

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Monday, April 24, 1978 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 250  
The Computer Act**

MR. TAYLOR: Mr. Speaker, I beg leave to introduce a bill, being The Computer Act. The purpose of this bill is to ensure to individuals a degree of privacy in regard to information stored in a computer which deals with their personal affairs, and to guarantee the right to examine, revise, or correct such information.

[Leave granted; Bill 250 read a first time]

**Bill 241  
The Dental Health Workers Act****Bill 243  
The Dental Health Services Act**

MR. NOTLEY: Mr. Speaker, I rise to introduce two bills: Bill 241, The Dental Health Workers Act; and Bill 243, The Dental Health Services Act. The two are companion bills and would allow for the introduction of a denticare program.

[Leave granted; bills 241 and 243 read a first time]

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. TAYLOR: Mr. Speaker, I beg leave to introduce to you, and through you to the hon. members of the Legislature, 100 students from the Drumheller Composite High School. They are accompanied by three teachers. Mr. Pat Connor, Mr. Howard Rasmussen, and Mr. Greg Clark. They were brought to the city by three bus drivers: Lawrence Ludwig, Dave Mabbit, and Ian Miller. I'd ask these fine students from Drumheller to stand and receive the welcome of the Legislature.

head: **MINISTERIAL STATEMENTS****Department of  
Energy and Natural Resources**

MR. GETTY: Mr. Speaker, I would like to make a statement advising the House regarding the Alberta Equity representative on the Syncrude board of directors.

As members know, Mr. Speaker, Alberta has been served well over the past three years on the Syncrude

board by the hon. Member for Edmonton Calder, now the Minister of Housing and Public Works. Most people have no idea of the hours and effort he has contributed in representing the people of our province during the construction of this huge project. On Thursday last, the Premier expressed the government's appreciation for his contribution, but I would like to say personally how much I have appreciated his quiet yet efficient competence and judgment, which has been invaluable to me. But now that he has accepted a greater challenge, it is unreasonable to expect him to continue as our representative on the Syncrude board.

Therefore, I wish to advise the House that the hon. Member for Edmonton Jasper Place, Mr. Les Young, will be appointed as Alberta's new representative on the Syncrude board of directors. I am sure the hon. Member for Edmonton Jasper Place will have the support and best wishes of all members of the Assembly and that he, too, will be an outstanding representative of the people of our province on this project which is so important to Alberta and Canada.

head: **ORAL QUESTION PERIOD****Cold Lake Oil Development**

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Energy and Natural Resources. Perhaps it is appropriate that it would deal with the Alberta Syncrude Equity question. My question deals with the involvement of Alberta Syncrude Equity in the proposed Cold Lake heavy oil plant. Can the minister confirm to the Assembly that Alberta Syncrude Equity has a role in the liaison between the government's interdepartmental task force and Imperial Oil in the negotiations or discussions that have been going on to date?

MR. GETTY: Mr. Speaker, it is true that members of the Department of Energy and Natural Resources who are also responsible for Alberta Syncrude Equity are working in the area of Cold Lake liaison.

MR. CLARK: Mr. Speaker, to the minister. What's the rationale for having Alberta Syncrude Equity as part of the liaison group, when one keeps in mind that Alberta Syncrude Equity was initially set up to safeguard the Alberta government's investment in the Syncrude plant?

MR. GETTY: Mr. Speaker, it's the organization and utilization of talented people within the department.

MR. CLARK: Mr. Speaker, does the involvement of Alberta Syncrude Equity in the proposed heavy oil project imply that Alberta plans to invest in the project, especially considering recent remarks by the president of Imperial Oil, I think it was, that such government participation would be welcomed? I believe those comments were made in March '78, when the president visited the Cold Lake area.

MR. GETTY: No, Mr. Speaker.

MR. CLARK: Mr. Speaker, one further question to the minister, dealing with Syncrude Equity's involvement

in the negotiations. Once the ERCB has made its final recommendation to the government, what plans does the government have for Alberta Syncrude Equity's involvement past that time?

MR. GETTY: Well, Mr. Speaker, I think we'll have to wait and see.

MR. CLARK: Mr. Speaker, a supplementary to the minister. Is the government at this time in the process of putting together another group that would take the place of Alberta Syncrude Equity, on the assumption that the Cold Lake plant goes ahead? Or, in fact, has the government no contingency plan, other than to make use of the Syncrude Equity people to carry on once the ERCB has made its recommendation to the government?

MR. GETTY: Mr. Speaker, I can't prejudge the ERCB's recommendation. If it's no, then obviously . . .

DR. BUCK: If it's no. Really, Don.

MR. GETTY: . . . the proposal will not proceed. If it's yes, we will then . . .

DR. BUCK: If it's yes.

MR. GETTY: . . . try to organize the people in the department in a manner that would best serve the needs of the department.

DR. BUCK: You're kidding.

#### **Student Temporary Employment**

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Advanced Education and Manpower. Has the minister received a proposal yet from the University of Alberta for the establishment of a pilot project based on a co-ordinated summer work experience program for engineering students?

DR. HOHOL: Yes, I have, Mr. Speaker.

MR. CLARK: Mr. Speaker, to the minister. What's the minister's evaluation of the feasibility of establishing such a program?

DR. HOHOL: On balance it is a reasonable proposal. It would take some time; it's at the time of year that would make it difficult to implement. The programs for manpower development really need several months of lead time. It takes the co-operation and co-ordination of several departments, of agencies outside the government, in addition to the university itself, in contrast to the Faculty of Engineering.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is the minister aware that a similar program is carried on by one of the universities in Saskatchewan and the University of Waterloo, that such a program operates in Alberta, and that in the case of Waterloo students virtually all of them take permanent positions with their part-time Alberta employers following graduation?

DR. HOHOL: Yes, I'm entirely familiar with the program from the University of Waterloo and with the one from the University of Saskatchewan, which is in fact quite different and modest compared to the one at the University of Waterloo. How many engineers from Ontario who work between sessions in Alberta take permanent positions is a matter of research and open to quantifying, so I'm not prepared to accept the blanket statement of the hon. Leader of the Opposition. It could well be that some of them in fact get positions.

But I want to make this clear: the proposal by the Dean of Engineering at the University of Alberta is different from the program at the University of Waterloo. That program has been in place for several years. This one is not dissimilar, but it is certainly not a prototype for the same kind of program.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Could the minister confirm to the Assembly that federal government funding is available for the type of program proposed by the University of Alberta, and that in fact that funding was available in 1977 and was used by the University of Waterloo in its program, which was in place and operating here in Alberta?

DR. HOHOL: I would have to say that to the best of my knowledge there is not a specific program that addresses the problem of employment of first-, second-, third-, or pregraduation-year engineers. It could well be the case that there are manpower programs that may have been taken proper advantage of, but there are no programs to my knowledge — and certainly I'm familiar with every manpower program of the federal government — that I can say that that is not the case. But there could have been assistance of some kind or another.

I should say in addition, Mr. Speaker, that several ministers met only Thursday or Friday of last week to discuss the matter of employment of this particular professional group. There are other professional groups, too, who seek and need employment during the summer holidays between sessions.

They need work of two kinds; in the first instance, work-related experience. When that is possible, it is the best kind of work you can get, because you get the remuneration and also the kind of work you will do when you graduate. When that isn't possible, of course, facing another winter of study, then a job that's as close to the kind of work you are doing in the faculty is the best. When that isn't possible, any job that assists students with their winter expenses at the university is what we have to try to help them with.

MR. CLARK: Mr. Speaker, a supplementary question to the minister — really two questions. When does the minister anticipate giving a definitive answer to the University of Alberta, the Faculty of Engineering, on their proposal? Secondly, will the minister undertake to check with the federal government to determine if there are federal funds available that could be used in this program?

DR. HOHOL: I haven't any hesitation at all about federal funds. As I said, Mr. Speaker, I'm entirely familiar with federal programs. There is no fund

specifically geared to a particular occupation. There are funds geared to the unemployed, including unemployed youth and unemployed students, but not in a particular occupational practice.

With respect to the university itself, I would have to check my files and phone records, but I would be of the view that I have now made it clear that, for this summer, the time has passed to do anything peculiar and unusual and different for engineering students between terms than for any other students. But I remind the House, Mr. Speaker, that we have the very effective and significant program — about the only one of its kind in the nation — STEP, which is open to engineering students. With their excellent training, they're desirable students to employ.

#### **Sugar Beet Industry**

MR. NOTLEY: Thank you very much, Mr. Speaker. I'd like to direct this question to either the hon. Deputy Premier or the Minister of Agriculture. It flows from questions posed on March 7 and 14 with respect to the sugar beet industry. Could either hon. gentleman report to the Assembly whether any commitments were secured from the sugar company with respect to the meeting held between cabinet ministers and the producers on Friday of last week?

MR. MOORE: Mr. Speaker, I'm not exactly sure what the hon. member is referring to. We did meet last Friday with representatives of the sugar beet growers from southern Alberta, and had a discussion with them relative to reaching an agreement between Canadian Sugar Factories and the sugar beet growers. I followed up by way of telephone conversation with the president of Canadian Sugar Factories. If there is any additional information the hon. member wants, maybe he could be more specific.

MR. NOTLEY: Mr. Speaker, a supplementary question to either the hon. Minister of Agriculture or the hon. Minister of Business Development and Tourism. Has the government secured a commitment from Canadian Sugar Factories Ltd. that the Taber factory will in fact be kept open? The reason I put this to either hon. minister is that a survey conducted by the Department of Business Development and Tourism concluded there was some danger that the Taber factory would be closed down, along with the Picture Butte factory.

MR. MOORE: Mr. Speaker, first of all I can say that the principals of Canadian Sugar Factories have indeed stated on more than one occasion that it's their intention to maintain, in fact expand, the sugar beet processing plant at Taber. The hon. member would perhaps be aware that there is a joint investment between Canadian Sugar Factories and the sugar beet farmers in any upgrading or increase in the capacity of the plant at Taber that might be carried out. We were advised last Friday at our meeting with the sugar beet growers that a substantial investment, I believe they said in excess of \$4 million, is presently being carried out at the Taber factory, part of the cost of which is shared by the growers.

Mr. Speaker, I don't suppose one can ever be assured that any plant of any kind will be in existence in perpetuity. But for the foreseeable future at least, I

think we can be well assured that the plant at Taber not only will be maintained but will be increased in its capacity to process as many beets as were processed before in the two factories at Taber and Picture Butte.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Business Development and Tourism. In light of this particular memo prepared by the minister's department and, I gather, discussed by the Tory caucus, what specific steps did the hon. Minister of Business Development and Tourism take to follow up the concern expressed in the memo that there could in fact be a danger of closing down the Taber plant, as well as the Picture Butte plant?

MR. DOWLING: Mr. Speaker, the question has obviously been answered by the Minister of Agriculture. We have had a series of meetings, not only with officials of the sugar growers association but with the mayor and councillors of that community. They've expressed their concerns to us. In attendance at that meeting were a number of ministers with special responsibilities. Those responsibilities are being used to do whatever we can for the Picture Butte people.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the government of Alberta developed any contingency plans to offset the province's reliance — one might even say, the reliance of western Canada — on the virtual monopoly enjoyed in the western Canadian market by B.C. Sugar Refinery, Limited, of which the Taber plant is a subsidiary?

MR. DOWLING: Well, I know from conversations with the hon. Minister of Agriculture now and the former Minister of Agriculture that representation has been made to the federal authorities with regard to the entire sugar industry in Canada. Perhaps the hon. minister would wish to respond further.

MR. MOORE: Mr. Speaker, I could say that we have made representations directly to the federal government with respect to what is required in western Canada, or Canada for that matter, to ensure that we continue to have a viable sugar beet industry. Surely part of the problem is the total lack of a national sugar policy in Canada. We've reviewed the sugar policies of a number of countries throughout the world, and find that we're practically the only country around that competes freely on the open market with cane sugar, much of which is subsidized in some form or another before it reaches Canadian shores.

The objective surely has to be to push the government of Canada to a workable national sugar policy, which in our view should require that at least 16 per cent of the Canadian consumption of sugar come from domestic beet sugar. The present situation is that we produce only 12 per cent of Canada's sugar needs through beet sugar. We feel there would be an opportunity to expand sugar beet production in southern Alberta by 25 to 30 per cent if in fact we had a national sugar policy that would require domestic refiners in this country to allocate a certain portion of their refining capacity to domestic beet sugar. That's the end we're working towards.

On the other part of the question, Mr. Speaker, the hon. member should bear in mind that for many,

many years, going back about 50 years, the sugar beet industry in southern Alberta has been a partnership between Canadian Sugar Factories and the Sugar Beet Growers Association, where the growers share in the total end value of the sugar produced in those factories. We want very badly, I think, to ensure that that partnership is continued. We're working to that end as well.

For that reason we were meeting last Friday with the growers association, which quite frankly has had a difficult time over the course of the last several weeks in coming up with a new agreement with Canadian Sugar Factories. They indicated to us that they had reached agreement on a number of points, and only one or two points were outstanding, which I believe they were able to resolve over the course of this past weekend.

