

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, October 10, 1979 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

Resignation of the Member for Barrhead

MR. SPEAKER: I have for tabling the resignation of the hon. Member for Barrhead, dated September 28, which I received on the same day. It complies with the requirements, and accordingly the Barrhead seat is and has been vacant since that day.

head: **INTRODUCTION OF VISITORS**

MR. HYNDMAN: Mr. Speaker, it's a very real pleasure today for me to introduce in your gallery three distinguished visitors from our sister province of Newfoundland, a province with very exciting potential these days. They are the Minister of Finance for the province of Newfoundland, Dr. John Collins; Mr. Cabot Martin, the senior adviser to the minister; and Mr. Frank Petten, the news secretary to Premier Peckford. I would ask at this time that they rise and receive the welcome of the Alberta Legislative Assembly.

MR. SPEAKER: I have the honor to introduce to the Assembly delegations from the branches of the Commonwealth Parliamentary Association in Manitoba, Saskatchewan, and British Columbia, with the speakers of those three sister jurisdictions of ours in western Canada. They are accompanied by members of their assemblies and spouses. I would ask members to welcome them as they stand in the Speaker's gallery and the members gallery. Would the visitors please stand to receive the welcome of the Assembly.

head: **TABLING RETURNS AND REPORTS**

MR. LOUGHEED: Mr. Speaker, I wish to table with the Legislative Assembly, to form part of the record of *Hansard*, a statement made by me on behalf of the province of Alberta in response to an Ontario position paper entitled *Oil Pricing and Securities*, made in Point au Pic, Quebec, on August 15, 1979.

While I'm on my feet, Mr. Speaker, I'd also like to file with the Legislative Assembly the transcript of an interview I held with Mr. Laurier La Pierre of the CBC French network, which was taped in June and shown in early August of this year.

MR. JOHNSTON: Mr. Speaker, I would like to file with the Legislative Assembly copies of the very important communiques from the twentieth annual premiers' conference in Point au Pic, Quebec, August 15, 1979. Copies are made available to the members.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. SPEAKER: I believe the hon. Member for Edmonton Glengarry wished to introduce some special guests.

MR. COOK: Mr. Speaker, it is my privilege and pleasure to introduce to you and through you to members of the Assembly Lucie Lung, Hilda Ngai, and Bill and Theresa Lam in the members gallery. If they would rise and receive the welcome of the Assembly, I would ask them to do so now.

head: **ORAL QUESTION PERIOD****Interest Rates**

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Premier. It flows from recent discussions the Premier had with the Prime Minister of Canada, and as a result of the announcement made just yesterday as far as interest rates are concerned. My question is: did the Premier consult with the Conservative government of Canada prior to the announcement by the Bank of Canada that the rather conservative policy of raising interest rates 0.75 per cent would be effective yesterday?

MR. LOUGHEED: Mr. Speaker, that subject was not discussed with the Prime Minister. But with regard to the general subject and the matters that have been raised, I'd refer it to the Provincial Treasurer.

MR. HYNDMAN: Mr. Speaker, as hon. members know, matters with respect to the bank rate and monetary policy generally are under the jurisdiction of the Bank of Canada, pursuant to the constitution. As discussed, though, the question of interest rates was initiated by our Premier at Malbaie in August, and was the subject of a statement of concern and interest by them. We would hope that the present high interest rate — and it is at a record high — is not to be a long-term situation.

With respect to the situation here in the province of Alberta, we will be monitoring carefully the impact of the new policy from the point of view of individuals and businesses borrowing money, and if there is an indication that existing government policy should be reviewed, we would consider that.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. What form will the monitoring the minister just alluded to take?

MR. HYNDMAN: Mr. Speaker, it's not too difficult to find out in discussions, which of course the Department of Treasury would be having from time to time with various financial institutions in Alberta, the situation with respect to the decisions facing those who would borrow — both individuals and businesses — and to keep an eye on the figures and the extent to which there is increase, decrease, or change in those patterns.

MR. R. CLARK: Mr. Speaker, to the minister. Is the minister in any position to indicate specifically how that monitoring will be carried on as it relates to the small-business community in the province? Or in fact

will that also be a matter of conversation and looking at statistics in due course? Is that the only kind of monitoring that will be done? I ask the question specifically as it relates to the small-business community, because in our judgment they're one of the groups most vulnerable to these interest rates.

