a contingency plan with regard to aiding these farmers who will not be able to get their crops off?

MR. MOORE: Mr. Speaker, members may recall during the spring session when we were faced with a pending drought situation in much of the province, which in fact did materialize in southern Alberta to a large extent, I indicated that the Alberta all-risk hail and crop insurance program was the vehicle which farmers should depend upon in the event of crop failure. Those crop failures, Mr. Speaker, have come about in a variety of ways over the years, including drought, excessive moisture, snowed-under crops, crops that could not be harvested because of too much wet weather. In April 1977, we extended the application deadline by one week and did an extensive advertising campaign, which resulted in an additional 3,000 farmers taking out all-risk crop insurance from the Alberta Hail and Crop Insurance Corporation.

To date that corporation, on only part of the overall program, has paid out close to \$12 million. There were in excess of 800 claims for unseeded summer fallow acreage. In that area we paid out something in the order of \$2.5 million total. In addition, there have been a variety of claims with respect to hail and other problems that occurred either during planting or throughout the growing season. Insofar as the fall season is concerned, we have about 3,500 applications for bin inspections which have not yet been completed, but would indicate that a good many farmers feel that their harvested crop is less than they would anticipate planting, and that they would be eligible for some insurance coverage.

So in total, Mr. Speaker, while the figures will not be available till probably December, it would appear that we have a record number of farmers insured under the Alberta hail and crop insurance program. We will be paying out more dollars than ever before for assistance in a variety of ways. That is without taking into consideration the dollars that might be paid out because of unharvested crop. All I can say in that regard is that it would take anywhere from two or three days to three weeks, depending on which region of the province we're in, to complete the harvest. Combines were going generally throughout central and northeastern Alberta yesterday and today. If we get the kind of weather we would hope for over the next three weeks, we may not have nearly as difficult a problem as we think we have.

So, Mr. Speaker, we can only wait until harvesting is either complete or we know for sure it cannot be done. Then I would probably be in a better position to assess what additional things we might do as a

province. But I can assure the hon. members, as I did in the spring session, that the major vehicle of compensation provided by our government for farmers who suffer crop loss is the all-risk hail and crop insurance program.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Has the minister been in contact with the federal government in regard to possible assistance? I'm thinking of the cash advance for grain that hasn't been harvested.

MR. MOORE: Yes, Mr. Speaker. My understanding is that cash advances are available for farmers who have harvested the grain and have it in a bin, but have not yet been able to deliver. Of course The Canadian Wheat Board quotas are non-existent for oats and barley, and very low for wheat.

The present cash advance system that has been operated for a number of years by The Canadian Wheat Board does not take into account crops that are not harvested. In other words, a farmer cannot apply for an interest-free advance from The Canadian Wheat Board on unharvested crop.

It's my view that if that program were extended to include unharvested crop, and interest-free cash advances were made available for crops that are not harvested this fall, it would be very helpful to a lot of farmers. To that end, together with my colleagues in the other three western provinces, I sent a telex yesterday morning to the Hon. Otto Lang, minister responsible for The Canadian Wheat Board, asking his consideration in extending a cash advance program to cover unharvested crops.

MR. TAYLOR: A supplementary to the hon. minister. Last spring when a drought appeared inevitable, the hon. minister said he would pray for rain. I wonder if the hon. minister would now pray for the rain to stop, because he was very successful before.

MR. NOTLEY: Just get off your knees, Marv.

New Dawn Housing Cooperative

MR. TESOLIN: Mr. Speaker, I would like to direct my question to the Minister of Business Development and Tourism. It is a fact that the native-run log housing manufacturing organization known as New Dawn has been placed in receivership. I wonder if the minister responsible for the Alberta Opportunity Company might advise this Assembly why the line of credit was removed.

MR. DOWLING: Mr. Speaker, I appreciate the concern expressed by the hon. Member for Lac La Biche-McMurray, which duplicates that of the minister responsible for native affairs and me.

As of February 1977 we have, through the Opportunity Company, provided with another financial institution a line of operating credit of \$180,000, secured by a guarantee of \$100,000 by AOC. By mutual agreement with all parties, that line of operating credit was to be reduced to \$130,000, secured by a \$50,000 guarantee from the Opportunity Company at September 1.

Some conditions were attached to that. Those conditions were that the New Dawn organization should

substantially reduce their inventory, move out of their 6-inch logs, and do something about their accounts receivable, which were fairly substantial. The New Dawn organization indicated just prior to September 1 that they were in some difficulty regarding accounts receivable and the 6-inch logs, although the Department of Highways injected \$100,000 worth of capital by buying a quantity of those for their construction. So there was some additional government input.

Just one short word in addition, Mr. Speaker. The New Dawn organization asked that that line of credit be extended because they were in difficulty. On September 14 it was extended to \$130,000 line of credit, with a guarantee of \$100,000 from AOC, and to be reduced in November to a maximum of \$50,000 guaranteed. The New Dawn organization just found themselves in extreme financial difficulty and in fact agreed that a receiver should be appointed. That's the situation as of last Friday, I think.

MR. TESOLIN: A supplementary, if I may, Mr. Speaker, to the minister responsible for native affairs. What has your department done to aid New Dawn in their determination to create jobs in the area?

DR. BUCK: Same thing. Nothing.

MR. BOGLE: I'd like to respond to that question in two ways: first by indicating what the government has done generally and, secondly, looking at the more specific role of the Native Secretariat.

Generally, with regard to New Dawn Housing corporation, the government in co-operation with the Alberta Opportunity Company provided a business management consultant who was to give advice to the board of directors of New Dawn Housing corporation. That has been undertaken and was the case over the past year.

The more specific question about what the Native Secretariat has done. As has been mentioned by my colleague the Minister of Business Development and Tourism, through the assistance of the Native Secretariat, contracts were awarded to the Department of Housing and Public Works as well as the Department of Transportation for the purchase of log units from New Dawn Housing. My colleagues, the ministers responsible for those two departments, may wish to elaborate. But I can briefly say that the Alberta Housing Corporation purchased 8-inch logs to be used for home construction on Metis settlements in northern Alberta. The Department of Transportation purchased primarily 6- and some 7-inch logs to be used by the department on some of its road and small airport construction sites.

Planning Act

MR. R. SPEAKER: Mr. Speaker, I would like to ask a grass-roots question of the Minister of Municipal Affairs. I wonder if the minister could advise the Assembly as to whether the government is prepared to consider holding Bill 15, The Planning Act, until the 1978 session?

MR. JOHNSTON: Mr. Speaker, we have considered that recommendation. The responses have been numerous and very positive, and we have attempted to reflect those in substantial amendments to the

legislation. I'm sure if the opposition pauses for a few minutes, we'll get them to them some time next week, and they can debate them fully in committee study.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Could the minister advise the Assembly whether he has had numerous requests from various people and groups across the province with regard to a delay?

MR. JOHNSTON: Mr. Speaker, there have not been numerous requests for delays. There have been some criticisms, some suggestions, and we've reacted in a very positive way.

Kananaskis Park Development

DR. PAPROSKI: Mr. Speaker, a question to the Minister of Recreation, Parks and Wildlife regarding Kananaskis Park and country. I wonder if the minister would indicate to the House whether it's the intention of the government to provide and build approximately 3,000 campsites and 1,000 day-use centres in the announced Kananaskis Park and country by way of free-enterprise ventures or government-built and -operated ventures?

MR. ADAIR: Mr. Speaker, we initially made that very exciting announcement last Friday. It covers the Kananaskis Provincial Park and the Kananaskis country, and is an upgrading of existing campsites, overnight camping facilities, and day-use facilities in that total area. It will be done primarily by the respective departments of government involved. That's in the campsite and day-use areas.

DR. PAPROSKI: Supplementary, Mr. Speaker. Would the minister indicate to the House the intention regarding the proposed or announced Alpine villages in this regard?