Mr. Speaker, finally I'd just say it's our desire to make sure that there continues to be a good, solid sugar beet industry in southern Alberta, supported by the refining capacity that's there. But it cannot be done without some due recognition at the national level of the need for a national sugar policy.

MR. NOTLEY: A supplementary question. No one disputes the need for a national sugar policy.

Mr. Speaker, my question to the minister: has the government held any talks with B.C. Sugar or Canadian Sugar Factories Ltd. with respect to possible sale of their Picture Butte plant to some other interest, which could then work out an arrangement accordingly with the sugar beet growers similar to the arrangement between Canadian Sugar and the sugar beet growers?

MR. MOORE: Mr. Speaker, a number of discussions have been held with respect to the Picture Butte plant. We've been advised by Canadian Sugar Factories Ltd. that they are not interested in selling the Picture Butte plant as a going concern in terms of a sugar beet refinery. Indeed, some of the equipment in that plant is being relocated at Taber and elsewhere.

I might add that the sugar beet growers in the Lethbridge Northern Irrigation District have conceded that the plant closing has now been finalized, and they're directing their efforts toward other matters that are important to them if they're going to continue growing sugar beets in that area. Of most concern to them at the present time is the maintenance of two pilers in that area, one at Picture Butte and one at Turin, I believe. It was that particular point that the beet growers association was most concerned about when we met with them last Friday.

I would have to indicate that in a telephone conversation shortly after that, Mr. Hetherington, president of Canadian Sugar Factories, indicated to me that the company would indeed make a two-year commitment, which I understand is what the growers were seeking, to maintain pilers in the Picture Butte area. So I think we've done basically all we can at the present time to ensure that Lethbridge Northern Irrigation District farmers are able to continue growing beets, and that they have the opportunity to market them by way of the continuation of the pilers in that area.

Just in conclusion, Mr. Speaker, the Minister of Transportation may want to add some comments

about the work being undertaken by his office with respect to the bridge, the road, and other ongoing transportation problems there.

DR. WALKER: A supplementary to the minister. I wonder if the minister would indicate what sort of response the federal government made to your request for a sugar policy.

MR. MOORE: Mr. Speaker, thus far we've received no response to our verbal and written requests to the federal Minister of Agriculture that his government consider the development of a national sugar policy. I don't find that totally unusual. However, I would hope that the federal government is pursuing the matter and determining how such a policy might best be put into place.

MR. GOGO: A supplementary, Mr. Speaker, to the hon. minister. Would the minister anticipate a change in attitude on behalf of the federal Minister of Agriculture in the forthcoming federal election?

MR. SPEAKER: Possibly the hon. member might make his own prediction in that regard.

MR. R. SPEAKER: A supplementary to the Minister of Transportation. Would the minister elaborate on the proposal for widening and strengthening the road between Picture Butte and Coaldale or Turin?

DR. HORNER: Mr. Speaker, those matters are well in hand. We've advanced the design for the reconstruction of the Nolan bridge, and we will be talking to the county of Lethbridge relative to strengthening the road from there and the approaches to Coaldale itself.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister to clarify the answer. Is the minister indicating that special funds will be made available to assist the county of Lethbridge to build the road and bring it up to standard?

DR. HORNER: Yes, Mr. Speaker. That's essentially the way it will be done, because it's not in the other ordinary programs.

MR. TAYLOR: A supplementary to the hon. Minister of Agriculture. Now that the Prime Minister of Canada is becoming all sweetness and honey, would the hon. minister make further representations at this time for a national sugar policy?

MR. MOORE: Mr. Speaker, I'm not sure the context of the hon. member's representations is entirely correct. But we will do our best to ensure that everyone in Ottawa with any authority to put in place a national sugar policy knows about our representation.

#### Coal Research

DR. BUCK: Mr. Speaker, my question is addressed to the hon. Minister of Energy and Natural Resources. I'd like to know if the minister can indicate when a decision will be made on the location of the proposed northern Alberta energy research building. This is the centre that will have emphasis on coal research.

MR. GETTY: Mr. Speaker, I hope to be making a statement in that regard sometime this week.

DR. BUCK: Mr. Speaker, can the minister indicate if this centre has been slated to be constructed in or near Devon?

MR. GETTY: I would just repeat my previous answer, Mr. Speaker.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. If he has the information, can the minister indicate to the Legislature if several areas in northern Alberta have asked for consideration to have the centre built there?

MR. GETTY: Yes, Mr. Speaker, areas in both southern and northern Alberta.

DR. BUCK: Mr. Speaker, can either the minister or the Minister of Business Development and Tourism indicate if a representation has been made from the Grande Cache area?

MR. GETTY: Yes, Mr. Speaker.

#### Rapeseed Diseases

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. Could the minister report to the Assembly on the recent warnings regarding a new strain of rapeseed blackleg which may affect Alberta rapeseed growers this year?

MR. MOORE: I can report briefly on that matter, Mr. Speaker, by saying that the problem was first identified in northern Saskatchewan in last year's rapeseed crop. We know that from time to time some seedstock does move from Saskatchewan into Alberta. It is important, therefore, because of the possibility that the disease could find its way into our rapeseed fields, that all farmers use a very inexpensive treatment, which is available on the commercial market, to ensure that such a problem doesn't occur. Information on that is freely available either from my office or from various branches of the department across the province.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Does the government plan to inspect all supplies of rapeseed coming into Alberta this coming year, to deal with the rapeseed problem?

MR. MOORE: No, Mr. Speaker. The hon. member may not be aware that the disease problems or varietal purity problems, those kinds of things, are really under the direct authority and responsibility of the Canadian Department of Agriculture, and certified and pedigreed seed is under the jurisdiction of The Canadian Seed Growers' Association.

It is important that farmers do two things: first of all ensure that the seeds they are purchasing for rapeseed seeding are pedigreed seeds that are inspected and tagged. That will assist not only in ensuring that the incidence of the possibility of disease is limited, but also in ensuring that they have a good-quality seed that's relatively weed-free. In addition, every farmer in the province who is sowing rapeseed

should avail himself, at a cost of about 50 cents an acre, of a treatment powder that prevents not only the disease the hon. member is referring to, but the incidence of flea beetles and a number of other problems that could occur.

So there are ample means and ways in which a farmer can protect himself. Frankly there are no practical means by which our department could stop seed coming across the Alberta/Saskatchewan border, or any other provincial border, in order to ensure inspection.

#### Trade Negotiations

MR. COOKSON: Mr. Speaker, I'd like to ask a question of the hon. Premier. It stems from reports of a speech given at the Canadian Petroleum Association in Calgary last Thursday. It also has to do with our bargaining position with regard to agricultural products in Alberta vis-a-vis our surplus gas. Could the Premier indicate whether there has been any change in our earlier position of exchanging gas to the United States for further breaks with regard to agricultural products?

MR. LOUGHEED: No, Mr. Speaker, there hasn't. The position by the provincial government as expressed here in the Legislature has been constant. We've said that we would authorize the approval, subject to the recommendation of the Energy Resources Conservation Board, of accelerated natural gas supply to the United States beyond our needs here in Alberta, provided we had improved access for agricultural products into the United States: the very position I took with Vice-President Mondale when he was here. No, there's been no change in our position whatsoever.

MR. COOKSON: Perhaps I could ask a supplementary, Mr. Speaker. Could the Premier bring us up to date on any further negotiations with regard to this exchange as opposed to our earlier position? In other words, have we made any progress?

MR. LOUGHEED: Mr. Speaker, it's difficult to say, because the time frames have been delayed somewhat in terms of the pressure by the United States authority to require accelerated natural gas supply from Canada. The delay essentially stems from delays in the United States Congress on an energy bill — on which Senator Jackson's Congress committee is just now past its conference stage and reporting, I believe — which deals with natural gas deregulation. Our best judgment at the moment is that until that bill becomes law in the U.S. Congress, there will not be an ability for the producers of natural gas in Alaska to determine their position so that the pipeline can proceed. Some are now forecasting a delay of perhaps a year, but not more than that, in the Alaska gas pipeline project.

That delay, of course, then reduces the pressure for the prebuilding of the line from Alberta south. It's the prebuilding of the line from Alberta south where the American government interest involves the question of accelerated natural gas supply from Canada, and from Alberta in particular.

Therefore it would seem to me that it is at that stage, if I could respond to the hon. Member for

Lacombe, Mr. Speaker, that we will ascertain whether or not the American government is sufficiently interested in the natural gas to accede to our requests, which we think have been general and flexible enough to permit them to respond positively to it. So to that extent there has been some delay.

MR. COOKSON: Perhaps just one further supplementary to the Premier. Is the Premier apprized of negotiations which I understand are going on continuously with regard to GATT, the General Agreement on Tariffs and Trade; and could he advise whether this particular issue has ever been raised or discussed at the GATT level?

MR. LOUGHEED: Mr. Speaker, no. It would not have been discussed in any official way at the GATT level in Geneva, because it involves bilateral negotiations. However, it's affected by the GATT negotiations, because the American proposals — which are proposals only, and have been extended in confidence to Canadian authorities and are now being studied by our administration — involve some movement by the United States government with regard to that offer. That movement is significant, but we haven't completed our evaluation of it. So they are tied together, in the sense that the degree of the American offer responsive to the pressures initiated by the Alberta government could be relevant to us, but as part of the GATT negotiations.

#### **Harder Report**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Education. It's with regard to the Harder report. At a meeting earlier this morning some teachers raised with me the concern that there was not enough time to make submissions to this committee reviewing the Harder report. I wonder if the minister has considered extending the time periods for submissions or for interviews with regard to the Harder report.

MR. KOZIAK: Mr. Speaker, that's the first indication I have received that would fall into the category of a request for an extension. I don't know how that generally applies across the province. At this point, I think those interested in responding should do so within the time lines prescribed. However, I'm sure the Curriculum Policies Board would always be interested in receiving responses with respect to any aspect under its consideration.

MR. R. SPEAKER: Mr. Speaker, a further supplementary. Could the minister indicate what steps will be taken following the completion of the study on the Harder report?

MR. KOZIAK: The steps that will be taken won't be so much with respect to the Harder report as subsequent to the adoption of goals by this Assembly. Once we have adopted goals in this Assembly, then of course comes the task of determining how or what changes are necessary to implement those goals. Do we have to add courses or subtract courses, do we have to provide different emphasis on different courses? Is the approach we take with respect to emphasis in various grades correct?

So the Harder report is a sort of preliminary to this, in that it will provide the Curriculum Policies Board with needed public reaction to some stated opinions. The Curriculum Policies Board will then provide to me, after we have made decisions here in the Legislature on goals, recommendations and advice on what changes in curriculum should follow. When making those recommendations and providing me with that advice, they'll be cognizant of the types of reactions received from across the province to some of the suggestions contained in the Harder paper.

#### **Natural Gas Marketing**

MR. CLARK: Mr. Speaker, my question is to the Minister of Energy and Natural Resources. It flows from questions we asked a week or 10 days ago dealing with — whether it's a gas bubble or a gas balloon, depending on the hearings the ERCB now has. My question to the minister, though, is: have there been discussions between the ERCB and the government with regard to looking at the concept of prorating of gas production in Alberta?

MR. GETTY: Mr. Speaker, in the course of the cabinet energy committee considering the implications of the natural gas surplus in the province, one of the alternatives considered was the prorating of natural gas production. However, it was not accepted as a solution at this time, due to tremendous complexities that might be involved dealing with 20-year contracts and trying to be fair to producers.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Has the government asked the ERCB to attempt to develop a scheme by which either the concept of prorating would be used, or some other scheme which would guarantee producers some access to the market, especially small producers who aren't able to get their gas to market?

MR. GETTY: Mr. Speaker, it doesn't really appear necessary at this time to go into a prorating scheme. Sometime in the future, should conditions change, the government may ask the ERCB to look at the complexities and recommend a scheme. However, the Leader of the Opposition should realize that producers of oil and gas are seldom guaranteed immediate markets.

MR. CLARK: Mr. Speaker, one further supplementary question to the minister. Has the government asked the ERCB, or do they have studies going on in the minister's department that would come to grips with the problem of small Alberta and Canadian companies which have excess gas or gas they can't get markets for? Between the minister's department and the ERCB, are any studies or schemes — plans, I'd better say — being developed at this time that would come to grips with that problem, having regard especially for the small Alberta and Canadian producer?

MR. GETTY: Mr. Speaker, we aren't attempting to develop a scheme or plan right now. I draw the attention of the Leader of the Opposition to the fact that two major natural gas removal permit applications are now before the Energy Resources Conservation Board. One of the applicants is actually advertis-

ing in the paper and requesting producers who have shut-in gas to contact them so that they can enter into contracts.

#### **Fire Prevention**

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Minister of Labour. It flows from the tragic hotel fire on the weekend. I would ask the hon. minister whether the government has been able to give any consideration to forwarding the January 1, 1979, compliance date for the installation of smoke detectors in all hotel rooms in Alberta.