MR. HYNDMAN: Of course, Mr. Speaker, a major and continuing source of input would be the members of this Legislative Assembly who, within the boundaries of their constituencies, have many small businesses. So I would certainly welcome their views, as would the government.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Provincial Treasurer. What direction has gone to the treasury branch system in the province? Will they be increasing their interest rates also?

MR. HYNDMAN: Mr. Speaker, no direction has gone to them at this time. Of course they operate as an entity at arm's length from government. There have been no discussions with them so far. That's not necessarily to exclude such discussions in future.

MR. R. CLARK: Mr. Speaker, to the Provincial Treasurer. Have discussions regarding interest rates taken place up to now between the Provincial Treasurer and officials of the treasury branch system in the province?

MR. HYNDMAN: I don't know whether discussions have taken place in the department. It could well be. But generally speaking, as the hon. gentleman knows, the treasury branches operate in an arm's length situation. However, as I mentioned, with respect to government policies generally, there would be a review if circumstances warrant it.

MR. R. CLARK: Mr. Speaker, to the Provincial Treasurer or the Minister of Agriculture. What direction has gone to the Agricultural Development Corporation with regard to interest loans, having regard for the fact that much of the money made available through ADC is guaranteed loans 15 and 2 per cent above prime which are now getting in the vicinity of 15 per cent? What action has been initiated by the government now to shield young Alberta farmers from even higher interest rates on the guaranteed loan program?

MR. HYNDMAN: Mr. Speaker, that would be part of the review process to which I referred. I would refer the question, though, if there is an observation to be made by the Minister of Agriculture.

MR. R. SPEAKER: Mr. Speaker, a supplementary . . .

MR. SPEAKER: There's just been a referral of the question. Perhaps hon. members could ask their supplementaries after the question has been answered further.

MR. SCHMIDT: Mr. Speaker, the direct lending rate through the Agricultural Development Corporation of course remains unchanged at the present time. The lending rates that have been in existence are under review, and there will be no change until that review is completed.

MR. R. SPEAKER: My supplementary question is to the Provincial Treasurer, with regard to the hon. minister's remarks in reviewing the actions of the treasury branches. Is there some consideration at the present time to intervene in the policy-making of the treasury branches, specifically with regard to setting interest rates?

MR. HYNDMAN: No consideration has been given to that at this time, Mr. Speaker. I think if the hon. gentleman will read The Treasury Branches Act and the policies which have been followed over a number of decades by various governments with respect to the treasury branch, we'll be consistent in following those.

MR. R. SPEAKER: We never know about you guys.

MR. BATIUK: A supplementary question to the hon. Provincial Treasurer. Realizing that industrial development has been moving westward over the last few years, could the minister advise whether the increase in bank borrowing is going to slow down this trend in the future?

MR. HYNDMAN: It's difficult to tell, Mr. Speaker. We're in a province, of course, which is growing at a very fast rate, and where the continued provision of investment moneys from all sources is very crucial. It's difficult to predict, but we'll be watching it and monitoring it very closely.

MR. ZAOZIRNY: Mr. Speaker, a supplementary question to the Provincial Treasurer, related to the potentially serious impact of high interest rates on the small-business sector. Has the government developed a policy to provide assistance to small business in the same manner as its recently announced policy of lending from the Heritage Savings Trust Fund for big business?

MR. HYNDMAN: Mr. Speaker, the record of performance of this government with respect to assistance and incentives for small businesses is second to none. I think the recent reduction to 5 per cent [interjections] . . . well, compares to previous governments, for one thing.

MR. NOTLEY: I would like to direct a supplementary question, if I may, to the hon. Minister of Tourism and Small Business. Can the hon. minister assure the House that there will be no increase in the direct lending rate of the AOC as a result of this recent increase in the bank rate?

MR. ADAIR: Mr. Speaker, in response to the question from the hon. Member for Spirit River-Fairview, I should point out that the board of directors of the Alberta Opportunity Company, as the operators of that particular company, are as concerned as we are about the present high level of interest rates. As a matter of fact, they are in their monthly meeting today, and I'll be getting a report from them, hopefully tomorrow morning. I am waiting for that report, to be able to assess exactly what their concerns are and where we may be positionwise.