MR. ADAIR: I'm sorry, Mr. Speaker, I didn't get that question.

DR. PAPROSKI: I wonder if the minister would indicate to the House what the intention is regarding the use of free-enterprise ventures or government-built and -operated ventures with respect to the Alpine villages that were announced.

MR. ADAIR: Yes, Mr. Speaker, in relation to the Alpine villages, that will be done by the private sector by request for proposals, with the Kananaskis country committee setting the guidelines and standards by which that request would go out to the private sector for development proposals.

DR. PAPROSKI: A final supplementary, Mr. Speaker. I wonder if the minister would indicate to the House whether the government is planning to provide grants and/or loans to free-enterprise developers and operators with respect to the Alpine villages.

MR. ADAIR: Mr. Speaker, I would refer that question to my colleague the Minister of Business Development and Tourism.

MR. DOWLING: Mr. Speaker, as the hon. member might know, the Opportunity Company does provide financing for every kind of venture in Alberta, including tourist or recreational ventures. The Alpine village seemed a logical one to me for which entrepreneurs might consider the Opportunity Company. The limitations are \$500,000 unless the operation is larger than that, in which case the application would receive perhaps an AOC board okay. If it did, it would proceed from there to cabinet committee and then to cabinet for approval.

DR. PAPROSKI: Mr. Speaker, on a point of clarification, would the minister clarify whether there is any intention of changing policy to provide grants in this respect?

MR. DOWLING: Mr. Speaker, no. That's not the intention.

Restricted Development Areas

DR. BUCK: Mr. Speaker, I'd like to address my question to the Minister of the Environment. I'd like to ask if the minister intends to amend the RDA development act at this sitting so that the pipeline can proceed across the restricted development area known as the Heppner farm?

MR. RUSSELL: Well, we can't amend an act that doesn't exist, Mr. Speaker. But I think the member is probably referring to The Department of the Environment Act, and it's our intention to bring in amendments to deal with the situation as outlined.

DR. BUCK: Mr. Speaker, can the minister indicate if he is planning on appealing the court decision, or has this already been done?

MR. RUSSELL: The recent decision that was handed down came from the Alberta Supreme Court, so it has already been appealed to one level, Mr. Speaker. The government was waiting for that clarification before considering the legislation affected. It's not our intention to go any further through the courts.

Rapid Transit — Calgary

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Deputy Premier and Minister of Transportation. Since the city of Calgary has embarked on the light rail transit project of \$140 million, and if no relief is forthcoming from the province it certainly would create a very serious burden on the taxpayers, have there been any discussions between the city of Calgary and the minister in regard to relief of the taxpayers in the city of Calgary?

DR. HORNER: Mr. Speaker, first of all, of course, in the urban transportation policy announced some time ago by my predecessor in this Legislature, substantial amounts of money are made available to both Edmonton and Calgary relative to capital assistance on mass transit. In Calgary they have used some of that money in their bus system, particularly in their major maintenance garage. Besides that they do have some additional moneys in trust for rapid transit, and are entitled, as the program runs until 1980, to \$7.5

million a year in capital assistance relative to mass transit. So the government has been making that assistance available. I have also said to both the major cities that in 1978 we would be reviewing the extension or otherwise of that major policy of help to the urban areas.

MR. KUSHNER: A supplementary question to the minister. Would the minister indicate when the next discussion would probably be coming about, so a figure would be coming forward?

DR. HORNER: Well, Mr. Speaker, I would expect to have continuing discussions with both cities relative to where they are going on rapid transit. I would point out, however, that of course the final decision is theirs. It belongs to the council tables in both cities. But I would expect continuing consultation with them.

Nurses' Contract

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Labour. It flows from the announcement the minister made today, an announcement which I might say I welcome. The question to the minister is: when will the nurses get the benefit, the money, that was awarded to them in the binding arbitration? When might the nursing profession in Alberta expect to get its back pay as a result of the announcement the government has made today?

MR. CRAWFORD: Mr. Speaker, I am sure the hon. Leader of the Opposition and I aren't the only ones who are interested in the answer to that question. It would be the government's hope that the matter can be dealt with, in the areas where it still must be dealt with, as rapidly as possible. Exactly what that time frame is, I'm afraid I'm not in a position to estimate.

I should indicate to the hon. leader that what is involved, of course, is the matter of the government policy in seeking and in undertaking to obtain the clarification of the effect of the decision under Section 163. The federal guidelines must be interpreted, in our view, in light of that. We believe that can and will be done. It's our intention to pursue that with the federal authorities. But just how long the process will take, I'm not sure. I should say to the hon. leader, though, that I hope it won't be a long and drawn-out process.

MR. CLARK: Mr. Speaker, to the minister. Has the government considered that a more effective approach would be to pay the nurses and leave the ball in the federal government's court?

MR. CRAWFORD: Well, Mr. Speaker, where the ball is at the present time is of course a matter of further interpretation by the parties. Our position is clear; that is, we want to and will take what steps are open to us and that can and should be taken.

The question of who the employers are — of course, they are not the government of Alberta. The employers of the nurses are the hospital boards. What we have done today with the policy clarification, or statement of the government's intent, is to say that the steps that must be taken to resolve

whatever difficulties remain will be taken by the government of Alberta.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister. Have discussions been entered into between the government and officials of the Alberta Hospital Association with regard to making the money available immediately to the association, getting the money to the nurses, and letting the Minister of Federal and Intergovernmental Affairs deal with the federal government in this matter?

MR. CRAWFORD: Mr. Speaker, the timing of funds paid by the government to the hospital boards, in accordance with the government's funding policy, is a matter I think the hon. leader is familiar with. The course of funding is that through its normal processes, the government provides funding through the office of the Minister of Hospitals and Medical Care and the Alberta Hospitals Services Commission.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister. Has the minister responsible for hospitals prepared a special warrant so the money can go from the government to the Alberta Hospital Association, so the nurses will quickly be able to get the benefit of the decision the government has made today?

MR. MINIELY: Mr. Speaker, my colleague the Minister of Labour has indicated that . . .

MR. CLARK: Yes or no, Gordon.

MR. MINIELY: Mr. Speaker, my colleague the Minister of Labour and I have been in communication. I will be meeting soon with the Alberta Hospital Association, and co-ordinating with the Department of Labour and of course my colleague the Minister of Labour. To add to what the hon. Minister of Labour said, we will try to expedite same, taking into account the factors the Minister of Labour indicated in his earlier response to the Leader of the Opposition.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification to the hon. Minister of Hospitals and Medical Care. Is it the intention of the government, then, to prepare a special warrant so the moneys needed by the hospitals to pay this back award will in fact come from provincial revenues, and not from stretching other parts of their global budget?

MR. MINIELY: Mr. Speaker, certainly as my colleague the Minister of Labour has indicated the effect of the interpretation of Mr. Justice Bowen's decision, it would be the intent of the province, through the Ministry of Hospitals and Medical Care, to flow the funds as soon as those other matters are clarified.

Telephone Emergency Number

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Utilities and Telephones. Is the government considering a uniform emergency telephone number for the entire province of Alberta?

DR. WARRACK: Mr. Speaker, that matter has been proposed from time to time. As I understand it, the

problem is that the kinds of emergency services that would be useful by way of response would be of a regional nature. So there is an argument that it's more effective to provide that kind of service on a regional rather than a province-wide basis. This would be particularly so in the city of Edmonton where, as members know, the telephone system is owned, operated, and managed by the city of Edmonton rather than by Alberta Government Telephones.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

3. Moved by Mr. Lougheed:

Be it resolved that this Assembly approve in general the operations of the government since the adjournment of the spring sittings.