MR. CRAWFORD: Mr. Speaker, I've not yet received an assessment in respect to the particular tragedy that occurred in the city of Edmonton. It is certainly not clear that any smoke detector failed to function in the circumstances as they're available at the present time. But I would acknowledge that that's an important matter to be followed up.

The hon. member's question about advancing the date in regard to existing structures which will be required to have smoke detectors installed by January 1, 1979: at the present time no further consideration has been given to changing the date.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Will the government undertake to have officials of the fire prevention branch meet with downtown hotel managers to discuss what extraordinary security measures might be taken in light of what seems to be an unfortunate but current rash of fires in the downtown area?

MR. CRAWFORD: Mr. Speaker, I would be surprised if the parties directly involved, being the management of the hotels and the fire department of the city of Edmonton, hadn't by now given a good deal of consideration to the very worrisome problem. Certainly there is no need not to accord with any view expressed that a special look at it would be in order.

#### **Syncrude Accounting**

MR. LEITCH: Mr. Speaker, on April 10 the Member for Spirit River-Fairview asked me some questions concerning the accounting manual relating to the Syn-crude project, and in particular whether its terms had been finalized.

Members will recall that the accounting manual formed part of the Alberta Crown Agreement and was tabled in the Assembly shortly after that agreement was signed in April 1976. But the manual was not finalized, in that there was provision in it for continuing discussions regarding items of expenditure that had been incurred between February 22, 1972, and the signing of the agreement. The Provincial Auditor, now the Acting Auditor General, has done a review of those items, and I would expect to get that review in the immediate future.

#### **Housing and Public Works**

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Minister of Housing and Public Works. Nothing like getting your feet wet right away.

My congratulations to the hon. minister. I wonder

if he has any immediate objectives as the minister of such an important department.

MR. CHAMBERS: Mr. Speaker, through force of habit I was just about to refer the question to the Hon. Don Getty. I guess I can't do that any more.

I think it would be fair to say that my immediate objectives are really to become thoroughly familiar with the department. It's obviously a large department. I've had a number of discussions with senior people already. It's obviously been an extremely well run and efficiently organized department, thanks to the hon. Member for Edmonton Gold Bar. So I would say that is my first basic objective.

MR. SPEAKER: I think the hon. Minister of Business Development and Tourism wishes to supplement some answers.

#### **Petrochemical Plants**

MR. DOWLING: Yes, Mr. Speaker. On Thursday last the hon. Member for Clover Bar asked at what stage of construction the Alberta Gas Ethylene plant in Joffre was.

The plant's construction work is 40 per cent complete at the moment, on schedule to be completed by August '79, and on budget. Dow Chemical's construction work at Fort Saskatchewan is 40 per cent complete on the vinyl chloride monomer plant, 25 to 30 per cent complete on the chloralkali plant, and 25 to 30 per cent complete on the off-site work. The ethylene oxide, ethylene glycol, and power plant work have just commenced.

With regard to the second question, what percentage of construction firms involved in the building of the Joffre plant were Albertan: at the present time 19 construction firms are working at Joffre, of which one is from British Columbia, one from Saskatchewan, and one from Toronto, with the balance of 16 from Alberta. All of the direct-hire labor on these jobs comes from Alberta, with only some supervision, which would amount to about 1 per cent, being provided from the home office.

#### **ORDERS OF THE DAY**

MR. SPEAKER: Would the Assembly agree to revert for just a moment to Introduction of Special Guests?

HON. MEMBERS: Agreed.

#### **head: INTRODUCTION OF SPECIAL GUESTS (reversion)**

MR. TESOLIN: Thank you, Mr. Speaker. It gives me pleasure today to introduce to you, and through you to members of this Assembly, some 41 grade 10 students from the J.A. Williams high school in Lac La Biche. They are accompanied by their teachers Miss Tarrabain and Mr. Wagner. I would ask that they stand and receive the usual greeting of this Assembly.

head: **GOVERNMENT MOTIONS**  
(Committee of Supply)

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will come to order.

**Department of  
Business Development and Tourism**

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. DOWLING: Mr. Speaker, I would like very briefly to remind hon. members that we have two branches in our department, one being the business development section. It is split up a little bit, in certain branches. I'd like to just review them for you.

We have a regional development branch. The purpose of this branch is to establish as far as possible a departmental presence in rural Alberta. For example, last year we had five small business management assistance programs initiated in communities such as Drumheller, Innisfail, Edson, St. Paul, and Peace River. In addition, two management guides were written: Starting a Business in Alberta, and Financing a Business in Alberta. These were done because we feel that although the private sector does present this kind of document to its customers — the Royal Bank is one the hon. Member for Calgary Currie mentioned the other day. The problem with that document is that it advertises a specific firm, and it is specific for Canada, not for Alberta. So we feel there's a need for a specific Alberta document, and we need sizable quantities of them. Three new rural development projects were initiated last year: Buffalo Lake, High Level, and on the south shore of the Slave Lake.

We have an industrial development branch. This branch monitors major construction projects, whether or not they are subject to ERCB regulations by way of industrial development permit. We have received substantial co-operation from the private sector in indicating to us the type of Alberta involvement in the projects. We continue to identify the gaps and opportunities for Alberta industrial structure, particularly in the areas of materials handling, equipment, specialty chemicals, petrochemicals, electrical products, and that type of operation.

We have a marketing division, which commenced implementation of strategies to market Alberta industrial products outside the province, to the United States, southeast Asia, and the Middle East. We've introduced a marketing consulting program for small business in Alberta.

We also have a trade development branch, which participated in major oil equipment shows in Aberdeen, Scotland, and in Singapore and, associated with companies, participated in a wide variety of trade shows in Canada and the United States. A couple of shows are coming up this year, which we're proposing.

For this year also, we have a major increase in budget spending forecast in the area of assistance to small business, support of business and trade fairs, and encouraging missions of foreign buyers to Alberta, thereby stimulating export sales. We intend to expand our counselling activity in rural Alberta. As I

said, we are participating in additional offshore shows, a Middle East show and a Bahrain show in that part of the world.

With regard to Travel Alberta, the tourist branch, we've taken a position that we have to put a greater accent on in-Alberta travel. Thus we've initiated a program called Stamp Around Alberta. Some 700,000 passports were delivered to every home in Alberta over the last few days. In the four or five days the program has been in operation, the latest report today was that we've received 20,000 inquiries. We've had to undertake the hiring of 10 additional staff in order that we can respond to those inquiries very quickly.

We use the rifle approach with regard to most of our activities in the department. We feel that's a more effective way, rather than the blanketing of consumers in the California area to convince them to come to Alberta.

With those few brief remarks, Mr. Chairman, I'd like to say additionally that under our department we have the Alberta Opportunity Company, the Research Council of Alberta, and the Northern Alberta Development Council, and I would invite questions on the departmental expenditure.

DR. BUCK: Mr. Chairman, I'd like to ask the minister one or two questions. I'll be asking others as we go through different sections of the budget. First of all, I would like to know if the minister can indicate the government's philosophy, the game plan of the department, as to which are going to be the growth centres and which are not. It's fine to talk about decentralization and spreading industry throughout the province. Nobody can argue with that philosophy. But there must be some type of policy to look at the broad outline of the province of Alberta and somehow or other decide on which would be the so-called growth areas. I'll be looking forward with interest to find out from the minister if there is such a policy. If there isn't, is the government or the department going to come up with such a policy?

Secondly, in relation to the Alberta Opportunity Company, can the minister indicate if the level of activity has increased as to volume and amount of lending, and what their success ratio is? And most importantly, has the process speeded up? When a person makes an application, has the time from the time the application goes in until the Alberta Opportunity Company makes a decision been cut? I'm sure the minister, as a businessman, can understand the frustration many people have when they make an application for something they think is going to be very worth while and a decision on the application cannot be reached for months. These are some of the areas.

In discussing the estimates, I'm sure the minister will give us an indication of what happened with the dismissal of Mr. Kruger — the process that's being developed in the Research Council of Alberta. Also, can the minister indicate to us the work going on in coal gasification in the Research Council of Alberta, if that's still in that department?

The Minister of Energy and Natural Resources indicated there would be a northern Alberta research centre going in someplace or other. I'd like the minister to indicate to us, because it concerns his constituency, what chance there is of Grande Cache having



that. I believe the people in that area are concerned, because it's a one-industry town. They would like to diversify. With those brief remarks, Mr. Minister, we can get started with the estimates.

One other area in which the minister possibly can give us some indication as to the government's philosophy: the activities in the new trade development branch, which I presume took over from the ill-fated Alberta Export Agency. Can the minister indicate the action in that section? We can get started from that point, Mr. Chairman.

MR. CHAIRMAN: Mr. Minister, do you wish to have all the questions and then answer them, or do you wish to answer them individually?

MR. DOWLING: For a start, Mr. Chairman, I can answer these questions. Then as they start stacking up, perhaps we can let them stack up.

First of all, with regard to growth centres, we do not forecast which areas of the province will be growth areas and which will not. Our philosophy is that those few people in every community who are initiators will undertake to make their community grow. There is no doubt about that. We've seen it happen, and I'm sure you have, time and time again.

We've identified — of all the towns in Alberta, there has been a substantial turnaround in growth. In the main, the people responsible for that turnaround in growth have been resident in those communities. I believe there are now — I was looking for a document I thought I had — some 43 communities, 43 towns and villages in Alberta which have stable growth and are not really taking off like so many other communities are. That really is the responsibility of the local people.

We try to help them by establishing regional development projects, establishing offices for our regional development branch throughout the province to try to stimulate growth, and really initiate or help the community people to initiate their own economic development. We try to establish economic development committees through the chambers of commerce and so on.

With regard to AOC volume, it did slip substantially over a short period of time. It's picked up now. We believe it's back to the original level. We always have had some problem with turnaround time on applications for loans, but most of those times it's an application that requires considerable study by the board of the Opportunity Company, who are 10 or 12 in number. They really have to be apprized of the total issue before they can make a decision. I meet with the managing director and the chairman of the Opportunity Company pretty well once a month to try to iron out all the problems that come up from time to time.

With regard to Mr. Kruyer of the Research Council: in 1975 he began to work on a project called the oleophilic sieve process for separating bitumen from the sand. The process showed promise in that it used a great deal less heat, water, and steam than the normal procedure. It proceeded until about 1977.

Since AOSTRA is very much involved in this oil sands energy type of research, it was asked to examine the potential of this operation or sieve process being commercialized. I understand that was done last May or June. There was an indication from

AOSTRA that certain things had to be done before they could look at it further.

We then asked Dr. Wiggins, who was then the number one man at the Research Council, to write a letter to Mr. Kruyer assigning his rights to the patents for that process to the Research Council. Mr. Kruyer had no difficulty signing the document, but he placed with the signature several conditions which the Research Council could not live with. One of those was that he would be the project manager throughout the entire life of the project as it went forward. I'm sure his concern was that the process might be shelved. But having turned it over to an organization like AOSTRA, which is most anxious to have new processes developed, we didn't feel that was justified. Mr. Kruyer would not sign the document.

We sent a further letter just a short time ago, and demanded that he sign it, which is really living up to the terms of the act. Section 14(1) requires that anybody involved with the Research Council must assign his patent rights to the Research Council. So we have no choice.

The last matter, the research centre for coal: I have had visits from a delegation from the Grande Cache area with regard to the establishment of a coal research centre in Grande Cache. That presentation was made to me and passed on to Mr. Getty as Minister of Energy and Natural Resources. As the hon. minister indicated earlier, he would be in a position to make an announcement with regard to the centre by the end of this week.

You should know that I received additional representation from Grande Cache today. A further presentation is coming forward which I expect to receive by bus within the next couple of days, which will automatically be taken to Mr. Getty. In view of the shortness of time, that's what we propose to do.

On trade development, we've undertaken to use the rifle approach, as I indicated briefly, with regard to the areas in which we are involved. We identify product that can be sold in certain areas of the world. For example, in Russia we know that oil field equipment, lift systems, engineering technology are really important things to be sold from Alberta because of our experience in northern climes.

Of course you recall a mission by the Premier to Russia, primarily to interest the Russians in purchasing wheat and agricultural products. Our mission just prior to that was obviously a lower level mission, but it gained admittance for a lot of Alberta entrepreneurs to the Russian field. As a result of that mission, we understand sizable contracts have been signed between Russian officials and Alberta companies.

Mr. Chairman, I believe that answers the questions asked to the moment.

DR. BUCK: Mr. Chairman, I don't recall if the minister really did answer the question on the length of time required when an application goes before the Alberta Opportunity Company to the time a decision is made. To the minister, who is a businessman: the time lag is very, very important to a person who is going into some type of endeavor.

The minister is well aware of the situation we were both involved in, where a fellow businessman in my community had an application in for 18 months. Finally some action was taken, but this was long after the man had already obtained financing. I was very,

very disappointed that no decision could be made in 18 months. Business just doesn't operate that way. The men who sit on the board of directors of the Alberta Opportunity Company, who are all businessmen too, know that business doesn't operate that way.