MR. NOTLEY: Mr. Speaker, a supplementary question. In view of the fact that we've already had three

increases in the bank interest rates since the Conservative government took power federally — and heaven knows how many more to come — has the minister not indicated to the board of the Alberta Opportunity Company the position of this government with respect to interest rates?

MR. ADAIR: Mr. Speaker, as a matter of fact, yes. The present base rate of the Alberta Opportunity Company is 12 per cent, somewhat below the present rate of the Bank of Canada. Loans have been going out consistently; as a matter of fact, 1931 since the Alberta Opportunity Company came into being, for a total of some \$189 million. They fluctuate from 10 per cent to as high as 15 per cent, unfortunately.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Bearing in mind the increase in interest rates as a result of the Bank of Canada increase and the chartered banks increasing their rates, is the government giving consideration to changing the policy of the Alberta Opportunity Company of being a lender of the last call, and changing that to being a first-call lending institution?

MR. ADAIR: Not at the present time, Mr. Speaker.

MR. LOUGHEED: Mr. Speaker, I wonder if I could supplement the first answer I gave to the hon. Leader of the Opposition with regard to the matter of interest rates. The matter was not discussed with the Prime Minister. In fact, we were not advised of the intention of the Bank of Canada at that particular time and did not learn of it until others in Canada did the next day. But it is my intention, after discussion with my colleagues, to communicate to the federal government that if, as it appears, the policy of the Bank of Canada in tracking the American interest rate is due to a concern with regard to both our exchange rate and a depleting reserve position relative to a currency situation, and if those are the reasons which have been expressed, the federal government has open to it a very obvious and dramatic way in which they could take significant pressure off the Canadian interest rates. Approval of a substantial quantity of surplus natural gas to the United States would dramatically do that.

MR. R. CLARK: Mr. Speaker, one last supplementary question to the Minister of Agriculture. It flows from the answer the minister gave the Assembly with regard to the loans from ADC. Is the minister in a position to indicate to the Assembly today that there will be no increase in the rate of the guaranteed loans the Agricultural Development Corporation has placed across the province? The interest rates on the guaranteed loans are now some 15 per cent plus. Can the minister give the Assembly an assurance that steps will be taken by ADC so those guaranteed loan rates will not go up?

DR. BUCK: That's how they help the farmers and small business men in this province: 15 per cent interest rates.

MR. SCHMIDT: I'm ready now. Thank you.

Mr. Speaker, the lending rate of the Agricultural Development Corporation to the industry is pegged for direct lending. The very process of the Agricultural

Development Corporation on the guaranteed loans fluctuates and floats with the interest rate at the chartered bank. The interest rate that at the present time is pegged, of course, is just one part of the review of ADC that is going on at the present time. The indirect guaranteed loans that are made available still float, and will remain to do so because that's the nature of the program itself.

MR. R. CLARK: Mr. Speaker, I commend the minister for the review of the corporation that he has commenced. Mr. Minister, can you indicate to the Assembly that, at least during the period of this review that is going on, the rates of these guaranteed loans will not increase, and the ADC will take whatever steps are needed to — if it's a matter of shielding young farmers from increased interest rates on the guaranteed loans? At least during the period of the review, Mr. Minister, can't we have that assurance?

MR. KNAAK: A supplementary, Mr. Speaker.

MR. SCHMIDT: Mr. Speaker, my body is here; the rest will come tomorrow, I guess. [laughter]

With regard to beginning farmers, certainly their interests will be looked after. With regard to the guaranteed loans, of course they'll still float. I can give no guarantee of a pegging until the review is completed.

MR. SPEAKER: A final supplementary by the Member for Edmonton Whitemud.

MR. KNAAK: Mr. Speaker, to the Minister of Agriculture. Has the department considered guaranteeing the loans by farmers, much as in home mortgaging, so there would be a more stable rate, say for a five-year period, and farmers can make plans? I believe this current rate can probably destroy some of the younger farmers. Has any consideration been given by the government of Alberta to instituting a mortgage guarantee plan so commercial institutions would lend over a five-year period, just as they do in residential housing?