MR. LOUGHEED: Mr. Speaker, as members are familiar, we have taken the opportunity at the start of the fall session to give an overview of the activities of the government and report to the Legislature, and through the Legislature to the people of Alberta, with regard to the activities in the months of adjournment between May 18 and October 12, 1977. I am pleased to do so today.

First though, I'd like to make a comment today that I haven't yet had an opportunity to make, extending my congratulations to the newly elected Premier of Manitoba and his colleagues in the Progressive Conservative government. The new Premier is a personal friend of mine, and in the course of both western premiers' meetings and other premiers' conferences, I look forward to working with him with regard to western points of view.

Mr. Speaker, the summer months were very active for the government and for the people of Alberta. I want to review them briefly with you, sir, and with the Members of the Legislative Assembly.

Of course one of the highlights for the province was the visit of His Royal Highness Prince Charles as part of the commemoration of the treaty signed in this province 100 years ago. Those of us who were fortunate to attend at Blackfoot Crossing will remember the moving experience there. I raise it as a matter that's important, because although we're well aware that the federal government has the central responsibility for the treaty Indian people of this province, a major matter is involved that should be drawn to the attention of the Members of the Legislative Assembly — and we would appreciate any views they may wish to present — that is, the question of whether or not there should be an expansion in provincial government services to treaty Indians in the province, and on what terms and what priorities. It's an important question that's in the process of deliberation by the Executive Council.

At this juncture too, I'd like to extend my congratulations to Joe Dion, the new president of the Indian Association of Alberta; and to note that during the course of the summer there was effective dialogue between the Minister of Energy and Natural Resources and the Minister responsible for native affairs in improving the working conditions of our native firefighters in the province.

Another important development in the province with regard to native people — which you will note is the first item I am reporting on today — is the matter of native employment. There has been some progress. I would just like to put on the record publicly an appeal to a number of companies involved in projects, particularly the larger companies, to give and follow the good example of the Syncrude and Bechtel organizations working with Native Outreach and others, ensuring a reasonable number of native citizens being fully employed in this province. I think it's an important step, and all of us in our own way can encourage it.

Secondly, Mr. Speaker, I want to refer to our tour through southern Alberta. These tours by the provincial cabinet are certainly most useful. The issues I note are often different from those raised in the Legislative Assembly. I'm not sure I would speculate entirely as to why that's so, but it's very interesting to observe.

In any event, we found our time through this tour discussing water at considerable length, in fact on almost every occasion. It was important for obvious reasons to the people of southern Alberta. Unlike the rest of the province, they did suffer in many cases through drought conditions, and it was raised at most of our meetings. They pressed us for an early decision with regard to storage facilities in the Oldman River basin. The Minister of the Environment has responded by advising that through the hearing and other processes that have to occur, it would be December 1978 before we would make a decision. But we've certainly been encouraged by the positive reaction to such a project, and of course even those ministers who visited the affected areas found, too, a realization of the need for better water management in the southern portion of the province as well as in other portions of the province.

I had the pleasure and privilege to do a helicopter tour over the irrigation areas, and saw, with the Member for Medicine Hat-Redcliff, who chairs our caucus committee on irrigation, a number of the rehabilitation projects that form part of the present capital projects division of the heritage savings trust fund. Certainly water is a very valuable resource for us, and I don't think it's exaggerating to say, Mr. Speaker, that it could prove over a time to be our most valuable resource. When I was in Lethbridge I stated the unequivocal position of this administration that there would be no export of water from Alberta south of the border.

Mr. Speaker, we also made the decision over the course of the summer to construct a dam in the Red Deer River, well aware that this is a controversial decision, that there would be different points of view. But it's the type of decision that governments have to make, and have to take the heat and the flak and accept it as far as I'm concerned. It's so easy to avoid. It's been put off for so many years, talked about for decades. But I believe it's important that government has the courage to proceed with these matters, and I think that we can work it out fairly with the people involved. The amount of agricultural land affected is not substantial and certainly compares to a very minor degree with the amount of land involved in the Dodds-Roundhill decision which was made on the other basis by the administration a year ago. Certainly the downstream concerns — as the member

from Drumheller is well aware — in the Red Deer River basin are very, very important for the development of that part of the province.

The Environment Conservation Authority is of course an advisory body; I think it has been ill-named to be called an authority. It looks at purely environmental matters. It doesn't look into the cost benefits of a total project, and that of course is what the government and the Department of the Environment have to do.

We look at central Alberta as one of the keys in the total planning of our province's economic development. Certainly recognition of the need of water supply is one of the integral parts that's reflected in the decision. Also an event of this summer, the opening of the waterline down from Innisfail through to Airdrie provided an overdue supply of water to the communities in that area.

Another matter that arose this September, Mr. Speaker, was the annual meeting of the Alberta Urban Municipalities Association. It was the first time I had the opportunity to attend that particular meeting and to address the gathering. I restated the position that I have taken in this Legislature on two matters, and raised another one that perhaps I should deal with briefly in my remarks today.

I put forward to them that as far as hospital capital costs were concerned, some new approach was under active consideration by the government, not a return to an old approach but a new approach which would take into consideration some local responsibility and local financial incentive for cost control and hospital capital construction costs. I raised that matter so they would be forewarned, as I had earlier at a delegation meeting.

The second matter that I raised during the course of my remarks to the Urban Municipalities Association was with regard to conditional grants. Frankly, Mr. Speaker, the more one assesses carefully this matter of conditional grants to municipal government, the clearer it becomes that it is very important in the province today to have conditional grants. Because if your basic grant structure to local government is entirely on a per capita basis, it does not take into consideration in any way the widely different needs that exist in this province today through the various local governments. Some of the local governments [need] certain facilities over others, and I think it has been successful on our part to have developed a program that meets the various local needs in an effective way.

Some of the southern members may take issue with this, but certainly it is my view [from] the travels through this province, and primarily, I think, because of climatic conditions, the hon. members would agree that a much higher proportion of road construction has occurred in southern Alberta than in northern Alberta. I think a reflection has to occur not just within the provincial budget but also in terms of the municipal grant structure.

So I think there should be a continuation, an appropriate balance between unconditional and conditional grants to our municipal governments.

I also underline again what I've said in this Legislature, that we would not accept the position of putting our successors in a strait jacket with regard to revenue sharing, that we'd be open to revenue sharing in certain areas, and the Alberta Municipal

Financing Corporation is still assessing that matter. But we would not accept revenue sharing in those areas that are fundamental to the province's fiscal management; that is, of course, natural resource revenues, and personal and corporate income taxes.

Mr. Speaker, there's been a great deal of progress in a number of departments over the course of the summer. I'd just like to highlight a few. In the area of hospitals, since the provincial government assumed the full operating costs, as I mentioned, there has not been sufficient financial incentive for cost control at the local municipality. What we're seeing, and have been seeing over the past number of months, are far too elaborate designs and unnecessary facilities in many of the proposals for new hospital construction that have come to us. Frankly it's not just simply a matter of capital construction. If these unnecessary facilities are constructed, desirable as they may be but certainly unnecessary, I think we're going to find a situation where the already pressing problem of operating costs on future provincial budgets will become even more difficult for us to handle.

Mr. Speaker, I think all members of the Legislature are aware of this government's policy not to close down and to resist the pressure to close down on strictly economic grounds some of our smaller hospitals throughout the province. We haven't done that. In fact what we've done is undertake a massive program of upgrading hospitals in the smaller centres. That includes renovation, restoration and, in many cases, brand new facilities. But it has to be balanced with local initiative and with realistic requests. As a government we're charged with concern — others might not be, but we are — with the taxpayer's money and with the financial management of this province over the period of years ahead.