This might have been an isolated case, but I would certainly like the minister to indicate if this system has been short-circuited, or something has been done, or if the backlog of applications has been caught up with so decisions can be made very, very rapidly. I know the field force is available to gather the applications and look at them, scrutinize them, and send them down to Ponoka to make those types of decisions. I'd like to know if the minister can enlarge a little more than he did on whether the process is being speeded up.

MR. DOWLING: Mr. Speaker, I appreciate the hon. member's concern; it's one I've always had. There is on occasion a fairly lengthy delay between application and actually proceeding with the loan. If it's to be proceeded with or if it's to be refused: that's all most people want to know, either a yes or no. If it's no, they can go back with a further application.

It causes the Opportunity Company some concern too. I thought I answered the question by saying I meet with the Opportunity Company's senior people — the chairman of the board, Mr. Chapman, and Mr. Clark, who is the managing director — probably eight times a year. I always remind them that there is concern about length of time, about availability of Opportunity Company staff. Therefore offices were opened in southern Alberta, Calgary — we had one in Edmonton — Ponoka, and Grande Prairie.

So we are trying to speed it up. The Opportunity Company people travel throughout the province to visit various small communities and indicate what they are, what they can do for them. It really isn't an automatic source of financing, but it is a last resort type of financing. I appreciate the hon. member's concern.

DR. BUCK: To the minister, Mr. Chairman. Does that mean 18 months or six months?

MR. DOWLING: Mr. Chairman, as fast as possible is all I can say.

DR. BUCK: Is the time being compacted? Eighteen months is a "forget it" type of thing. Have we now got the system under control where a person who makes an application — and let's say it looks like a reasonable application, and the chances are fairly favorable that the application will be processed and passed. Can the minister indicate to me what we're talking about in ballpark figures? I don't want to know to the last minute, the last hour. Does it mean six months, three months, or 18 months?

MR. DOWLING: Mr. Speaker, I can recall applications being made and the details being put together in a matter of weeks. In other words, the fellow who was making application for the loan came with a package that the Opportunity Company could deal with in that month; they meet every two weeks or so. So the application was dealt with and the loan was granted within a matter of three or four weeks. It varies

depending on whether it's a brand new project, whether it's something the Opportunity Company knows nothing about at all, whether they have to hire outside consultants to gain expertise in the field, that kind of thing. It's very difficult for me to put an actual figure on it, but some of them were processed extremely fast. Those are processed fast because the fellow has come forward very well prepared.

I know of the instance the hon. member is concerned with. He apprized me of it earlier. As I say, I have some difficulty intervening. In fact I don't. I simply say, could you please do something about this application? I might do that three or four times until it's expedited and finally completed.

DR. BUCK: One further question to the minister. I've had representation made to me, and I'm sure the minister has, about the struggling young baby we have in the province, called the plastics industry. The people involved are having a little trouble trying to wake the government up to the fact that we have a potential for a plastics industry in this province. They seem to be getting more and more frustrated all the time that the government doesn't seem to listen to their voice in the wilderness. Can the minister indicate what stage we're at in the plastics industry in the province, and if help is available for those people or not?

MR. DOWLING: Yes, as it is to any entrepreneur who wants to make application; most assuredly, if he fulfils the requirements of the Opportunity Company. You should know that not too long ago we met with, I think, four or five members of the plastics industry. They stated their concerns. I know of the application you speak of now, but I only know it as an application. I don't know the details of it. I understand the applicant is required to do some things, and I don't know the details of them. I've asked our department — I just said, there are some problems; one of you fellows from the department go and talk to this chap and ask if you can help him. That's all we want to do: just ask if we can help him make his application.

The big problem with the plastics industry is the unfortunate situation that the bulk of it is in central Canada. The sectoral proposal that is now being mooted as the panacea for all the economic ills of Canada would provide something like 100 delegates from central Canada to a sectoral conference, and maybe two from Alberta, which really doesn't give us much of a leg up. So we're very much aware of the problem and are not in favor of the sectoral proposal.

DR. BUCK: Mr. Chairman, we seem to be almost forgetting about tourism, which is another area of the minister's responsibility. I'd like to know if the minister can indicate, or if the department has had any research done on the potential that may accrue to Alberta because of the devaluation of the dollar. Unfortunately it seems that our tourist dollar volume may be going up, but I think we can look at inflation for part of this. I've had many people express the concern to me that our potential for tourism from the United States may be wanting.

Mr. Chairman, the reason I say that to the minister is that we have to face some of the economic facts of life. Because we have an overheated economy in Alberta, or a heated economy I should say, our serv-

ice industries are having the problem that all people have when the economy is heated; that is, trying to keep up with the wage scales being offered in other industries. So the food industry, the lodging industry, and the costs of the tourists coming up to Alberta are very high in relation to what is happening in the United States. I'm sure the minister is aware of this problem. The industry is aware of it. Can the minister indicate if that is going to cause us a problem down the road, or will the devalued dollar take up some of that slack?

MR. DOWLING: Mr. Chairman, just very briefly, three things put us in good stead this year, besides the things that will draw people to Alberta because of the 255,000 square miles of territory I spoke of earlier. One is the Commonwealth Games; that's a real positive. We do not have sales tax; that's a significant thing when it comes to purchasing goods and services. We do not have a gasoline tax. And we have the devalued dollar. We think those three things will be significant.

Since 95 per cent of our traffic comes in by motor car with families, we believe there should be an escalation of traffic from the United States. Last year there was a dip in traffic from the United States, which was a little disappointing; a substantial increase of overseas travel, mostly from the United Kingdom. But we're looking for a substantial increase this year, bearing in mind those few features.

I should just give you some of the problems we have. We have a wage differential between here and the United States. We have a problem of construction of motels and hotels, and a problem of construction generally, which is a difficult situation. We have distance. Distance is no problem if people want to come to a foreign country. They have a friendly one right next door to the United States, which speaks the same language and has all kinds of positives. So we're still looking for a plus figure.

DR. BUCK: Mr. Chairman, to the minister. The question I directed to the Minister of Transportation, to do with the problem of people trying to get through customs at the International Airport: I'm sure the minister is aware of the problem. I would like to know if the minister is using his influence in any manner at all, at least when the Commonwealth Games are on, and before and after the Commonwealth Games, to solve the problem there. I'm sure the minister has been receiving representation and complaints in his department about the hours people have to spend in customs. The system there is practically not functional when you unload 450 people at 2 o'clock in the morning. I would like to know if the minister, in conjunction with the Minister of Transportation, is trying to really put the heat on Ottawa to see that we get some help there. It is a real problem, especially with the air traveller.

MR. DOWLING: Absolutely no question, Mr. Chairman, we are right behind the hon. Minister of Transportation and the Minister of Federal and Intergovernmental Affairs in their efforts to do something about the customs problem. The situation is simply that, bearing in mind the archaic nature of the terminal, half a dozen people in customs are working at

a disadvantage. The facilities are just not there to work a very fast clearance.

Some time ago I can recall landing in Winnipeg. There were only two customs people on, and 450 people on the aircraft, or something like that. It was impossible.

MR. NOTLEY: Mr. Chairman, I'd like to cover two or three areas. If I've covered ground already trod by the Member for Clover Bar — I was out for a few moments — the minister can just indicate that.

First of all, I'd like the minister to bring us up to date on where things stand on the Firestone question in Calgary, whether or not he has held any recent meetings with Mr. Moore, president of Firestone Canada Ltd.; whether, in addition to the employees who expressed some interest, there are any feasible people in the private sector. It's my understanding that at least one smaller company has expressed some interest in the Firestone plant in Calgary.

Secondly, Mr. Chairman, I'd like the minister to outline to the House specifically what changes he sees in the operation of the Alberta Opportunity Company with respect to the whole question of native entrepreneurial development. Several years ago we had the proposal for an equity fund. Apparently that has been modified. But I am interested in eliciting from the minister what guidelines are going to be set by the Alberta Opportunity Company for natives getting into the business world.

I suppose one could say that one has to set precisely the same guidelines that one does for anybody else. But the problem with doing that, it seems to me, is that it doesn't take into account some of the special differences. If we are to encourage people to develop businesses in the native communities, we may have to be prepared to look at a higher rate of risk than would otherwise be the case. So I should like some comments by the government on that question.

Thirdly, Mr. Chairman, I'd like to ask the minister — this flows from the survey of industrial projects, January 1, 1977, and the proposed projects, January 1, 1977. I haven't seen any lists for 1978. Has that not been compiled yet? Is it in the process of being compiled? Would the minister indicate where we stand on that matter?

Flowing from that question, Mr. Chairman, I would ask the minister to outline to the House how he sees a strategy for development which allows us to shift from a fairly high reliance — as I look at these figures: petroleum and petrochemical projects under construction, approximately 78.08 per cent on January 1, 1977; proposed projects, just under 72 per cent. In the case of our renewable resources, a very low percentage: forestry, 0.48 per cent; agricultural processing, 0.62 per cent. Of the proposed projects: agricultural processing, 0.14 per cent. I would like to elicit from the minister what latitude he sees at this stage. Obviously we're not going to be able to move from these figures to shifting things around overnight.

I think it's also fair to say that the energy-related projects tend to be more capital intensive, and the net value of the project to be somewhat greater. But when I look at the number of jobs created here, I would like to get some indication from the government of how we see the province making the shift

from where the emphasis clearly is on the non-renewable sector of the economy, to a gradual but planned move to the renewable resource industry.

MR. DOWLING: First of all, an update on Firestone. We have now communicated with the people we met, the former president and another official from the United Rubber Workers of America, with an extra copy of our communication to him that he might pass on to the new president, because we weren't formally apprized who that was. We could have done it, but I thought it only fair that we communicate with the people we met.

In that letter — and I'm assuming they have it by now — we told them that we communicated with Mr. Moore, the president of the Firestone organization, who indicated that they were most assuredly interested in selling their facility with basic machinery in it. But with regard to those things that are patented or proprietary rights, and the Firestone label, they would not be able to let those go, because it would mean they'd be manufacturing their product in Alberta in competition with Firestone at some other plant.

We assigned a person from our department to be the contact. We examined, in-house, the potential for utilizing that plant site, either for a like purpose or for some other purpose. That's in the process now.

The last item was to determine what was available to the employees of the company with regard to relocation, and so on. We indicated the latter was a federal program now in place, which I am sure those employees already knew.

We have not received a formal presentation to the government with regard to the rubber company that wanted to take over the facility, and we understand he's a little exercised that we haven't communicated with him. I'm not. But the company, whatever the name is, United Rubber, is a little exercised because we haven't communicated with them. I'm a little exercised at the company. If he wants the government to do something with him, then I would suggest that in the free enterprise spirit he might come and apprise us of what he wants to do. We have a copy of a communication to the United Rubber Workers people which, as I say, we are examining for potential.

The other point is: just today I received an indication that a firm in Alberta is willing to negotiate with Firestone on its own. I suppose that is going forward, because there has been some communication with Mr. Moore, the president.

With regard to AOC and the changes that might be forthcoming with regard to loans to native people who want to take up some entrepreneurial effort: Mr. Bogle, the minister in charge of native affairs, and I met with the Opportunity Company some time ago, which he already indicated to the House. As a result of that meeting, the Opportunity Company board appointed a committee to examine all the details of what it would mean to become involved in some new way in an attempt to bring about some entrepreneurial spirit in the native community. That report has been presented to me in part. It's now up to Mr. Bogle and me to sit down and examine the details of it with our departmental people.

You should know the Opportunity Company now loans money to native organizations. The hon. member might be familiar with the Fox Creek lumber co-op

in my constituency, which has operated extremely successfully over a number of years, since I've been involved in politics and probably even before that.

With regard to the list of industrial projects issued January 31, 1977: the new edition is now being developed and will be out very quickly. Every member will receive a copy. I, too, am concerned about our reliance on non-renewable resource industries. But I think the hon. member should be aware that in order to put together a package of additional industrial developments, you first have to have major ones like the petrochemical complexes. My concern now is that we do everything we can to make certain the condensate plant, the so-called Petalta organization, gets off the ground and therefore provides an opportunity for additional secondary and tertiary industries to develop. They may be related to petrochemicals or oil resources, but they are not directly oil resource industries.

Our ag. processing, forestry, lumber, steel, and any other industries are all in their infancy. In our own way all of us, the Department of Agriculture, the Minister of Agriculture, are trying very hard to stimulate that kind of development. The hon. member will know there has been just recently, or will be very shortly, a substantial introduction of a food processing firm in southern Alberta, which will use product from Taber and formerly Picture Butte.

MR. NOTLEY: I'd be interested in pursuing this question for a moment. I'm glad the minister mentioned the question of Taber and Picture Butte.

Mr. Chairman, the reason I raised the questions this afternoon: a number of people have contacted me over the last several months. I look at the document prepared for the minister's purpose — December 9, I believe — The Canadian Sugar Refining Industry, prepared by the industrial development branch, research and analysis branch, Department of Business Development and Tourism. Some of the concerns expressed in this paper perturb me, particularly the executive's summary that suggests we could see the closure of the Taber plant.