MR. SCHMIDT: Mr. Speaker, the beginning farmer program under review at present has taken and is taking into consideration the programs that are available to beginning farmers across Canada; to those agencies, governments, and institutions that provide funding to beginning farmers; to other areas of the world. At this time all I can say is that we have looked and are looking at every conceivable way and means of providing funding to beginning farmers, to meet the end result of what we as a government are after; that is, guaranteeing our future farmers the opportunity to make a start within this province, to be successful, to stand on their own two feet.

MR. KNAAK: I don't think my question was answered, Mr. Speaker.

MR. SPEAKER: Perhaps the hon. member could deal with it on another occasion. We're running short of time, and a considerable number of members are waiting to ask their first question.

DR. BUCK: You should have asked it in caucus.

Metis Settlements

MR. R. CLARK: Mr. Speaker, to the Minister of Social Services and Community Health. What action has been taken by the minister with regard to the specific recommendations made by the Ombudsman in his report of June 18, I believe, following the removal of files from the Metis settlement offices?

MR. BOGLE: Mr. Speaker, eight recommendations were made by the Ombudsman on the activities of officials acting on behalf of the Department of Social Services and Community Health on Monday, June 18. The first two of the eight recommendations dealt specifically with the activities of those officials, and both recommendations were adopted by the government and implemented immediately. The other six recommendations deal with the more general relationship of the government and the eight Metis settlements. As a matter of fact, five of the six items had been discussed by representatives of those settlements and representatives of our government prior to the Ombudsman's report. We've discussed them since that time, and it's part of an ongoing review.

MR. R. CLARK: Mr. Speaker, to the minister. What steps have been taken with regard to the two specific recommendations the Ombudsman made that a committee be established to deal with issues involving upgrading the Metis settlements to the status of improvement districts, and re-evaluation of The Metis Betterment Act?

MR. BOGLE: Mr. Speaker, I'm sure the hon. member will recall that the recommendation of the Ombudsman that the settlements be turned into improvement districts is a recommendation that various Metis spokesmen have objected to. It's one of the items which we have discussed. The question of a joint committee is under review at the present time with members of the Metis settlements.

MR. R. CLARK: Mr. Speaker, to the minister. Mr. Minister, has no committee been established as recommended by the Ombudsman? Has the government not taken the initiative to establish this committee as recommended by the Ombudsman to deal with — I believe it was six or seven various issues that the Ombudsman recommended should be before this committee.

MR. BOGLE: Mr. Speaker, the Ombudsman recommended a number of very important points, one of which was that there be a without-prejudice agreement. That issue has been reviewed and is currently being reviewed by the government of this province. In terms of the ongoing process between the native people and us, as I've indicated there have been several meetings. I think we're moving ahead at a very good rate, considering what has happened in the past, looking at the creation of the settlements in the late 1930s and what happened until this government came to office.

MR. R. CLARK: Mr. Speaker, to the minister. Mr. Minister, other than tendering an apology to the Metis people — which we urged you to do earlier, once

the Ombudsman's recommendations came down, the minister did — and having some informal discussions, what concrete progress has been made since this House last sat, as far as the particular matter of the Metis settlements is concerned?

MR. BOGLE: As I've indicated, Mr. Speaker, all six of the recommendations made by the Ombudsman which were of a general nature — the relationship between the government on one hand and the Metis people on the other — are currently under discussion between our representatives. For me to elaborate further at this point would not be productive. Once I'm in a position to advise this Assembly of the — to use the words of the hon. member — "concrete" steps to be initiated, I'll be happy to do so.

MR. R. CLARK: One last question of the minister. Can the minister advise the Assembly — the Ombudsman recommended that Metis people of suitable ability be brought into the Metis development branch. Has the minister at least done that yet?

MR. BOGLE: Mr. Speaker, that was the eighth and final recommendation the Ombudsman made. It relates to the number of native people who do work for the Metis betterment branch. I would like to point out that if we are looking only at the administrative branch here in Edmonton — and there are 30 members in that branch — nine of the 30 members are native people. Now it's fair to say that the management and the program supervisors are not native. One of the difficulties we've had in attempting to recruit native people from the settlements into the Metis betterment branch has been a reluctance by those people to relocate here to the city. But I might mention that if we look at the entire program, Mr. Speaker — the school lunch program, as well as the project staff — we find a total of 147 native people working, in comparison with 22 non-native, which represents about 87 per cent of the total work force.