In our view the Alberta Hospital Services Commission set-up, together with this takeover of operating costs by the provincial government, compounded by the reversal and decline of population in rural areas, have provided us [with] a problem in hospital construction. There are many new growth areas in this province. There are lots of legitimate reasons for capital construction. But I think they have to be done on an effective program, but more important on a program in terms of priority. Surely what we must do on a provincial level is establish some basic parameters of design in terms of facilities that serve a certain population and within those design criteria leave the scope for local initiative. If they want more than that, I believe that is where some approach must be taken to have some local financial responsibility. I think that approach would be beneficial to all concerned, even to the ratepayers who may be involved.

Mr. Speaker, another area of important progress for the province during the last number of months has been in housing, in supply and affordability and existing stock. Relative to the rental situation the vacancy rates in the province are now an average of 4.5 per cent, excluding Edmonton and Calgary. Edmonton is in excess of 1 per cent, but rising. Calgary is now in excess of 2.6 per cent. Presently, in terms of apartments under construction, there are over 10,000 units with Edmonton and Calgary each approximately 4,000 units, which is a 50 per cent increase over last year. The low apartment vacancy rates in urban Alberta centres are being overcome by provincial

government programs.

In terms of total housing supply, '76 was an exceptional year for Alberta, very exceptional, and we do not expect to maintain that peak, which was 39,000 starts, 14 per cent in all of Canada. But we're doing very well. This year we anticipate some 31,000 starts, 13 per cent of the national total and our population is just over 8 per cent of the national total. So it's a very positive, forward-moving program of housing construction. I was particularly impressed with the data with regard to apartment construction in our major centres.

Mr. Speaker, the Department of the Attorney General has also been very busy during the course of the summer in the new gaming control programs, new regulations over The Summary Convictions Act, and medical examiners being appointed under The Fatality Inquiries Act.

In the area of education we've had a very important document — and I presume it has been distributed to the Members of the Legislative Assembly — from the Curriculum Policies Board to the minister with regard to goals and objectives for education. They worked very hard on it. I discussed that with some of the members, and I believe it's a document that should be given careful consideration by all in this House. In my view it can be interpreted as suggesting a shift in emphasis toward more core instruction and fewer options. But I welcome the legislative debate that will occur under the motion on the Order Paper.

In my judgment, Mr. Speaker, in education we are at an important crossroads in policy. I believe it's now timely for the Legislature and for the government to play a more significant role in matters such as curriculum and goals and objectives. I've expressed my tentative views in an address to The Canadian Education Association just a few weeks ago.

In the area of transportation, Mr. Speaker, the road program is of course the largest ever and, according to the minister, is proceeding well. He shows his usual imagination. Not everybody was there, but I heard all about where we now have this hovercraft in the northern part of our province in place of bridges, and I think it was an experience for those who went. It's the sort of imagination we've come to expect from my colleague the Deputy Premier and Minister of Transportation, who is off — because he's president — to the Roads and Transportation Association of Canada meeting in Vancouver.

Mr. Speaker, this brings me to the area of energy. Since the adjournment in the middle of May, the pricing arrangements have been settled in a very effective way. Certainly compliments are in order for the Minister of Energy and Natural Resources, because what we have now is an arrangement for four years to take the wellhead price of oil from \$9.75 to \$13.75 over . . . Did I say four years? I meant \$4 for a period of two years; that is, from \$9.75 to \$13.75 over a two-year period at six month intervals, for a \$4 increase.

Now that has very important significance to our province. It brings us much closer to our objective of international prices. But it does something else. It provides for the industry a stability that's important in terms of the explorers knowing where they stand for a period. In some other remarks I want to make later, it is particularly important in terms of timing.

The explorers' confidence — and we heard quite a

bit back in 1973-1974, Mr. Speaker, about the confidence of the explorers in the investment climate here in this province. All I can say is that 1976 was a record year for exploration drilling; '77 is exceeding that. To October 1 of this year — and these are really significant figures — the exploration footage, not the development footage, the exploration footage is 7,270,000 feet for the months involved. That compares with last year's record period of 5,557,000 feet. So that's an enormous amount of exploratory footage occurring in this province and, in my judgment, in part is due to both our petroleum exploration incentive plan and the stability we have with regard to the confidence of the explorers.

As you noted during the course of the summer, Mr. Speaker, we announced the extension of our very effective exploration drilling incentive program for a further three years, with minor revisions. One of the important revisions was that we deleted the credits for the upper 2,000 feet and then increased the credits for footage below 2,000 feet by approximately 35 per cent; in other words, moved away from the shallow drilling to encourage the deeper drilling. Of course, the purpose of our exploratory drilling incentive system is to encourage the explorers to reinvest their cash flow here in Alberta and to find replacement reserves, which are very important to us at this time.

Also, with regard to the royalty-free period of natural gas on a certified discovery well, we reduced it from two years to one year. The geophysical incentive program was extended for two years, but will be phased down. I raise all this in comparison with the programs of the federal government in northern Canada and the limitation of incentives that exists there.

On energy research, there was an announcement by the Minister of Energy and Natural Resources about the federal/Alberta agreement of \$144 million, of which two-thirds would go into energy projects and one-third into transportation projects. It covers a broad spectrum of applications, and I'm sure the minister would be prepared to elaborate on any of your questions. This is over and above the commitment to the Alberta Oil Sands Technology and Research Authority.

In the area of public lands, in mid-July we announced a policy of resource management in the eastern slopes of the province, and the associate minister is now in a position to accept applications for development. It involves multi-use of the area, a zoning system — and very effectively and positively received by the environmentalists and the people who use the area. I think it's a positive policy to preserve the environment in a significant part of this province.

At the same time, during the course of the summer the foreign land ownership administration was created. We have it under the administration of the Associate Minister of Energy and Natural Resources.

In the area of labor, Bill 41 was proclaimed — The Public Service Employee Relations Act — under an administrative board which has been appointed and named and now is functioning and responsible to the Deputy Premier.

In the area of recreation, as a result of a request from various groups the government responded to changes in project co-operation to include elements of ongoing program support. That was something a

number of members of the Assembly, I believe, presented to the minister.

As you are aware, a chief electoral officer has been appointed as a result of recommendations by a select committee of the Legislature and is now administering the financial receipts and disclosures act which was passed last spring. There are many other areas I could mention.

Mr. Speaker, the fall session of the Legislature certainly has in front of it an extensive program of legislation that will be introduced. We will welcome debate on all matters, both on this general motion and in other areas. We anticipate, I understand from the Deputy House Leader, that some four dozen bills will be introduced. In addition to that, of course we will have the debate I mentioned on the motion on education.

Mr. Speaker, the fall session is continually proving very helpful to us, in the sense that it permits us to introduce legislation such as Bill 15 in the spring, get public reaction, and then respond to it in the fall without passing the legislation and coming in later in amendment. In the same process, I understand the Attorney General proposes to introduce a bill with regard to matrimonial property; put it in in the fall session, allow it to die on the Order Paper, get the input, and bring it in again in the spring.

Mr. Speaker, that brings me to the heritage savings trust fund which, as we know, is a unique fund. There's really nothing comparable to it in democratic government. We've issued the first, I'm sure, of many annual reports after full audit, and of course I think the citizens have a sense of confidence in the government's investment policy. We're fulfilling our mandate in the election of March 1975 respecting the fund. I understand a select legislative committee is reviewing the particular investments, and no doubt will be making recommendations which will be of interest to the House.

This fall session will see three bills with regard to the Alberta heritage savings trust fund — two appropriation bills to provide for the shift of 30 per cent of the revenue from natural resources to the fund — and after this year we would have caught up and would have only one bill each fall session. We will also have appropriations with regard to the capital projects division, and we will make proposals to the Legislature, both ongoing with regard to carrying on existing projects such as in the applied health research area, and new projects such as the one we intend to propose to the Legislature with regard to Kananaskis country and the other that was proposed with regard to terminals for airports in some of the smaller centres of the province.