Mr. Chairman, I think it's fair to say the answers of the Minister of Agriculture today go some distance in allaying my concern. But — the "but" is this, Mr. Minister — it seems to me that as this paper indicates, we have a virtual reliance on two things that are unhealthy in an industry. The first is we have a monopoly situation, as your own paper suggests. B.C. Sugar in fact has a strangle hold on Manitoba, Saskatchewan, Alberta, and British Columbia. It's a monopoly situation. A monopoly situation is always tricky.

The other part of the coin that in my view is equally disturbing: as far as our sugar refining capacity is concerned, we now are looking at a one-plant proposition. Formerly we had one in Raymond and one in Picture Butte. We now have a one-plant proposition. So we have moved from three plants, admittedly owned by the same company, to a one-plant situation under the control of a company which, by the department's own estimate, is in a virtual monopoly position.

Mr. Chairman, the sugar beet growers I've talked to have expressed some concern. Sure, the fact that they will be able to deliver beets in Turin and Picture Butte for the next two years is helpful, and clearly the

meeting last Friday was helpful. But they're concerned about a long-term commitment.

Now I realize the overall answer has to rest with a national sugar policy that commits a higher percentage of domestic sugar consumption to sugar refined from sugar beets as opposed to sugar cane. I don't think there's any question about that. But it seems to me we have the problem of how we reach that objective. As I see it, at this stage anyway, there's too much reliance on one particular company.

I'd like the minister to take a few minutes to go into some detail why Canadian Sugar would not be prepared to sell the Picture Butte proposition. It seems to me if it's a viable proposition — and the growers who talked to me say it's a viable proposition — then surely that would be much better. We have a twofold policy. The minister indicated that one part of the policy today — and I agree with it — is to seek a national sugar policy so we get a certain guaranteed percentage of the Canadian market. That's reasonable. But the other side of that policy would be either through attracting another company or through some arrangement with the growers to keep the Picture Butte plant open, separate from the B.C. Sugar complex, so we would have an indigenous, Alberta-owned operation, or at least owned by another group of businessmen, as opposed to overreliance on, as I say, one company and one plant.

Mr. Minister, I suggest to you that that kind of policy would complement what the government is attempting to do, nail down the financial security of the growers, and make more probable the long-term future of an important industry in the province.

MR. DOWLING: First of all, Mr. Chairman, the Mayor of Picture Butte and the delegations that came to see us a few days ago — I wasn't able to stay for the total meeting, but I was there long enough to hear the mayor say they were most emphatically in favor of solving their own problems. The government could do some things relative to the advancement of an environmental requirement for additional water supply. The mayor very emphatically said: we can solve our own problems; all we need are these things. In the main, I think those things will come to pass.

With regard to the sugar industry itself, I'm sure the hon. member will recall the struggle I had in Consumer Affairs when the price of sugar was escalating at astronomical figures. I was supposed to get in and control the price of sugar, an impossible situation when the price of sugar is dictated by international markets. I'm sure the hon. member is aware of the difficulties other sugar manufacturers or plants are having throughout the United States and the rest of Canada. The problem of the government getting very much involved is indicated by the province of Manitoba, where they are now in dire straits with regard to a forest product industry, and with others that I don't need to go into. I'm most aware that because of the depressed price for sugar cane, there is a movement for offshore cane to come into Vancouver and be manufactured into sugar there. That's a problem.

What we want in Alberta, and what I want in all these instances — Firestone, Picture Butte — my concern, probably as much as that of the Minister of Labour and the Minister of Advanced Education and Manpower, if not more so, is for a guarantee of the

jobs and employment of the people in Alberta. I get a little distressed when a plant closes or when there's some change in structure of employment or when there's an aberration of any kind. In this particular instance we did receive advance notice. I wasn't particularly pleased about the notice. In the case of Firestone I received none, and that didn't make me feel very good. So I wasn't in any position to help, even if there was something I could do.

On the sugar industry, I think it's such an international product that for the government to get involved in a direct way would be an impossible situation. As you know, we have talked to B.C. Sugar with regard to the sale of their plant. They are not interested. They are using it as a storage facility for the moment, and they just don't feel they can let the plant move into the same area they're dealing in themselves.

MR. NOTLEY: I'll make a couple of comments. In his response the minister mentioned the Manitoba government getting into the forest industry. I want to tell the minister that the former government did not particularly want to get into the forest industry. The history of that particular venture, and I'm sure the minister is probably referring to the The Pas pulp mill, is one of the commitments made by the former administration to a group of European promoters who came in and extracted rather substantial concessions in northern Manitoba to build a pulp mill, and then began to renege on the financial commitments. In fact, the government of Manitoba got into that The Pas venture as a result of foreclosing, not because they wanted to but with a certain amount of frustration and bitterness. The consequence was even an official inquiry launched by the government of the day. So it was a matter of receivership.

Be that as it may, I get back to the basic question of what we do in the case of the sugar industry. I suppose there are just two alternatives. I'm sure a number of people would say, fine, don't get involved. Some of the growers who have talked to me — and I might just say that these people can hardly be accused of being socialists, Mr. Chairman. There aren't very many socialists in that area; you have to look few and far between among the sugar beet growers in the Lethbridge Northern Irrigation District. They are all rabid free enterprisers, but they have indicated that they feel the Picture Butte proposition is workable. In the hands of another company, either in conjunction with the growers, as in the present arrangement cited today, between the growers and the B.C. Sugar subsidiary, a similar arrangement would guarantee them — I shouldn't say "guarantee"; that probably isn't the right word. I recognize that in a sugar market you're dealing with worldwide moves, and with approximately 87 per cent of the Canadian market being supplied by sugar cane as opposed to sugar beets, it's very difficult to control the industry. No one is arguing that.

On the other hand of course, Mr. Minister, almost everything your department does — when we're dealing with some of the smaller businesses at least — is in a similar situation. We have very little control over the market; for example, as we consider expanding in the lumber industry, or you cite the example of a plant at Fox Creek. We all know the vicissitudes of the international lumber market. Five or six years ago — less than five or six years ago, three years ago —

the industry had the most serious trouble imaginable.

As a member of the House, Mr. Minister, I would ask the government not to close the door on this matter. It seems to me that it is worth pursuing. If there is no way the company would sell, I would certainly ask why a firm which enjoyed very substantial profits during the huge increase in sugar prices several years ago is not willing to allow a little competition. These are people who claim they are free enterprisers. It seems to me that what we have, as a consequence of your own paper, is not a free enterprise situation. We have a monopoly situation. Mr. Minister, as one looks at this paper at least, the major sugar refineries seem to have carved up the Canadian market. They have one in the Atlantic region, one in Ontario, and B.C. Sugar has a virtual monopoly in the west. Over the long haul that seems to me a fairly tricky situation for our growers, because we are then put at the tender mercies of a company that may or may not continue.

MR. DOWLING: I'd like to correct an impression I left with the hon. member. When I said Fox Creek lumber I was referring to the Beaver Bones Indian group, who are north of Hinton, not Fox Creek, Alberta. They have been extremely successful. A great bunch of native people from my constituency.

On the matter of closing the door, there is no question that we will do everything we can to make sure the growers, who are my prime concern, maintain their quota and are prosperous. I think we try, as the hon. member knows, to create what I consider a climate for development; that is, the no-sales-tax position which we try to maintain, the lowest corporate and personal income tax level, the highest rate of success in business, the lowest rate of failure in business, the lowest energy costs, no succession duties. We really are sincere in trying to create thing like that. We believe that if there's a market for a product, the private sector will move in and develop that product or build it in Alberta.

DR. WALKER: In view of the fact that a few years ago Redpath refineries in the east were fined \$25,000 under the Unfair Competition Act, I'd just like to ask the minister if he would consider pushing the federal government a little into possibly investigating the monopoly situation in Canadian Sugar Refineries too?

MR. DOWLING: No question. If that situation applied, we would be one of the first to initiate it.

Agreed to:

1.0.1 — Minister's Office	\$107,800
1.0.2 — Deputy Minister	\$106,000
1.0.3 — A.D.M. Finance and Administration	\$63,400
1.0.4 — Accounting	\$118,200
1.0.5 — Personnel and Administration	\$177,100
1.0.6 — Legal Affairs	\$11,000
1.0.7 — Public Relations	\$22,600
Total Vote 1 — Departmental Support Services	\$606,100
Total Vote 1 — Capital	\$2,500

Vote 2 — Development of Business and Tourism:

2.1 — Business Development	\$4,078,200
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DR. BUCK: Mr. Chairman, I'd like to ask the minister: in light of the fact that tourism is approximately a \$700 million business in this province, when is the government going to make a move to have a full-time minister of tourism? I've always been very kind to the minister at any public function. I've said I like the man, he's a good fellow. But he has too much to do, being Minister of Business Development and Tourism. This government should possibly eliminate the minister for Calgary affairs and the Associate Minister of Energy and Natural Resources, and replace those two with a full-time minister of tourism. Not that I have anything against the minister for Calgary affairs or the Associate Minister of Energy and Natural Resources, but I believe those two areas could well be replaced, if we're going to look strictly at the numbers game, and have a full-time minister of tourism.

The competition for the tourist dollar is going to become more difficult, more competitive, and I just don't think it's fair to the minister or the tourist industry that we not have a full-time minister of tourism. As I say, I know that the two large departments the minister has are just too big. If we're trying to make tourism a larger and more competitive business, we just have to have a full-time minister who's directly responsible.

Another suggestion would be that we could get rid of either the Minister of Advanced Education or the Minister of Education, and put those two back if we're looking at the numbers game again. The entire thrust, the point I am making, is I believe that because this is a \$700 million business in this province, it deserves a full-time minister of tourism.

MR. DOWLING: Mr. Chairman, all I can do is thank the hon. Member for Clover Bar for his representation. Just one final point: as he knows, in Travel Alberta as well as in the Business Development area, we have tried to recruit people from the private sector who are self-starters and initiate a great deal by themselves. Therefore, if there's any success in our department, it has been because the department is basically private-sector oriented.

Agreed to:

2.2 — Tourism	\$4,560,100
2.3 — Northern Development	\$876,300

## 2.4 — Business Information and Research

MR. R. SPEAKER: Mr. Chairman, to the minister. I believe one of the comments made in the Assembly by some hon. members with regard to manufacturing is — I don't have the quote in front of me — that gross manufacturing in the province of Alberta is two and half times what it was four or five years ago. I wonder if the minister could comment on that particular statistic?

MR. DOWLING: Mr. Chairman, I can't. I should have that statistic at hand. I know it has grown substantially. As the Member for Spirit River-Fairview said, it obviously involves a great deal of manufacturing in the petrochemical area. We're now in the process of

completing the first stage petrochemical: the ethylene plant, vinyl chloride monomer, ethylene glycol, ethylene oxide, and so on. In that first stage there is a great deal more manufacturing in southern Alberta with regard to methanol and fertilizers. All of those are related of course to the non-renewable resource area. There have been some substantial moves in other areas; some of them successful, some not so successful.

I'm delighted that General Foods has decided to locate in southern Alberta, to use some of the sugar product we're so concerned about. We make every effort to seek out opportunities that lie throughout the world in regard to manufacturing; in other words, to determine what products could be shipped reasonably to other parts of the world and could reasonably be manufactured here. We put our thrust in trade delegations to countries outside Canada and in trade delegations coming in. We try to work out schemes so that we upgrade the amount of export we can develop in Alberta.

MR. R. SPEAKER: A supplementary to the minister. The minister hasn't the exact statistic at hand, but in statistics being quoted, I believe it was the gross dollar value of manufactured goods that was two and half times what it was four or five years ago. In considering a statistic such as that, is an inflation factor considered by the department? I believe that's where the statistic came from.

MR. DOWLING: If those figures came from the department, they would be in two forms, one with the inflationary figure and one with the actual dollar value. That's the normal way we present them for consideration of any new project or whatever. They usually come in two forms, 1977 dollars and inflated dollars.

MR. R. SPEAKER: Mr. Chairman, considering the rate of inflation that has occurred over the last four or five years, would the minister consider that in terms of real dollars we really haven't had that much gross production, that maybe today we're behind what was occurring four or five years ago? Inflation is a factor that I don't think has really been considered in that.

MR. DOWLING: I can't comment on the figures that were quoted or used in the House, because I can't recall the instance. But I can tell you we're very aware of the need to expand our efforts in the manufacturing area, and I think we have been substantially successful. There's a long way to go.

As I indicated to the hon. Member for Clover Bar, we're confronted with transportation problems. We're confronted with the high costs of construction, higher wage costs than our nearest competitor, a number of things like that. So we do have some difficulty. It's not a bed of roses. We have a productivity factor which is extremely important. That doesn't necessarily mean the people working in those plants aren't working. It means there is a productivity factor based on cost of producing a unit. We have something like a 66 per cent participation rate by the labor force in Alberta, which is substantially good. So I'm not suggesting for a moment that people out there aren't working. We do have some problems, and we're hoping we can surmount those problems.