MR. NOTLEY: Mr. Speaker, I would like to put a question to the hon. Minister of Social Services and Community Health. On page 21 of the Ombudsman's report the Ombudsman indicates that over the past years the government had assured the Metis people that these "were 'your files,' 'your clerks,' and 'your buildings'."

Mr. Speaker, my question to the hon. minister is: what steps has the minister taken to clarify with officials of the minister's department the position of the government in dealing with the Metis people and giving them the impression that these were "your files", "your clerks", "your buildings", when the minister advised the Assembly last spring that these were government clerks, government buildings, and government files?

MR. BOGLE: Mr. Speaker, the question of legal ownership is one on which we might look back to The Metis Betterment Act. In looking at that Act we find that we are bending and in fact breaking the law by attempting to assist the Metis people to achieve a greater role of autonomy and responsibility on the settlements. I use as an example the point that the Act specifies that two members of the settlement council should be elected and two appointed by the minister,

and the chairman should be an employee of the department.

MR. R. CLARK: Change the Act. You've been the government for eight years.

MR. BOGLE: Mr. Speaker, that's coming right to the critical point. [interjection] I'm interested in the comments of the Member for Little Bow, since he sat in this position for a number of years and did nothing. [interjection] It is our intention to attempt, in consultation with the Metis people, to examine what amendments to the Act might be necessary to bring it into the twentieth century and to ensure that our joint goal — that is, greater responsibility and autonomy in the settlements — is achieved.

MR. NOTLEY: Mr. Speaker, a supplementary question. The supplementary question deals with the . . .

MR. CRAWFORD: Mr. Speaker, if I could add briefly to what the hon. minister has said, and it's in this reference. The overall issue — and my hon. colleague has referred to the difficulties under The Metis Betterment Act and elicited some further questions from the official opposition in regard to why amendments hadn't taken place. I think it's important for me to state the position the government has taken in respect of this since the lawsuit was commenced by the Metis settlements against the Crown in Alberta, in regard to the disputed ownership of mineral rights under the Metis settlements' lands. What has transpired there is that we had taken the position in the lawsuit throughout all of that period — and it was government policy throughout that period of time, giving the result my hon. friend indicated in regard to inability to make amendments — that it was not in the interests of the Crown on behalf of the people of Alberta — as the summation was given by my predecessor — to litigate and negotiate at the same time, because some things might occur in the negotiations which would prejudice the outcome of the lawsuit. In that context, reference to a without-prejudice agreement arose a number of times; it's also one of the things that the Ombudsman referred to in his report.

My view at the present time is perhaps slightly different from that of my predecessor in regard to the without-prejudice agreement. I think it's the feeling of my colleague the Minister of Social Services and Community Health, when he said that significant . . .

MR. SPEAKER: Order please. I think we're going to run into difficulty if we have one minister interpreting another minister's answer. I would appreciate it very much if the hon. minister might relate the answer he is now giving to the last supplementary asked.

MR. NOTLEY: Mr. Speaker, perhaps I could put the supplementary question again, because it seems to have been lost in the last . . .

MR. CRAWFORD: Mr. Speaker, I can conclude very briefly to indicate — which I think is really important to hon. members — that the view in regard to the without-prejudice agreement, which I believe ties entirely to the question of negotiations and discussions between the Crown and the representatives of the settlements, I now believe might be possible with somewhat less formality than my predecessor thought, and I've advised the government accordingly. It's our hope

that this can be reached by way of an exchange of correspondence rather than a lengthy negotiation of an agreement.

MR. NOTLEY: Mr. Speaker, a supplementary question. While I welcome the comments of the Attorney General, my question related to the flow of information to this Assembly. The question bears repeating. On page 21 of the Ombudsman's report, the Ombudsman finds that over a number of years the people in the development branch had left the Metis people with the impression that these were their files or, to quote from the Ombudsman's report, "your files," "your clerks," and "your buildings." Now, Mr. Speaker, the Assembly was advised last spring that these were in fact provincial files, provincial clerks, and provincial buildings, or government files, government clerks, and government buildings.