I might say, with regard to the capital projects division, that one of the criteria we look at is whether or not these are things we could do if we did not have the fund — things other provincial governments are not fortunate to be able to do. But the heritage savings trust fund is well launched, well received by the public, and will be, I think, a very crucial milestone in the history of all of us who have been involved in this Legislative Assembly.

Mr. Speaker, I'd like to move now to federal/provincial matters. A great deal has transpired in this area since this House was last sitting. We had a very important premiers' conference in New Brunswick in mid-August. There was inordinate media attention

on the French language instruction question. But the communique was revealing, I believe, for a number of other important areas where there's a large Alberta input, particularly with regard to the long-term structural problems that face our Canadian economy.

I'd like to suggest to the members that here in Alberta we're not immune from a sluggish Canadian economy. All of us have been observing recent news over the last few days. They seem to be difficult to relate to what's going on here in Alberta, with our economy booming as it is. The news is certainly not very good. But on the other hand I think all Albertans should be aware that we're part of the Canadian economy, and if it is sluggish we can be pulled back by it.

The communique in New Brunswick noted that the premiers discussed a number of longer term structural economic problems which need to be addressed now. These included the following. I think it's important to state them on the record here for the consideration of members. I trust they're what the members feel are important in terms of the Canadian economy. If they're not, we'd be very interested to hear. The first one is:

The need to improve the competitive position of the Canadian economy including comparative wages, salaries, capital costs and tax burdens. In this respect, the Premiers agreed that governments must set an example in practicing prioritization and restraint in government expenditures.

Secondly, the premiers noted:

The need to improve the structure and climate of labour relations with particular emphasis on the public service. In anticipation of the termination of the anti-inflation controls in the country, the Premiers have affirmed the need to exercise careful control over public spending. As a result, the Premiers have agreed to establish a cooperative exchange of data and information on a common basis providing interprovincial comparisons of public sector wages and salaries as well as benefits.

The Premiers' objective will be to assure that, in controlling inflationary pressures, wage . . . settlements in the public sector should not exceed comparable settlements being made in the private sector.

Thirdly:

The need for a more aggressive trade policy and improvements in the balance of payments situation.

I believe that is important for the members considering the Canadian economy and Alberta's place in it. I hope you agree with the conclusions of the premiers.

Also, with regard to transportation, I was delighted to have a complete endorsement of the proposal I made. And this I think was significant: the Hall commission report really affects western Canada, but we received in New Brunswick the full support of all 10 premiers on the question of the implementation of the Hall commission report. I think that's significant, and it shows a spirit of co-operation in this country that sometimes is not known.

Mr. Speaker, the Hall commission report has already been mentioned in the question period. In addition to what was expressed by the Minister of Transportation, I just would like to say that it's our judgment, sadly, that the federal Minister of Transporta-

tion, Mr. Lang, seems to be dragging his feet. I stated in this Legislature when I dealt with the Hall commission report in the spring that we hoped they would not do that, that here was a document they could work on, that they could accomplish something. It finally was there, a blueprint for the west. I know that certain moves have been made by the federal government, but they really seem to me more of cosmetics, if you like, rather than a real commitment to the recommendations in the Hall commission report.

One example, if I could point out, is that there's a plan in there to have a prairie rail authority which would look after the abandoned lines within western Canada, that it would be situated in western Canada, by westerners, making decisions about the west. You know, that's not perhaps that significant to some, but it's significant to me. Because I think what it means is that we would have westerners located in our part of the country who would be making these decisions that affect our future.

Again, in this area, what we have is a rail action committee as an adjunct to the office of the Minister of Transport, Mr. Lang. I really truly hope that in the course of the next few weeks we'll see a change in that attitude. I've said on a number of occasions really that the patience of westerners is drawing thin. We've now got a document that's presented as a royal commission. It was put out by the federal government. They set up the royal commission, and then they got the recommendations. It seems they don't like them.

Well, what bothers me is the Prime Minister went into Winnipeg on April 18 — you'll notice that I will continue to remember the date — and made a statement about western Canada and the need for a new deal on economic terms for the west. I don't think he can pass this off. I think the Prime Minister has to become personally involved in the matter of the implementation of the Hall commission report. It's certainly my intention and, I'm sure, those of the other western premiers, and I hope of this Legislature joining with me, to assure some pressure in that regard.

Mr. Speaker, another important area that came out of the premiers' conference in New Brunswick was the role of the provinces in Canada/U.S. relations. The communique I think is revealing and, as should be noted, states this:

While recognizing the primacy of the role of the federal government in international trade relations, the Premiers were of the opinion that the provinces also have legitimate interests and concerns in the international arena. Given these legitimate concerns and the large volume of Canadian trade with the United States, they agreed that it is entirely appropriate for the provinces to assume a more prominent role in Canada-U.S. relations.

They noted that this increased role for provinces was supported by the recent report of the Canadian Senate Standing Committee on Foreign Affairs. I think the way they stated it is important:

There needs to be . . . a new awareness at the federal level . . . and this is the Canadian Senate report . . . that a national foreign policy properly includes both federal and provincial activities, not

merely federal matters. There needs to be more openness by the federal departments and agencies regarding the overall direction of Canadian policy towards the [United States] and a greater degree of solicitation by Ottawa of provincial views.

Going on with the premiers' communique:

The importance of the U.S. market is such as to suggest that in addition to multilateral negotiations, Canada has also much to gain from bilateral trade negotiations with the United States. This will require close co-operation and liaison between both the federal and provincial governments, since it is only through such joint efforts that provincial, as well as federal, needs and priorities can be adequately reflected.

I think that was a very important statement and was taken, frankly, as a result of Alberta initiative.

We're taking initiative in these trade matters in a number of different ways. Certainly in terms of GATT, the General Agreement on Tariff and Trade, for the first time there is really significant provincial input, and the meeting last week in Ottawa was a reflection of it. In my visit, with the Minister of Federal and Intergovernmental Affairs, to Geneva last June, we had the opportunity to visit with the chief negotiators for the United States, the European Economic Community, Japan, and the head of the secretariat that was involved, as well as, of course, the Canadian delegation.

When we talk about GATT, Mr. Speaker, I think that members should be aware of what we're really referring to. Under the General Agreement on Tariff and Trade, every 10 years there is a renegotiation of the agreement. The last one, the one in the '60s, was called the Kennedy round. It dealt just with tariff matters. It dealt with them at a time when the economies were generally in a positive way or strongly forward moving. And it dealt with them in a spirit which I think was described as being very open and I think was positive for international trade and certainly for Canada as a trading nation. Keep in mind that the current round, called the Tokyo round, is a much different situation, that here you're involved with not just tariff barriers, but non-tariff barriers which are much more difficult to quantify and to negotiate, and at the same time we don't have the economic vitality in most of the countries involved that we had in the 1960s.

I state this, Mr. Speaker, because I'm not too optimistic about GATT. I think there's a growing protectionism in both the European Economic Community and Japan, and we have to be very careful, as Canadians, on the gains and losses in these negotiations, particularly if they follow a sector report giving emphasis to such areas as non-ferrous metals or forest products. In terms of agriculture processing, I think it's going to be hard for us to make gains in the GATT negotiations, and Canada as a trading nation has a great deal at stake. The point that I make — I've made it before and feel very strongly about it — we should not as a country put all our eggs in one basket in the GATT negotiations. We should recognize that there's a great deal of scope for bilateral negotiations on trade with the United States, where our volume across the border is some 70 per cent of our trade.

Mr. Speaker, that's why I referred to that com-

munique from the premiers' conference. I would just like to state again that this provincial government will continue to take an aggressive position in seeking markets in the United States for our farmers and our businessmen. We think the geography situation is clearly that way, and it reflects the priority in this area that we gave in the Speech from the Throne.