MR. R. SPEAKER: Mr. Chairman, to the minister. What type of work is the department or the minister doing in the area of promoting the inventiveness of Albertans? In my own constituency — and I didn't raise this in the remarks I made the other day — there are two fellows who are inventors in their own way. One is inventing and having manufactured at the present time a heavy-duty transmission for either trucks or tractors. He has simplified it very, very much, and wants to put it on the assembly line. Another inventor in the constituency is inventing a long line of all kinds of household articles that are different and new. I met him on the plane the other day. He was on his way to the United States to get financing for this type of thing.

I was wondering what type of focus the minister and the department are putting on matters such as that. Is there any kind of special emphasis, incentive, or encouragement for this kind of thing? I know there's the Alberta Opportunity Company, but I often feel the Alberta Opportunity Company looks at the fellow's financial statement, and often an inventor hasn't got a good financial statement. He's starting out on an idea, and usually he's turned down. What do we as a government do to risk in areas such as that?

MR. DOWLING: As the hon. member indicated, we have a fund in the Opportunity Company set aside for research on any project, any process, any kind of machinery. It's small, but there is initiative there.

We also have the Research Council, which undertakes to assist the entrepreneur in developing a project. The people there are pretty competent in their own right. At the maximum peak level, because of work load, there are probably some 400 people pretty qualified in the research area over there. That facility is most assuredly available to the private sector. Our views on private-sector involvement are that the best method or the most productive way to take a project or a process to commercialization is to have it undertaken jointly by the Research Council and the private sector — any number of private sector entities — and it's been substantially successful to date.

MR. R. SPEAKER: Mr. Chairman, I'm not quite sure I understand what the minister is saying. For example, let's take the fellow with the heavy-duty transmission. He's putting his own money into it, and I think that's great. But let's say a person invented it who didn't have any capital to put the actual thing into production. What does that person do? How does he get the money? When you say they work with the Research Council, does the Research Council then have a certain patent right at that point in time? Can they infringe upon the findings of some type of new technique or machine? What relationship occurs once the Research Council gets involved in a new idea?

MR. DOWLING: As an example, we had a process and a machine developed by someone from the private sector who was pretty substantially competent. He made the mistake of thinking government was his only customer, and had he married himself to another private entrepreneur with money the project would have really taken off. In other words, there's often the error made by people who have that kind of

acumen, the ability to think out a project, a process, or a machine, that they think they must maintain total control of it all the time. But there will come a time when they will have to take on a partner and give them some equity — not necessarily government; in fact it would be my recommendation that they do not. We find that the successes out there are where the private sector has done them. If support is required by government, that's what we intend to do through the Research Council.

Agreed to:

2.4 — Business Information and  
Research

\$723,700

DR. BUCK: Mr. Chairman, before you pass the final vote: the minister was talking about the Stamp Around Alberta program. I'd like to know if the minister is aware of the marketing survey that was done in the Red Deer area. Can he indicate if that program met with approval down there, or did they find they didn't like the program? Can the minister indicate if everybody is as enthusiastic about the Stamp Around Alberta program as the minister is? I know it's fine to be enthusiastic, and you as the minister should be, but is the program really going to be that good?

MR. DOWLING: Mr. Chairman, first of all, the last question. Yes, it is going to be that good. When we circulated the passports we expected that there would be a return of about 60,000 requests for further information. The passport suggests you write to Travel Alberta for a map, an accommodation guide, and a list of important events taking place in Alberta. As of this morning something like 20,000 had been returned.

I was in Jasper over the weekend, and all kinds of people were running around wanting their passports stamped. I'm assuming that it will be substantially successful. I also say it doesn't matter what you introduce as a program, not everybody is going to be in favor of it.

But the zones generally, the 14 zones and their executive, have agreed it was something they could really take on and sort of dovetail with. One of the zones in southern Alberta has taken upon itself, with every stamp they have — and in a zone they might have 30, 50, or something of that order — to have them numbered so they can tell at the end of the tourist season how many people visited what facility, which is really important to them.

I'm really quite confident it will be successful. It's not necessarily geared only to the Alberta resident; it's for everybody. In other words, anybody coming to an information centre on the border of Alberta, or any information centre run by Travel Alberta, will automatically be invited to participate.

I'm also surprised, as a result of a trip home to Jasper this weekend, by the number of people who are now talking about getting a gold medal this year, the gold medallion. I think it's truly significant, and I'm hopeful it results in the kinds of positive things I think it will.

DR. BUCK: To the minister. Just one short question and representation, and this has to do with the road between Cold Lake across to Slave Lake and through that area. I guess it's called the woods and water

route. Can the minister indicate if the government has any aspirations about going ahead with that program and if it will ever really move into high gear so we can open up that area? The road-building program across that way to give us another east-west road has been rather slow, to say the least. I'd like to know if the minister or his department is really getting behind that program to see that we can get that road through the area.

MR. DOWLING: Again I want to thank the hon. Member for Clover Bar for his representation. You should know that my priorities really have to be north-south roads. I'm not opposed to the woods and water route; as a matter of fact, I favor it in this particular instance. But if you examine the potential for tourist development, it has to be in a north-south direction. I'm talking now about the balance-of-payments deficit. The traffic flowing 762 miles north and south is a great deal more significant if it goes all the way than traffic going east and west. In other words, on occasion those east-west routes just funnel people through our province, rather than into it to stay. They don't have too many opportunities to stop and buy a hamburger or a lipstick in the drugstore, get a tooth extracted, or whatever.

So what I really think is most important is that we do everything we can to make the stay of our visitors as long as possible. I've said a number of times, if I had my way I would make certain every visitor to Alberta ended up at Cameron Falls on the Northwest Territories boundary and bought his way back out. That means a sizable distance to travel.

There are all kinds of priority roads, in my view. One I suggest would be pretty substantial is the road along the east slopes — a tremendous road, maybe recreation road number one. It's a tourist road for certain, and it could be that at reduced speeds it would take the pressure off the park, which is naturally what we're looking for, with Kananaskis development and perhaps others that will take place over the course of time. I'm not opposed to the woods and water route. In fact I favor it. But I'm not really for any other major routes east-west. I'm really in favor of north-south routes. I really am in favor of an upgraded road network all across the province.

MR. TAYLOR: Mr. Chairman, I'd like to make just three or four comments before we leave the major vote. The first one is on the last point the hon. minister was mentioning.

I find a tremendous amount of enthusiasm for this new program. You know, Alberta has so many wonderful and unique places that hundreds, maybe I should say thousands, of our people just don't realize are there. Now they're going to search them out in an endeavor to get that gold coin. I don't know who thought this up, but I think it's a real masterpiece. I think it's going to have two effects: it's going to result in many Alberta people spending their money in Alberta; secondly, it's going to mean a great number of people from the outside learn about parts of Alberta they otherwise would never hear about.

The hon. minister said something about getting the people to go north right to the Northwest Territories. I would even suggest they go beyond, because one of the most beautiful falls I've ever seen — and I think it's comparable to Niagara Falls — is Alexandra Falls



in the Northwest Territories. I've talked to many people who have gone up to Hay River and never even knew about Alexandra Falls. I don't know whether or not a sign is there now, but there certainly should be, because that's a sight no one should miss if they're in that part of the country.

The other thing about tourism that I'd like to commend the minister on is the leadership he's given to volunteer workers in the province. You can have a real strong man at the head of a department who does a lot himself, and that gets results. Our minister is strong in that regard. But I think the more effective results are secured when the minister develops a team all over the province which is going to work for the good of tourism. I think that's what the present minister is doing, and I commend him for it. If we can get a strong team of active volunteers in every community, we are going to have some tremendous results from every tourist dollar spent.

The other point I would like to mention is the matter of business. I would like to commend the men the minister has in his department. I haven't had anything to do with all of them, but recently I had a constituent come up with a problem. As soon as I asked the people in the department if they would see this man and talk it over with him, the answer was immediately, yes, bring him up. The man came up, and they spent two hours with him. He wants to get into the European or the Asian market. Mr. Nawata and others in the department went out of their way in trying to help that man to see the difficulties as well as the advantages. I think that's important.

That brings me to AOC. You know, AOC would not be doing its job if it didn't point out many of the pitfalls in business that beginners run into. I like the counselling the AOC does. I've never yet taken anything to the minister or to Mr. Clarke, the head of AOC, without them looking into it thoroughly. They certainly don't always say yes, but I've never had a complaint that wasn't thoroughly looked into.

In many cases the people need some counsel. They are new to business; they don't know the pitfalls. We do nobody a service to ask them to invest a large sum of money and then have them go bankrupt. I think the counselling that is given is very, very excellent. It's leading to the development of a stable business community in the province.

I'd like to mention just one other point in connection with business. I realize that many of our municipalities want the government to direct industry to settle in certain parts of the province. I don't agree with that program. I don't think a government can tell people in a free enterprise system that they have to settle someplace. They can certainly point out all the advantages and, properly, all the disadvantages of every area. Finally, the people who are investing the money have to make the decision.

I think we should drum that fact home to many of our people, many of our chambers of commerce that say, what's the government doing about getting industry in our area? Well, I say the government is directing people down to look it over. They're supplying men who will point out the advantages of the river, highways, railway, the water — that's been a drawback in Drumheller for a few years. I hope it'll soon be corrected when the Red Deer River Dam is completed. But you point out the advantages and the disadvantages. I think that's as far as a government

can go.

I would like to see the department up their program on encouraging decentralization of industry. It may be that some industries have their minds made up that they have to be close to a large marketing centre. Maybe they do, but I don't think we lose anything if we have them look at some other areas and the advantages: the available labor, the reduced capital cost, and so on. I would like to see the minister's department even up that program of providing enough counsellors to help industry to settle in the most strategic point, where it's going to be a viable business and serve the interests of the province.

MR. DOWLING: Just a couple of comments, Mr. Chairman, first of all on the Northwest Territories and the Yukon. As you know, we have ventured in the Northwest Territories and the Yukon for a number of years now. In 1971 or '72 we decided that Canada West was what we should be promoting in the tourism sense. With British Columbia, the Northwest Territories, and the Yukon we now promote in the overseas market a Canada West concept.

The mayor of Hay River is in the city of Edmonton today and will be meeting with our people from an industrial standpoint, economic development. They are in a very devastating position of slowdown in the Territories, as you know, and we're doing everything we can to assist them.

The mayor of Fort Smith, Mr. Schmidt, I believe has to be one of the greatest guys who ever lived. He is a first-class promoter. He attends all our northern development meetings that are in that far north part of the province. He's at every tourist meeting of any consequence. I'm sure the hon. Member for Clover Bar met him when he was up there. He's a delightful character and is very much in favor of the promotion of a road from Fort Smith to Fort McMurray, and makes that proposal all the time.

With regard to the private sector, I strongly believe that if the tourist industry is to survive we must make certain that the people of the private sector really do run it. They have been responsible, through Travel Alberta, to the federal authority for four resolutions that were passed at the federal/provincial conference in the Territories last fall. They had to do with: advanced booking charters; Bill 602, which is a federal U.S. tax law; an awareness program we wanted the federal authority to undertake; and a widening of the financial assistance for entrepreneurs who wanted to develop tourist facilities throughout Canada. Those came directly from the private sector.

With regard to our marketing operation, as you know, Mr. Nawata has been recently recruited from the private sector and is another first-class addition to our staff.

I appreciate the representation from the hon. Member for Drumheller on expanding our efforts to bring industry into rural Alberta. We have been substantially successful. The ideal example of how it should work is the Innisfail Johns-Manville plant. Basic to that were the two things the hon. member mentioned, water and land.

We now have a program initiated or developed by our department and put together by the Department of Housing and Public Works, because we don't have the facility to buy land. And I don't want it, thank you. It's already there, and they are undertaking it for us. I

can't recall how many applications are there now, but I think it's about 40. I think the amount of money devoted to it was about \$5 million. You will recall that from the estimates of the hon. minister.

So it's coming along very well. There have been some other moves that are really direct interventions. The direct one is Joffre, where the petrochemical plant was designated to go.

The other thing we can do of course is decentralize, in a government sense, the Opportunity Company, the Ag. Development Corporation, the insurance branch, et cetera.

But I appreciate the representations, and most assuredly it's a priority with the department.

MR. R. SPEAKER: Mr. Chairman, I'd like to make a comment with regard to the Stamp Around Alberta program and be as kind but also as direct as I can to the minister. From my past experience on the weekend, sort of drifting around the grass roots of rural Alberta, I found that the response . . . Everybody had just received their passport. I happened to be at one of the post offices, and they were bringing them out of the mail box. They said, what's that thing? You know, I'm not going abroad or to Europe; what's that thing in my mail for? So they turned to me and said, how much did that cost? I said, well, \$600,000. Six hundred thousand dollars? And I said, well, everybody in Alberta gets one; you're not the only one. Everybody's getting one. But it's \$600,000.

Well, I'll tell you, at that point in time they said: I don't know what I need a passport for in Alberta; are they going to zone us off or something? What's happening? When I go to Lethbridge or when I go up to Calgary, do I have to show the passport? Anyway the conversation expanded at that point in time.