My question is: can either the hon. Minister of Social Services and Community Health or the Attorney General advise the Assembly what steps have been taken to clarify the situation, so that in fact we find out why information was given to the Legislature last spring that was not consistent with the findings of the Ombudsman?

MR. CRAWFORD: Mr. Speaker, despite the heat that the hon. member is trying to generate in the manner of presenting his question, there's really nothing very complex or difficult about the matter at all. The Ombudsman, in performing his duties, expressed an opinion. Neither he, nor anyone else, had made any suggestion at any time that he was determining a matter of law or a matter of what the facts would be found to be in any sense of a court case or trial. Clearly the question of the ownership, so far as it's relevant to the court case, which is the context within which it was discussed here, is a matter to be determined in the trial.

MR. SPEAKER: Might this be the final supplementary on this topic.

MR. NOTLEY: A supplementary question to the hon. Provincial Treasurer, with great respect to the hon. gentleman. The question is really the flow of information to this House. If in fact there had been a policy for a number of years, Mr. Speaker, that people in the settlements had been led to believe that these were their files, their personnel, and their buildings, then the question that has to be answered is: why was that information not conveyed to the Legislature last spring when the matter was discussed?

MR. SPEAKER: Without wishing to embellish or improve the hon. minister's answer, it would appear that the hon. member is asking a question which really has been answered quite precisely: that the question of ownership is a matter of legal opinion.

Oil Sands Development

MR. R. SPEAKER: Mr. Speaker, my question to the Premier is with regard to the financing and funding of the new oil sands developments in Alberta. I wonder if the Premier could indicate to the House what the possible mixing of funding would be at the present time and the type of mix that's being looked at with regard to foreign investment, Heritage Savings Trust

Fund, and investments from individual Albertans. Has the government a policy on that position at the present time?

MR. LOUGHEED: Mr. Speaker, I'm not in a position to give any information to the House which would be useful at this time.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. Could the Premier indicate whether discussions with regard to the oil sands have gone on between the Premier, his office, or the ministers of the government and any potential foreign investors?

MR. LOUGHEED: Mr. Speaker, again, it really goes at the same question in a different way. There's nothing I can inform the House at this time that would be helpful to either the hon. member or the Legislature at large.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Premier. Will the government be considering various ways, or a new mechanism possibly, which would allow individual Albertans or Canadians to make direct investments in the future development of the oil sands?

MR. LOUGHEED: Mr. Speaker, certainly we've already shown that to the people of Alberta through the Alberta Energy Company, which of course has been highly successful. They now hold a significant interest in the Syncrude plant, which I think is an improvement over the financing arrangements with regard to the Great Canadian Oil Sands project. Of course we for our part will give consideration in the future as to whether it would be participation by the government, by the private sector through an entity like the Energy Company, some other way, or not at all.

CNIB Agreement

MR. NOTLEY: Thank you very much, Mr. Speaker. I would like to direct this question to the hon. Minister of Labour. It relates to the understanding announced on October 2, 1979, between the CNIB and former employees of the CNIB. Can the minister outline to the House the reasons for excluding both the lawyer acting for the workers involved, as well as the negotiator, who I believe was the executive secretary of the Alberta Federation of Labour, from the weekend discussions that led to the so-called understanding?

MR. YOUNG: Mr. Speaker, I can do that very simply. I had a meeting on September 13, I believe it was, with the majority of the strikers — I should interrupt here and say that the expression "strike" in this context is not one normally found under The Labour Act — and ascertained that the picket line at that point had two leaders from within the organization. It was clear that at that point a lawyer was acting as spokesman for them, but that they were in fact the leaders. I had occasion to meet those same leaders in a context which was not planned, and at that point those leaders indicated to me they wished to continue some discussions.

The discussions were continued, and it appears to me the reason the lawyer and the other individual involved

earlier did not continue to be involved was that they did not, at that point, have the confidence of the leaders.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Labour. Is the minister in a position to inform the House whether there was any subsequent canvassing of the picketers to determine whether or not the understanding announced by the minister on October 2 was in fact satisfactory?

MR. YOUNG: Mr. Speaker, in situations where there are disputes, it isn't usual for the Department of Labour to discuss with each employee or former employee his individual opinion. At some point, for a reasonable discussion to take place, there has to be credibility and leadership.