Mr. Speaker, this brings me appropriately to the point in my remarks where I'd like to briefly review my trip overseas in June. As you know, Mr. Speaker, Alberta produces one-third of Canada's grain, and the question of a Canadian grain marketing strategy is crucial to Alberta. I'm sure we're all concerned — it was implicit in the question period, Mr. Speaker — about the lower prices that are being received by our grain producers in the international commodity market, a market that reflects very much the degree in which the Soviet Union and other areas are involved in the market place. The market is set in Chicago and London, essentially.

Therefore we have not only in this fall of 1977 in Alberta our farmers — two of our colleagues out combining today in the fields — concerned about the price for their product. You know, it's fine to say, okay, we've got the grain stabilization fund. But let's be realistic. It's all related to the price in the international market place. We share their concern with the present lower prices, with the surpluses that exist, particularly the surpluses in the United States, and of course deeply concerned at this stage that we could have a poor harvest as well.

Now there is a limit to what a provincial government can do. But I take the view, and the Minister of Agriculture and my colleagues do, that we certainly can take some initiatives in a couple of areas. First of all we should know as much as possible about what's going on in the international grain trade. As I mentioned in the spring, I'm the only Premier who has visited with The Canadian Wheat Board. I believe that holding a meeting with The Canadian Wheat Board is something the Minister of Agriculture and I should consider doing on an annual basis. There's a new chief commissioner we should meet and become acquainted with.

The main purpose, therefore, of my visit to the Soviet Union was that I wanted to see if there was validity to the fact that the Canadian government was basically outnegotiated by the United States, in the Americans getting the first position — and it's a strong first position — between 1976 and 1980 with regard to grain purchases from the Soviet Union. There's no question, in what came out of our trip, that that's really what happened. The position is that 6 million tons that are first purchased by export countries will be sold by the Soviet Union to the United States. That's 6 million tons, and that's a very significant amount. After that we may come in, in competition with Australia, the Argentine, and even the United States again. Please do not confuse the alleged sale of a million tons to the Soviet Union that goes to Cuba as being a sale to the Soviet Union. It's not.

But what I'm interested in, Mr. Speaker, is what happens in 1980. What happens when this agreement comes to a conclusion? What can we do about it? We can't do very much about now to 1980. But perhaps we can start to work now to assure that the Soviet Union regains its position as an important customer for us, and we're not selling to them simply

when they're having a difficult crop year. That's too risky for our farmers who are out on the fields tonight.

So what can we do in terms of strategy? The Minister of Agriculture and I had a straightforward meeting — I think one would call it that — with Premier Kosygin, discussed with him the matter of their shift into livestock, the potential sale of barley that we might be able to make to the Soviet Union, his counterproposals that we've got to do some buying from them, that it's a two-way street in terms of trading: it's all part. It's a key market for our grain, and certainly in the Soviet Union it was a factor that was a concern to us.

We saw it in a couple of other areas on other parts of the trip. In Iran they said, we don't want Canadian red wheat; we want Canadian white wheat. And we can't seem to get — until I guess recently, as a result of the efforts we made over there — some recognition by The Canadian Wheat Board that people have different taste habits, different customs. They want to buy a certain type of wheat. When you're a seller you try to find out what they need in the market place, and you produce for that market. I understand, from the Alberta Grain Commission, that there has been some movement on the initiatives we took in Iran.

It's just a small matter, but let me use it as an example: in Saudi Arabia when we discussed the question of the export of grain there, their purchase of grain, they said, well, we would have liked to have bought from Canada but we needed silos to store the grain in our country; Canada wasn't prepared to do it, Australia was; we buy our grain now from Australia. Maybe a little thing, but it's part of a strategy, for a trading country like Canada, that we have to have. We have to have a marketing strategy that takes into consideration all these variables.

The answer Mr. Lang gives me is: well, things are fine, we're selling a lot, selling a lot in the current year. Well, we're selling a lot because we're selling to China. And it's fine. It's a good market and they're paying for it. But if I'm a seller and there are a lot of people out here producing grain, I think it's a pretty risky situation for us to have so much of our market in one country such as China, with all the volatile nature of their governmental system, with the fact that they export rice, that they have a poor transportation system, that they could make a policy change overnight like that, and we'd find ourselves producing grain and again losing another market situation.

I think we're going into a buyer's market in grain — I hope we're not — and I think we have to be ready. In a way I hope the fortunes are such that we'll be able to sell as we have in the past. But I think it's dangerous for Canadians, with a country such as ours, to be in any way complacent about the matter of grain marketing. I think it would be timely for us to have a new strategy with regard to grain marketing, and I'll have more to say about that later on.

With regard to our visit to the Soviet Union, as you know they're the largest oil-producing country in the world. We wanted to determine whether the CIA report presented by President Carter was valid. We made our visit to west Siberia. Our conclusion was that it was probably exaggerated. We also were looking at the whole matter of technology between our two countries, Canada and the Soviet Union, and whether or not it was a one-way street.

Mr. Speaker, the Alberta government has a great deal at stake; in terms of international developments perhaps too much so, and that's why we're striving for diversification in oil, natural gas, and petrochemicals. We're making progress in our diversification plans, but we have some very major decisions to make. A third oil sands plant, expansion of Syncrude, heavy oil plants, *in situ* pilot plants, liquid-base petrochemicals are all a key part of the Alberta economy, and as we move towards diversification they will remain so for some period of time.

I don't believe, as Premier of this province, based as we are on energy, grain, and livestock, that I can do my job isolated in Alberta. Somebody suggests, well, you could just read the consulting reports. Well, I found out one thing in my trip: good as all the consultants might be, they have a limited access to the people who are making the decisions.

There are two key countries, Mr. Speaker, in the international oil industry, and they are Saudi Arabia and Iran. It's no longer sufficient — I don't think it has ever been sufficient, I'd put it that way — for a province such as Alberta, with so much at stake, to rely on reports from the federal government in a field so crucial to us when we own our oil and natural gas. Frankly, and I don't mean to put down the federal government, I think it's a fair statement by objective analysis that we in this province have in the area of energy a better awareness of what's going on in world trends than perhaps they do in the federal government. But we exchange the information that we've received.

In Saudi Arabia — of course, that's the key, the linchpin in the OPEC nations; it's the largest producer — I had a very important meeting with the Minister of Energy, Sheikh Yamani, and Dr. Taher of Petromin when I was there. What did I discuss, Mr. Speaker? Price forecasts, investment policy, petrochemicals, and their production forecasts: a very important and interesting time, and a very valuable one for me. In Iran — that's the second key country, particularly in the area of natural gas and petrochemicals — I had a very frank discussion with the Shah of Iran, who knew fully about the oil sands in Alberta and recognized its important place in world oil supply.

But what are the forecasts? I know I'm now going into an area that's always dangerous, that business of forecasting something in the area of energy. But coming out of this trip I think I should at least — perhaps with some qualifications — discuss my view of the forecast, because it affects all Albertans.

In the area of demand, I think the key variable will be the effectiveness of the United States conservation policy as presented by President Carter. The European Economic Community will fall or not, depending upon that. I think the one thing people keep forgetting is that the mileage change that's been made in automobiles is already showing up in terms of demand for crude oil. The ability to reflect reduced demand has pretty well been absorbed today, and perhaps for one or two years more, and then will even out in terms of what can be done to reduce demands of technology and mileage utilization in automobiles.

The supply situation, I think, is this. The Soviet Union will probably be on a relatively even operation, not a major importer or exporter. They run it like a military operation. Reviewing the whole area of oil

supply with Aramco, we went right around the world and discussed the various areas: Mexico, Iraq, and the North Sea. But really what it comes down to is that the only variable in terms of supply is Saudi Arabia itself, now producing 9.5 million barrels a day, potential to produce some 13 million barrels a day, up in the future to 18 million, even to 20 million barrels a day; an enormous potential when it compares to, say, our 1.2 million barrel a day production here.