I tried to listen more than I tried to influence, but the feeling toward the passport was not a good one, Mr. Minister, not a good one. I'd like to say this about the program. That's number one. I know you're going to get some backlash from rural Alberta with regard to the program.

In doing it, I appreciate what the minister is trying to do. I know he's trying to promote tourism. I know that the various groups have put pressure on him to do just that, and he is attempting to do something. But, Mr. Minister, I think where you've made your mistake, and what is wrong with the program, is that you have attempted to promote the idea of travel about Alberta to Albertans in a rather artificial manner by the use of gimmicks. The use of television and radio may be all right, but I don't think the average Albertan really buys the concept of gimmicks, and the medallions are a gimmick.

I know this type of presentation was presented to you by somebody in the public relations field who certainly should have the expertise. It may look as if this type of thing will promote tourism, but I don't think it will reach the goals that really are necessary. I'd like to suggest to you, Mr. Minister, that, one, it isn't going to work as well or as optimistically as you have presented to us. At this point in time, from the initial response, I just can't buy that. Number two, the program is artificial and not real to Albertans. Number three, I'd like to say, Mr. Minister, that what we really need to do is provide good roadside facilities, good camping facilities, the right types of parks to meet the demands of Albertans, and they'll move

around and explore our province.

Let me give you an example in my own constituency, a little park started by some of the members of a community. They planted a few trees and built a little camp kitchen. Fairly soon people were coming from outside of the community to use the park. Some municipal money was put into the park. And that's eight or nine years ago. At the present time the pressure on that park is much greater. People are coming to this little park from Calgary, down in the States, and all over the place. There's no advertising, no gimmicks, nothing but a facility which meets their needs.

Really, Mr. Minister, that's where I think the \$600,000 could have been directed. And I'd like to say this not only to you, but I think you should put a little pressure on your friend the Minister of Recreation, Parks and Wildlife, because we need different definitions for parks in Alberta. The Minister of Recreation, Parks and Wildlife ultimately defines a provincial park as a great designed thing with all kinds of facilities. That's all right. Then we have the municipal park down at the other end. But there are no categories in between.

I've said in the House for the last couple of years that we need a couple of types of parks in between: one that meets other kinds of requirements, the overnight camper to a greater extent, a park facility with minimum facilities, because most of these trailers have indoor plumbing and facilities anyway; and we need another kind of park that co-operates more with the local communities and lets volunteer labor or input really occur with the co-operation of the provincial government. But that categorization isn't there at the present time, and I think the money would be better spent in that area than on this whole promotion. That's how I think you can motivate Albertans to get around Alberta.

One of the greatest things that happened in this province years ago — the hon. Member for Drumheller was part of that program — was the establishment of camp kitchens every, was it 50 miles? That was the greatest program in the world; it got Albertans to zip around Alberta. I think that's the real example that can be used for this type of thing. Mr. Minister, I think you should re-examine that.

I know from my own experience as a minister in government that these types of programs sound good on paper — to advertise, to promote on TV. And there are some good ads on television. But you really have to put yourself as the normal citizen of Alberta sitting on the other side of the TV. You see pictures of a lake or Stamp Around Alberta, and it doesn't really mean that much. It doesn't motivate you to jump in your car and trailer and zip off to northern Alberta. You know, that's not the thing. The other day a fellow came to me and said, you know how to get people to go around Alberta? If we had good fishing in every one of our lakes, that would get people to travel around Alberta. Let me give you an example of that. I'm speaking longer than I really wanted to, Mr. Chairman. But in southern Alberta a lot of people in my constituency go to Montana for good trout fishing. It's not because there's advertising from Montana or a bunch of gimmicks given out or publicity in the papers. You don't even see an ad in *The Lethbridge Herald* about fishing in Montana. But they go down

to . . . The name of the lake slips me right now. They slip down to . . .

AN HON. MEMBER: Duck Lake.

MR. R. SPEAKER: . . . Duck Lake. They go into Montana, fish there and catch lots of trout, and come back with fish. In our Alberta lakes the same opportunity doesn't exist. Maybe that's where the \$600,000 could have gone, and we can get people to move around Alberta. That's how I feel about it, Mr. Minister. I am being critical of what you've done. I feel it isn't going to get the results you want. The \$600,000 could have been spent on those kinds of things to arrive at the goals we need for tourism in Alberta.

I know the tourist association and people have supported you on this. Maybe you're right, and hopefully we're both right. But we do need more of an emphasis on these other things I have talked about. Those are the real basics that make people travel around.

MR. DOWLING: Mr. Chairman, at the Travel Industry Association convention in the north this year we examined what really was involved in the promotion of tourism in Alberta during a single budget year. If you look at the total budget and pick out those pieces of it that mean something to us — the Recreation, Parks and Wildlife budget, a great deal of the Housing and Public Works budget, some of the Environment budget, Transportation — a lot of those things are in fact tourist budget items. They really support what you just said. There's a total of \$600 million allocated for this year to expend on the things you're talking about.

If you're talking about \$600,000 as being the panacea for the ills of the province, I really think the hon. member knows better than that. He was on this side of the House, and surely he understands what goes into the budget process. Six hundred thousand dollars won't even build a reasonable campsite. You should also know that every one of our 14 information centres will be equipped with pumping stations and rest areas. You should know that there are now 500 free campsites in Alberta; programs, as you said, initiated by the former minister of transportation, to his great credit. You should know that all kinds of these things are happening all the time. You should also know that the success of Travel Alberta has been because of just such advertising campaigns outside the province and outside the country. You should also be reminded that some time ago the private sector used a little medallion at their service stations, and they told me — as a matter of fact one of them told me this morning — that it was a substantially successful campaign. What we are really after is for Albertans to see Alberta, 255,000 square miles, and I could go on for hours and hours about the attributes of this province.

So I think it will be successful. I can't understand a negative thought about it, but it won't all be positive. There's no doubt about it, it doesn't matter what you do. If you had a park in every back yard and a paved highway to the front door of every house in the province, there would be something wrong. So I think it's going to be substantially good, Mr. Chairman.

MR. TAYLOR: Mr. Chairman, I'd like to make a comment or two. I had an experience similar to that mentioned by the hon. Member for Little Bow. They asked me how much this program was costing and I said, "I don't know exactly, but I guess about half a million. I'll get the figure for you and write you and let you know." He said, "Jumping Jupiter!" I said, "Well, just a minute, you're a businessman. If you could invest \$500,000 and make \$6 million or \$7 million out of it, would you do it?" He said, "You bet your boots I would." I said, "That's exactly what we're doing in the province." This is an investment, and from that investment several million dollars should go into the pockets of the people all over Alberta, not to the government. A lot of it will go to the government too, from those who drink and use gas — well, not using gas anymore, because there's no gas tax. But the people who are going to benefit are the business people: the motels, stores, ice cream parlors, and hotels. If the business increases, they hire more people. It increases labor. I like the program.

I think you have to have a mix of incentives. Some people couldn't care about anything except the Canada goose. You can show them they have a chance of getting a Canada goose in the Coronation, Hanna, or Youngstown area. That's all they need. Hundreds of Americans need the incentive that they can get a pheasant, so they come to the Brooks area. Hundreds of people from even as far away as New York need the incentive of being able to shoot a moose, caribou, or elk. Others like camp kitchens — a quiet time. Others like fishing.

You have to have a mix of incentives to attract hundreds and hundreds of people. Among that mix, I think an incentive to get a coin to visit the very far-flung parts of the province is going to stand out conspicuously, and will produce results. I believe it will. I think at the end they say, the proof of the pudding is in the eating. I'm not a betting man, but I would be willing to wager that the income of hundreds of people in this province is going to be higher at the end of next year because of this Travel Alberta program. I hope it will be.

MR. GOGO: Mr. Chairman, I just want to make a very brief comment to the minister. I concur wholeheartedly with the Member for Drumheller; I think the proof of the pudding is in the eating. If we're going to have a problem, it's how we keep people out of Alberta. They're coming in such droves because of the publicity given by the department. I would hope we keep them away from Kananaskis.

The question I want to ask the minister: I've had comments by people in the tourist business in Lethbridge that American visitors arriving in Alberta through customs and immigration don't have time to stop at our travel information places because of the hour of the day or whatever, and they end up in Lethbridge. They're unaware of the speed limits, the metric system with the kilometres. I wonder, Mr. Minister, is there not some way we can have co-operation of Immigration Canada or the customs whereby the information on speed limits in Alberta expressed in kilometres could be handed out there? Because many tourists travel right through to Lethbridge and other points, and they're not aware of the kilometre system. I don't know how that could be done, but I'm wondering if through co-operation be-

tween this government, your department, and the government of Canada, through Immigration Canada, that information couldn't somehow be left at the point of entry into Alberta.

MR. DOWLING: Mr. Chairman, we will certainly be in touch with the federal authorities on the matter, if it hasn't already been done.

Agreed to:

Total Vote 2 — Development of Business and Tourism	\$10,238,300
Total Vote 2 — Capital	\$16,900

3.1 — Program Support	\$1,289,750
3.2 — Earth Sciences	\$2,040,300
3.3 — Physical Sciences	\$2,086,850
3.4 — Industrial Sciences	\$2,434,920
3.5 — Atmospheric Sciences	\$308,100
Total Vote 3 — Natural Sciences and Engineering Research	\$8,159,920
Total Vote 3 — Capital	\$369,850

Capital Estimates:

1.0 — Departmental Support Services	\$2,500
2.0 — Development of Business and Tourism	\$16,900
Total Department Capital	\$19,400
3.0 — Natural Sciences and Engineering Research	\$369,850
Total Capital	\$389,250

Department Total	\$19,004,320
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MR. DOWLING: Mr. Chairman, before I move the motion, I'd like to correct one error I made. It's not Mayor Schmidt, it's Mayor Kayser from the Northwest Territories.

I move the appropriation be reported.

[Motion carried]

#### Department of Education

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. KOZIAK: Yes, Mr. Chairman. Very briefly, perhaps to dispel some misconceptions that might arise as a result of the percentage figures that appear in the votes, I should point out to hon. members that although, as you see on page 105, the total for the four programs is indicated as a decrease of 13.3 per cent, and the total in Vote 2 is indicated as a decrease of 13.9 per cent, this is in fact a result of the supplementary estimates we approved in the Assembly last fall, providing an additional \$130 million to Education in order to provide for grants during the course of January, February, and March, thereby alleviating the need for school boards to borrow funds during that period of time. So the result of the \$130 million voted in for last year's budget in fact shows a decrease for this year, which isn't the case in real terms. The footnote indicates there is in fact a 6.5 per cent increase for the 1978-79 estimates over the comparable '77-78 forecast.

I should also point out to hon. members that the figure of \$603,160,905 shown at the foot of page 105 is not the total moneys provided by virtue of our grant

system to school boards. One must also take into account the funds that appear on page 113 in the summary of the school foundation program. So by looking at those figures, one realizes two additional sources of funds must be added: first, the surplus appearing in the fund, which is shown in your document as opening balance, of \$9,695,000; secondly, the SFPF levy on commercial and industrial property of \$78 million. So really when those two figures are added, the total amount available for Education in the year '78-79 would in fact be \$690,855,905.

Mr. Chairman, that represents an increase over last year if we exclude those moneys required to make up for January, February, and March of this year the adjusted rates. If we exclude that amount — and I'll briefly refer to what I mean by that later — what it amounts to is an 8.8 per cent increase over comparable figures for last year. The January, February, March figures I was talking about, the adjustment there — as you will recall when we provided the \$130 million, we did so to provide school boards with grants during those three months on the basis of rates which were then in effect for 1977. By the approval of these estimates we are approving rates higher than those which were in effect in 1977, so we have to adjust back for January, February, and March for the portion which amounts to the increase. I'm not including that in terms of my 8.8 per cent. If we were to include that, the amount would be closer to 10 or 10.1 per cent. That, I hope, would provide hon. members with an explanation as to those percentages.

I should also point out to hon. members that we've had a substantial growth in education in the past six-year period. The figures I have for 1971-72 indicate that a total of \$328,585,264 was available for basic education. That compares with some \$690 million that I spoke of earlier, which is an increase of 110.3 per cent over the six-year period, or an average increase over that six-year period of 18.4 per cent — this at a time which, apart from the ECS program which was new, sees enrolments decline by 1 per cent in the grades 1 to 12 program.

Some concern was expressed by hon. members during the course of their contribution to the budget debate, Mr. Chairman, relative to the increases in support for the Department of Education, particularly in Vote 1, Departmental Support Services, but also in Votes 3 and 4, relative to funds being provided for school boards. Basically the reason for those increases flows from a number of new programs which this budget will provide for. We have funds available for phase two of Education North which, depending on the outcome of the assessment of the first phase, would see the expenditure of \$350,000 out of this vote. We have the English examination which will be administered this June; that's the high school achievement test, which includes an essay portion. The \$100,000 there will be required to provide for the marking of that essay examination.