However, Mr. Speaker, it may be useful to advise the House that, if the understanding was reached on October 2, which I think to be correct, then on the morning of October 3 seven blind persons applied for counselling and placement assistance to the placement officers of the Canadian National Institute for the Blind. Therefore, since this occurred in a matter of hours following the understanding, I believe there was a very strong view that it was the best that could be achieved.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister, for clarification. So there's no misunderstanding in the House, then no formal effort was made to canvass the picketers in total subsequent to the understanding between Mr. d'Esterre, the minister, and the one representative of the workers themselves? The minister is giving us the results of a few individuals, but no effort was made to formalize that, even in the form of a meeting?

MR. YOUNG: Mr. Speaker, I suppose I can add one other item of information which I believe is generally public. Preceding the reaching of the understanding on Monday, October 1, I believe it was, I was personally visited in my office by two blind persons, one of whom had been an employee of the Canadian National Institute for the Blind at the time the walkout occurred and was the other identified leader — so stated in my earlier meeting with them. He gave me a written statement signed by him to the effect that because of some matters of difference between him and the other leader he had turned over to the other leader, with full confidence, his responsibility and leadership role in the dispute. I say again, Mr. Speaker, that on the basis of evidence and information which I had on the basis of the discussion, and which the leader who agreed to the understanding took back and reviewed with the blind workers, in my view there was much effort to destroy an understanding by persons who had earlier lost the credibility of the blind strikers.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to advise what concrete steps beyond job counselling the province of Alberta is able to offer the picketers, in terms of employment as a result of the closure of the workshop subsequent to the October 2 understanding?

MR. YOUNG: Mr. Speaker, I'm not sure I grasped the question correctly. But if I did, it was: what services was the province able to offer the strikers other than place-

ment support? It seems to me, Mr. Speaker, inasmuch as the strikers were at that point without employment because the workshop and their form of employment had been closed out, that that kind of service was desperately needed. I understand that two of those persons have already been placed in other employment. The Canadian National Institute for the Blind did bring in extra support to assist in placement. Further support was assured, if necessary, by my colleague the Minister of Social Services and Community Health. To the best of my knowledge that covered the main concern of the strikers at that point.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Labour or the Acting Minister of Consumer and Corporate Affairs. Is the minister in a position to outline to the House whether, in the discussions that led to the understanding on October 2, any consideration was given to the rather puzzling exemption of the CNIB from the provision that all charitable organizations must disclose their financial dealings in this province, an exemption that was made some years ago?

MR. YOUNG: Mr. Speaker, I am not familiar with the exemption, if there was one, in terms of what may have occurred with Consumer and Corporate Affairs. I would refer that question to my colleague.

MR. HORSMAN: Mr. Speaker, I will take that matter under advisement and have the minister review the situation with a view to responding when he returns to the Assembly.

Tourism — Grande Cache Area

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Tourism and Small Business. Can the minister indicate what action has been taken or is being contemplated regarding the consultants' report released in mid-September as to the potential for tourism in the Grande Cache wilderness area of Willmore Wilderness Park?

MR. ADAIR: Mr. Speaker, yes, we released the tourism alternatives study for the Grande Cache area to the public in September. At that time I indicated that the Department of Tourism and Small Business would contact the departments affected by the recommendations made by the consultant as to any concerns they may have relative to those recommendations, before we act on any of them in any way. I had said at that time that the recommendations were those of a consultant and would be considered by the government, not necessarily accepted in whole or in part. After we have a thorough review of that, we'll be coming back with some recommendations through the department.

DR. BUCK: Mr. Speaker, to the hon. minister. Can the minister indicate what public response to the recommendations has been solicited by the minister's department?

MR. ADAIR: Mr. Speaker, I'm not sure of the intent of the question. Would you elaborate just a bit?

DR. BUCK: Yes. Mr. Speaker, to the minister. Has the department made ready an opportunity for the public

to respond to the recommendations of the consultants? Secondly, a supplement to the supplementary: has the Alberta Fish & Game Association been contacted and given their input into the consultants' report?