The statement that I received from Sheikh Yamani on that point was that in no way did he foresee production of the higher magnitude by his country. The only exception he made is if there would be a mid-East settlement between Israel and the Arab States, with the United States playing an important role in that settlement. The infrastructure within the country of Saudi Arabia, and its absorption ability, is such that there is very little they can do if they get into the higher production area. That is one of the reasons, when we were over there, that we made the visit to Israel, in addition, of course, to the matter of water management and medical research.

Why is all this important to us? Because it comes right down to our forecast of where we are in terms of world demand and supply for a key ingredient in Alberta; that is, world oil supply. So depending upon conservation and mid-East settlement, I think we'll see a world oil shortage between 1981 and 1985. Now, one strange thing will happen. In '78-'79 there will be a temporary almost glut of oil in the world. It will be there for a number of factors. It will reduce the pressure for price increases. I think it's very fortunate that Alberta was wise enough to make the timely decision to have an agreement on pricing increases over that '78 and portion of '79 period. Our timing simply couldn't have been better.

But all this is part of the key assessment we must make on commercial terms for oil sands and heavy oil plants, whether it should be profit-sharing or gross royalty — those are the questions that are before us — or whether it should be some other approach. Also an evaluation of LNG being very expensive in North America, and what it has to do in terms of bearing upon natural gas prices.

One of the conclusions from the trip was in the area of petrochemicals. Concern had been expressed in this Legislature that we were embarking on petrochemical activity and were going to be flooded by projects that would develop in the mid-East countries and would affect the whole market situation. We were able to assess that very well. Our conclusion was, important as it was to assess, that it's not likely to be very significant.

Mr. Speaker, I wouldn't want to go into more detail on the trip. At the conclusion of my remarks I will table with the Legislature a number of documents that set out the objectives of the country we visited, all the people we saw, and the brochures we presented.

Mr. Speaker, the impact of this trip on Canadian energy policy, though, was the need in my view, for provincial governments in Ontario and Quebec to be very concerned about their future. I was pleased to see Alberta Gas Trunk Line with its proposal for what's termed a Q and M line to take natural gas from Alberta through Quebec and into the maritime provinces to Halifax, and replace imported crude oil and improve our balance of payments situation.

I think the province of Quebec had better face up to the facts of life in energy. James Bay is a hydro project and a very important one, but it provides their electric power needs. They'll still need large quantities of oil and, from economic sense, they should be using more natural gas.

The Canadian government, the provincial governments, in terms of national energy policy, Mr. Speaker, had better face up to the realism of what's coming: a balance of payment problem that could be just impossible — I don't think that word is too strong — impossible for this country to handle economically. We are importing now 50 per cent of our needs. If we start talking about oil prices in the period '81 to '85, in excess of \$20 a barrel, I don't think the Canadian economy, a country of 23 million people, is strong enough to stand it. I think we'd better be moving forward with national energy policies, and the governments of the provinces of Quebec and Ontario, in my judgment, should not be looking simply at the federal government and ride on their back. Sure it has to have overall federal impetus to it. But as far as I'm concerned, it basically has to involve those consuming regions of the country.

Speaking about Quebec brings me appropriately to a current view on the ongoing debate on Canadian unity. I'm not satisfied, Mr. Speaker, that it's merely a language issue. That's an important issue but not overriding. In the meeting in New Brunswick we had a statement on language that I believe you all are familiar with; I don't need to read it. We said that we would review the state of minority language education in each province, meeting again in six months. The education ministers met in Edmonton just two weeks ago. I was pleased that Quebec joined in as a result of the meeting and followed up on it.

But Alberta, Mr. Speaker, is a multicultural society. We approach things differently than in other areas. We don't believe in compulsion. We believe in encouragement in these areas with regard to language, and we're making good progress in my view. The instructions in French now are such that a young person can go from grade 1 through the entire school system, even postsecondary, taking language instruction in French. We have 2.4 per cent of our population French-speaking, and 2 per cent of our classes are French language instruction. I think that's a pretty good record. I don't think we need to be backward about it. I think we should be open-minded about the areas of progress and improvement that we could make in terms of teachers and curriculum.

As I said though, Mr. Speaker, public opinion, for what it's worth, has put it forward that the restlessness that occurs in Quebec today — the election of a government committed to separation — is not simply a matter of language. What do they want? They want to be masters in their own house, they say. They want to control more of their destiny in Quebec city. I think that we as Albertans to some degree can understand that, but within the Canadian confederation.

I think it's important for us to outline our position, as an Alberta government, on where we stand on some of these points now. But it will be an evolving matter. First of all I want to underline that they, that is the government of Quebec, should not be able to delude in any referendum, depending on how it's worded, the people of Quebec into thinking that if

they in fact made the tragic and unfortunate mistake of separating from Canada, they could then work out with us what they call an economic association, which is really much more than a trading relationship — it's really close to all the benefits they now have within Confederation.

I see no way that anybody in this Legislature, I think even in western Canada, could have the support of the citizens, because I think the reaction to that breach that would occur — hopefully would never occur, that we pray would never occur — would be such that I just couldn't see an economic association being acceptable to western Canada.

I think it's very, very important that we say so now. Some people may call it a threat. I don't. I think it's important. I was blunt with the Premier of Quebec. He knew I was going to say this in the Legislature, because I told him I was. When we met, 10 of us, I put it to him. I said, I've said it publicly, I say it to you directly: don't be under any delusions; if you separate there is no way to work out what you envision to be an economic association; don't delude the people. I think it's important to put that point over.

Secondly, there is a lot of talk about special status for Quebec. I don't see that. I don't think it's necessary. I think what we could have in our confederation is special status for a number of provinces, not just for Quebec. We could have a special status that provides the provinces of Nova Scotia and Newfoundland fisheries. The rest of us could agree and co-operate in that. I think we could build into our confederation, with good will, that sort of new and flexible approach.

Thirdly, the Prime Minister keeps talking about the constitution, constitutional change. I think those of us who were involved recognize that it's important to have the people involved in these debates and discussions. If it gets too legalistic, gets involved in the preciseness of the constitution, I think it will turn people off from something they need so much to be involved in as a matter of the spirit of our country. I hope what we can talk about is not constitutional revision but a new attitude toward Confederation by all who are involved.

Fourthly, I say with confidence and I believe from my experience and the meetings that I have been in all across this country that there is plenty of scope for a new approach; not the status quo, surely not separation, but there is lots of middle ground, lots of middle ground for reasonable people with the spirit of co-operation and friendship. I think it's appropriately the Prime Minister's responsibility over the course, hopefully, of not too many months to set forth his view as to where that middle ground should generally take us, what the parameters might be. We in Alberta are working on a number of ideas over and above the ones that we've expressed on other occasions and today. But there has to be a new attitude.

How could you have the western premiers meet in Brandon in May about an intrusions report, listing a multitude of intrusions, Mr. Speaker — intrusions by the federal government into provincial jurisdiction — send that report to the Prime Minister, have his commitment to look into it, and what do we get? I'm away on a trip, and we get what we were discussing in the House today: an insulation plan that tells this Legislature what our speed limits should be. In my judgment that's the ultimate in not understanding

what this country and what this confederation is all about.

I'm going to Ottawa this weekend. I don't know if I'm going to have any discussions of this nature. But if I do get a chance, I can assure members of the House I will try to express the fact that I think the time is such for the presentation by the Prime Minister of this country of what could be, some have termed, a third option. For our part, we will respond to it in a positive way.

Mr. Speaker, I'd like to conclude my remarks with some comments about the economy of the province of Alberta. As I mentioned, unfortunately we're no island. But the economy in this province is very strong indeed. I mentioned the Canadian economy, mostly bad news: high unemployment; the Canadian dollar 91.7 cents, close to 90 cents on the dollar. I think those of us who look at it can see some benefits in a Canadian dollar that may hover around the mid-90s. But if we have an indication of getting below 90 cents on the dollar, I think it's a reflection of confidence internationally and it should concern all of us. Statements of a week ago, made when Premier Davis was in Japan — I'm sure they were somewhat embarrassing to my friend, but they were said and I hope all of us listened to them because I think there was a lot of truth in them.