We have our new thrusts in French language education, which amounts to \$300,000. We have the Materials Resource Centre. This is for the development of materials for the blind, translation into braille, large-print books — \$83,000 additional there. The curriculum for the handicapped that I spoke of earlier in my ministerial statement, \$108,000; and an

additional \$80,000 for the correspondence school to provide for a refundable system of fees, thereby hopefully ensuring, or at least encouraging, a greater completion rate of those students who enrol in the correspondence school.

So basically those are the two areas I wanted to touch on at the beginning, Mr. Chairman, just to offer some explanation as to percentages, having regard to concerns expressed by hon. members during the course of the budget debate.

MR. CHAIRMAN: Are there any questions to the minister with respect to his department? If not, we'll turn to Vote 1.

Agreed to:

Vote 1 — Departmental Support Services:

1.0.1 — Minister's Office	\$98,890
1.0.2 — Deputy Minister's Office	\$249,970
1.0.3 — Finance, Statistics, and Legislation	\$893,876
1.0.4 — Grants to Educational Organizations and Agencies	\$273,000
1.0.5 — Staff Rotation	\$131,000
1.0.6 — Minister's Committees	\$9,600
1.0.7 — School Buildings	\$356,370

#### 1.0.8 — Planning and Research

MR. CLARK: Mr. Chairman, I wonder if I might pose just two or three questions to the minister. What's the status of the school buildings report that's been wandering around the province? This is the one that made some pretty major recommendations that I think, to say the least, have not been enthusiastically accepted by virtually anyone.

Secondly, Mr. Minister, when I look at the breakdown of objects of expenditures, I see you have \$956,000 for professional and technical contracts. That's up some 84.8 per cent over last year. I think it would be very enlightening just to hear your plans in that area, because an 84 per cent increase, up to \$956,000, would be more than just one or two incidental studies.

MR. KOZIAK: Thank you, Mr. Chairman. The first question: the school building study, that's the Woods-Gordon study, is completed. Secondly, my understanding is that the task force set up to receive reactions from school boards has received those reactions and has in fact completed its report. I expect that report will be on my desk shortly.

With respect to the growth in this vote, I pointed out earlier — and I didn't indicate in which vote it appears — the substantial increase here is the amount of money we're providing in the event phase one of Education North indicates we should proceed to phase two. That would see an expenditure of \$350,000, and that expenditure would come out of planning and research.

Education North is a program in which we want to work with the native people in northern Alberta in developing a curriculum which is more suitable for the needs of native and northern students, and to involve parents and the community generally in the operation of the schools, to have a better relationship between those educated and the educators, basically

to create the type of atmosphere so the native people and the northern people can say, you know, that's our school.

MR. CLARK: Mr. Minister, when we look under the code of expenditures, under Code 430, professional, technical, and labor services, do you mean that's where you're going to fund that whole program, if it goes ahead?

MR. KOZIAK: I would imagine the majority of funds would come from that area, Mr. Chairman. I'm just looking through the variation. The difference between the 1977-78 forecast and the 1978-79 estimate for that control group is \$310,000, which ... [interjections] What's that?

MR. CLARK: [Inaudible] in 1977-78 the forecast was for \$517,000, and this year the estimates call for \$956,000.

MR. KOZIAK: You're talking about professional, technical, and labor services?

MR. CLARK: Under Code 403, Departmental Support Services, program 0.1.

MR. KOZIAK: I'm looking at Code 430. I don't have a 403.

MR. CLARK: I'm sorry, 430.

MR. KOZIAK: The figure I have for Code 430 is \$774,500, and the supplies and services control group is \$878,700 and the manpower control group is \$382,500. So part of it would appear in the manpower group I'm sure, and part of it in the majority in the supplies and services control group. But those are the figures I have: a total of \$1,265,300 for the entire subprogram 1.0.8. The breakdown is: \$382,500 in the manpower control group; \$878,700 in the supplies and services control group; and purchase fixed assets, \$4,100, for the total figure I gave earlier.

MR. CLARK: Mr. Chairman, to the minister. If we look at the totals here for Vote 1, we find an increase of \$440,000 for professional, technical, and labor services. Now, Mr. Minister, I think you can do a bit better than say that this is for supplies and services, and it may be for this project you talked about. Are you saying you have no plans for any contracts to take on people for work outside the department under Vote 1, other than just what you talked about? Because that's what we have right here for the whole vote, Mr. Minister. We're talking about \$440,000.

MR. KOZIAK: Mr. Chairman, perhaps the hon. member was just walking in — that may have been the case — when I went through a list of those expenditures that would be found in votes 1, 3, and 4, which would give rise to the increase in those votes. I mentioned Education North, \$350,000 there. I mentioned also the English examination of \$100,000.

AN HON. MEMBER: Is that program 1?

MR. KOZIAK: That's in program 1, yes. I mentioned the French language thrust of \$300,000 that's found in programs 1, 3, and 4; the Materials Resource Centre, \$83,000; the curriculum for the handicapped, \$108,000; and the correspondence school, \$80,000.

MR. CLARK: Mr. Minister, are you telling us that in each one of those cases you are going to hire people from outside the department? When we talk about professional, technical, and labor services, we're talking about money that's going to be paid to people for doing work. That's what the code is made up for. Now what I want is: can you give us some breakdown as to what projects you're going to have done virtually outside the department? I suspect that's why it's coded this way.

MR. KOZIAK: There is an increase in the manpower required in the department as a result of the Materials Resource Centre, the french language education program, and the Education North program. Now the Education North program positions aren't permanent. Those are contract, three man-years. The majority of work in Education North, if not all, will have to be contracted out. The English examination — the \$100,000 there is for the marking of the exam, not for the development of the exam.

MR. CLARK: That would be under wages. That isn't under professional, technical.

MR. KOZIAK: What's that?

MR. CLARK: That would be under wages, for the marking of the exam.

MR. KOZIAK: I think not. The markers will be teachers, because this is an essay program in that examination. I think those figures pretty well cover the increase, Mr. Chairman.

MR. CLARK: Mr. Chairman, so we can move along, unless the minister and I want to continue this discussion, perhaps, Mr. Minister, you could bring back for next day, whenever that is, a detailed breakdown of that \$440,000 you're asking for our approval on as far as technical, professional, and labor services. How much of it is going to be for markers, for project north, for curriculum developments? You're really asking us, Mr. Minister, to approve, let's say, over \$400,000, and you've been a little airy-fairy today as to what you're going to do with it. If you could bring that back to us Wednesday, that would be helpful. We could move on then.

MR. CHAIRMAN: Is it agreeable to the minister that we hold 1.0.8 and you bring back the information for that point on Wednesday?

MR. KOZIAK: Mr. Chairman, the information I'll bring back will be a confirmation of the information I've given today, but I'm sure there's no problem in holding it. We won't complete the estimates this evening anyway.

MR. CHAIRMAN: Is it agreeable that we hold 1.0.8 until the next session?

HON. MEMBERS: Agreed.

Agreed to:

1.0.9 — Personnel Office	\$127,736
1.0.10 — Board of Reference	\$2,100
1.0.11 — Student Evaluation and Data Processing	\$1,506,753
1.0.12 — Communications	\$144,400
1.0.13 — Alberta Education Communications Authority	\$102,200
1.0.14 — Field Administration Services	\$300,040
1.0.15 — Library Services	\$156,660

#### Vote 2 — Financial Assistance to Schools

MR. NOTLEY: Mr. Chairman, I'd like to make a few comments dealing with the various votes under Vote 2. Perhaps I can summarize some of these comments and then perhaps the minister will have a brief opportunity to respond during this sitting, and if not, when we once again address ourselves to the estimates of the Department of Education.

In previous sessions of the committee, the question of rural school funding has been raised. Mr. Chairman, I look at the budget this year and find that the supplementary requisition equalization grant is going to be increased by only 6.2 per cent. As a representative of rural Alberta, I would have to say that we still haven't tackled this question of the fact that in the rural areas of the province dollars just don't go as far as they do in the larger urban centres, where you can get a more appropriate teacher/pupil ratio and many of the costs are much more competitive. We've discussed in this House before, but I think it bears repeating, that in the more remote regions of the province the costs are higher for something as simple as the electricity to light the schools or the natural gas to heat the schools or the costs of construction, because there isn't competitive bidding. I know the minister will respond by saying, that's true, but we have made some allowance for those differences. We've discussed the allowance made in the past.

But, Mr. Chairman, I don't believe that is adequate. The proposals that have been announced, most specifically in 1975 just before the last provincial election — the supplementary requisition equalization fund, the small schools fund, and the declining enrolment fund — still don't make up the difference in the cost of operating the smaller rural systems.

Mr. Chairman, it seems to me that our objective has to be to ask ourselves, what is it we want to provide through our education system to young people in Alberta? Is it an equalized form of grants, or is it an equal opportunity for each student to go as far as possible in the system? It seems to me that if that has to be our goal — and I'm sure the vast majority of Albertans would say our goal is to provide equal access to education, whether a student is in the Acadia school division in eastern Alberta or in Edmonton or Calgary — then we have to accept the proposition that the grant structure will have to be higher in rural areas.

Every year, with the exception of this last year, Peace River MLAs have met with trustees in zone one, Peace River zone. Every year they have documented their case quite well, to my satisfaction in any event, that the costs of operating the school system in

zone one are higher than in other parts of the province, certainly considerably higher than operating on a per pupil basis anyway, in terms of providing anything like the same opportunities for the students to progress — much higher than the major city systems.

I would just have to reinforce the discussion that has taken place before in the committee, Mr. Chairman, that we should be looking for a different approach to financing education in Alberta. That approach will necessitate either building upon the three programs announced in 1975 and providing substantially more money than is available this year in the budget, or looking at an approach somewhat similar to the last-dollar method used in funding hospitals. I'm not sure that's the one I would choose.

I think the programs announced in 1975 are worthy. But my concern is that we haven't provided sufficient dollars in those programs. When we get through looking at the regulations on how they apply to the divisions, they just don't go far enough, Mr. Minister. The net result is that throughout large parts of rural Alberta the choices that divisions have to make are the completely unpalatable choices of phasing out school programs in some cases, in other cases at least reducing the quality of education by cutting back on teachers.

I know of one separate school in my constituency where they've had to make a very substantial cut of, I believe, three teachers out of 23 in that particular system. In my judgment, knowing something about the school in question, that can only lead to a reduction in the quality of education.

We've talked in this House . . . The hon. Member for Drumheller has introduced a private member's bill dealing with the business of closing down rural high schools. Well, fair enough. But there really isn't much point in jumping up and down and screaming about closing down rural high schools if we don't have adequate funding from the provincial level so that these dollars can go appropriately far enough to make it possible to maintain schools in the rural divisions.

Now, Mr. Chairman, on the question of the school foundation plan, I'd like to raise a number of other issues. I raised this last year, but I think it's worth bringing up again. Mr. Minister, I notice there is a very substantial increase in the funds available to private schools. We have a very, very modest increase in the funds available for the public and separate school systems, but a very substantial increase in the funds available to approved private schools.

What is our goal? Last year the funding for private schools was 50 per cent of the funding for public and separate schools; this year it's 55 per cent. Is our objective 80 per cent, is it 90 per cent, or is it parity? Surely we must have some target at this stage. Or are we simply going to see an increase in private school funding at a much faster rate than the increase in public school funding? Without any clearly defined target, that is what the end result will be.

Mr. Chairman, I raise that because it seems to me that is the kind of question that needs to be answered. A lot of school divisions are looking over their budgets this year and deciding whether or not to try to increase the supplementary requisition. We all know what happens when supplementary requisition referendums are held, and they're getting quite uneasy about their financial situation. But on the other hand, we see a very handsome increase in the grants available to private schools. It seems to me the public system in this province, both the public public system and the separate public system, have a right to know what this government's objective is, whether or not it's equal funding for private schools. Such a move, in my judgment at least, would be an undesirable one. I think if people want to send their children to approved private schools, a very large part of that cost has to be met by the individual parents.

I see the time has elapsed, Mr. Chairman. I'd like to raise several other points with respect to private schools, including the whole issue of the category four schools. I guess it's not necessary to beg leave to adjourn debate. I'd like to carry on when the committee next meets.

MR. FOSTER: Mr. Chairman, I move the committee rise, report, and beg leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolution, reports the same, and asks leave to sit again:

Resolved that for the fiscal year ending March 31, 1979, amounts not exceeding the following sums be granted to Her Majesty for the Department of Business Development and Tourism: \$606,100 for departmental support services, \$10,238,300 for development of business and tourism, \$8,159,920 for natural sciences and engineering research.

Mr. Speaker, the Committee of Supply has under consideration a certain resolution and reports progress on the same.

MR. SPEAKER: Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS: Agreed.

MR. FOSTER: Mr. Speaker, by way of House business, the House will not be sitting tonight, nor indeed tomorrow in view of Commonwealth Games activities the Assembly has agreed to participate in. We will return to estimates of the Department of Education on Wednesday and expect to sit Thursday evening.

[At 5:30 p.m., on motion, the House adjourned to Wednesday at 2:30 p.m.]