You know, some think we can get rid of the problem by spending more public money, having more make-work jobs. That's one political point of view. Premier Bennett put it well at a meeting I was at. He said, you know, it's the short-term solutions over the last 15 years that are really most of the problem. I think there's a lot to that. I think we have to attack the long-term Canadian economic problem in the ways that I mentioned in the communique.

We in Alberta are fortunate with our economy, with the exception of the agriculture sector. The province is very dynamic. Wages and salaries have increased faster in Alberta than in the rest of Canada in recent years, and you know what that means for our constituents. With low tax burdens it means disposable income. The labor force is growing, and I'm pleased about new skills coming into this province, filling some important vacuums. We still have the highest participation rate in our province, the number of people working. I think we have to keep watch on the matter of migration of unskilled people into Alberta, which I mentioned in the spring session. We remain with the highest vacancy rates for job opportunities in our province, 11 in every 1,000.

Despite our booming economy, I'm still surprised that our inflation rates, although high, are not that much higher than the Canadian average. They're higher in terms of housing, which the Minister of Housing is aware of — but that's the one area, affordability. But other than that area, we're doing fairly well. All the other indicators, Mr. Speaker, are very positive for Alberta.

Something I think important to say today: major projects in this province — Syncrude, on budget, on target; petrochemical plants, on budget, on target; Commonwealth Games, on budget, on target. That's a real tribute, you know, to the labor force of this province and management people who have been involved.

Agriculture is our weak sector. I mentioned the grain side extensively, with regard to grain marketing.

Certainly the production problems have already been referred to in the question period. We have seen some improvement in terms of the beef sector: generally improved, but we still have needed to continue with our cow/calf advance program for another year. We have a problem in terms of hog prices, to be reported on by the Minister of Agriculture. We're all hoping very much for a good harvest. A good harvest with a federal grain marketing strategy, and some improved access to the United States markets for our livestock, can improve the agricultural scene in this province markedly.

As I mentioned, a number of other parts of our economy are very strong. Certainly small business; there are many new success stories in this province of ours. Tourism — the only province last year with an increase in tourism. Our financial institutions — this is partly a result of our European and U.S. visits, increasing Canadian awareness of this province. It's a growing area for us in economic activities. It may surprise you how many jobs are involved, good jobs. The recent *Financial Post* conference that was held here in the city of Edmonton, called Think West — the underlying theme was that the shift of the economic centre of gravity, as we've been pushing for a number of years, is to the west and to Alberta. There needs to be more initiatives in financial institutions by the Alberta government, and there will be. And the Treasury Branches reflect it. I believe it is over \$1 billion, in terms of deposits in our Treasury Branches today.

We have another major stimulus coming forward, the Alcan pipeline project. It will fill any moderate post-Syncrude decline in economic activity and certainly be a benefit to our economy for our suppliers, for our small businessmen, engineers, draftsmen, computers. I wrote down here that even lawyers and accountants would probably benefit a bit from it. [interjections] The decision-making will be in western Canada. It'll be in Alberta, and it will be with a company chartered by this Legislature, the Alberta Gas Trunk Line.

I am very pleased with the co-operation we have received in this area from the federal government, Mr. Speaker, and will table my letter of July 29 to the Prime Minister, setting out those elements of the Alberta public interest which will be affected and that we'll be discussing with the federal government. We've had close consultation in this area. The Prime Minister and I have been in close discussion, as have a number of the other ministers involved. We've set up a provincial government ministerial task force under the Minister of Federal and Intergovernmental Affairs, who will be co-ordinating the provincial involvement in the pipeline project.

Mr. Speaker, the United States may make some proposals with regard to pre-building the American portion of the pipeline. On a supply position we have, for some three to five years, a short-term surplus of some 600 million cubic feet a day that could be made available. Mr. Speaker, we've laid down the terms of acceptance. I did this when I met recently with the Governor of California. It would involve some benefit for us in terms of agriculture markets, in live cattle or processed beef or rapeseed oil or in other areas, and in petrochemical tariffs, but agriculture primarily. Now they may not make such a proposal. But if they do, they should understand the ground rules. And I

think the Canadian government is fully aware of the position we have taken, recognizes the benefit, and is prepared to co-operate with us.

Mr. Speaker, in conclusion I believe it's clear, in this summary of our government activity, that objective observers throughout Canada, and I think elsewhere, would agree to Alberta's very strong position. Certainly there are some gaps in some social programs, but overall I believe we have the best in Canada by far. There's some need for some reassessment in terms of education curriculum. The economy of Alberta is the leader in Canada. We need some stability in our agricultural markets and prices, and will work with the federal government in this area.

But, Mr. Speaker, in conclusion I am very pleased. Back in 1971 we embarked upon a number of policies. They were instituted as new policies and new directions for the '70s, and they're now beginning in many, many ways and forms to show their positive result upon the citizens of this province, to bear fruit, to show benefit to the citizens in so many ways.

I'd like to enumerate them. We said we wanted to change the trend away from merely metropolitan growth at the expense of the smaller centres, that we wanted balanced growth, that we wanted 20 Red Deers. Well you know, there are 20 Red Deers; there may be 24 Red Deers springing up in this province today. Secondly, we said we wanted, as part of our program of diversification, to encourage risk investment here. I think there's no question — with the footage drilling, with the report I've just given, the results of this recent conference that was held here — that there is that attitude in Alberta today, that it's a good place for the risk investor to get a reasonable return, and a fair shake to the provincial government if we own the resources. And that means jobs. Those employment statistics don't just happen.

Thirdly, in terms of financial management, that we get value for the resources we sell, that we balance this fairly with the risk investor, that we understand what the risk investor is, which certain areas do not. We have here low tax rates, and we have low tax rates for the benefit of our citizens. We've placed this government in a solid financial position for the future, able to withstand, Mr. Speaker, able to withstand what might be, if we don't get our Canadian economic house in order, a very serious economic position in Canada. A solid financial position here in Alberta, added to and supplemented by the very crucial long-term position of heritage for our young people, in the heritage savings trust fund.

An opportunity is next, Mr. Speaker, for our young people not to have to go to Sarnia or Toronto or California, but here, where the reaction is such that the entrepreneur can come and feel encouraged to be here. An inventive spirit exists in Alberta today, as I travel, a spirit of real vitality with the community that is involved and, of course, a brain centre for all of Canada. It's starting already. We have the disposable income for our people to enjoy this life, hopefully to recognize that they have an obligation to those people less fortunate than themselves, not just through government but as individual citizens; that we provide to them, as a government should, not services at their whim but services in terms of need, services of high quality — the people who are dedicated to the public service providing that to them; and

that we have as well not just materialistic gain in Alberta but a cultural explosion — and that's what we have today thanks to the work of many such as Horst, and we have recreation facilities to enjoy.

Mr. Speaker, we are truly blessed, and in our view, we have the challenge and we have been managing the dynamic economic changes that have been occurring in this province. In my judgment, Mr. Speaker, we have been able to still preserve the wonderful way of life we have in Alberta, and I'm proud to be an Albertan and report to this Legislature today.

MR. CLARK: Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER: May the hon. Leader of the Opposition adjourn the debate?

HON. MEMBERS: Agreed.

MR. FOSTER: Mr. Speaker, on business tomorrow, I should advise the House that we will not be sitting tomorrow night. A number of bills will be introduced to the Assembly on Friday. Mr. Speaker, I move we call it 5:30.

MR. SPEAKER: Having heard the motion by the hon. Acting Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at half past 2.

[The House adjourned at 4:40 p.m.]