MR. ADAIR: Mr. Speaker, most of the organizations within the province of Alberta and the public at large can obtain copies, particularly of the executive summary. The full report itself is in the public library. At this point I believe the Alberta Wilderness Association and the Alberta Fish & Game Association have already picked up executive summaries so that they can review and respond to us.

DR. BUCK: A supplementary, Mr. Speaker, to the Minister of Transportation. Can the minister indicate if the department is giving any active consideration to rerouting Highway 40 between Grande Prairie and Hinton, to be in proximity to Grande Cache?

MR. NOTLEY: Build Highway 49 first, Henry.

MR. KROEGER: Mr. Speaker, I went to Grande Prairie about three weeks ago and went the proposed route of Highway 40; that is, the old forestry road towards Grande Cache. We also developed some estimates of costs. The costs of bringing that closer to Grande Cache were substantially higher than just developing a route that would go through, with lead-in roads. So at the moment we're not considering swinging the route, if and when that road may be built.

DR. BUCK: A final supplementary to the Minister of Tourism and Small Business, Mr. Speaker. When the minister indicated that he will be looking at the consultants' report and consulting with other departments, does the minister have any indication when a policy on the future of Willmore Wilderness Park will be proclaimed by this government?

MR. ADAIR: Mr. Speaker, relative to the alternatives and the recommendations themselves, no, I can't give you a firm date. As I said earlier, we have all the departments that are affected working on their review of those recommendations and how they may in fact affect them. At that point we will get back together again. I hope that it's as soon as possible, but at this time I'm not prepared to give a firm date.

Health Facilities Review Committee

MR. BATIUK: Mr. Speaker, I hope this is not going to disrupt the decorum of the House, but I would like to direct my question to the chairman of the Alberta Health Facilities Review Committee. Could the hon. Member for Edmonton Norwood advise whether there have been many complaints to this committee since its inception?

MRS. CHICHAK: Mr. Speaker, the hon. Member for Vegreville has asked the question of the matter of complaints since its inception. I wonder if the hon. member is referring to a period of time when the committee under its new name has taken on its responsibility of investigating complaints. Would the hon. member like to clarify that?

MR. BATIUK: That's right — since this committee was formed from the previous Alberta Hospital Visitors Committee.

MRS. CHICHAK: Thank you, Mr. Speaker. The new legislation was passed November 3, 1978. In the last two months of 1978 some nine complaints were received, all of which have been resolved. In 1979 we've had a total of 39 complaints, 14 of which were from nursing homes. The others were from other institutions which come under the jurisdiction of the committee. Thirty-one of those have been resolved, two have been referred to the Minister of Hospitals and Medical Care for further extensive investigation, and six are currently being investigated by members of the committee and hopefully will be resolved at an early time.

MR. BATIUK: A supplementary question to the hon. member. Could the hon. member advise whether the bulk of these complaints has been coming from patients themselves or from other concerned groups?

MRS. CHICHAK: Mr. Speaker, at this time I think it is pretty well balanced, both from relatives and from patients, perhaps a little more from patients than from relatives or other interested parties. But some complaints with regard to working situations within some of the facilities have also been coming from staff.

MR. BATIUK: One final supplementary, Mr. Speaker. Could the hon. member advise how many of these complaints have already been reviewed by the committee?

MRS. CHICHAK: Mr. Speaker, it is the policy of our committee to review immediately any of the complaints received. When I mean immediately, generally within 24 hours a basic communication and investigation has been started. There are only six outstanding that have not been resolved before the committee. But all of them have been receiving attention, and investigation is being carried on.

MR. BATIUK: If I may, Mr. Speaker, a second final supplementary to the member. Could the hon. member advise on the effects of this committee, and have some of these complaints been resolved to date?

MR. SPEAKER: Is the hon. member asking for the effects on the patients?

MR. BATIUK: Of the complaints, Mr. Speaker — whether they have been resolved.

MRS. CHICHAK: If I may, Mr. Speaker, I would interpret the hon. member's question to mean: has the committee been instrumental in bringing about a resolution? Of course I would have to say yes, it has been.

MR. SPEAKER: We've run out of time for the question period. But since I've recognized the hon. Member for St. Albert, if the Assembly agrees perhaps we could have another question.

HON. MEMBERS: Agreed.

Nursing Education

MRS. FYFE: Mr. Speaker, I would like to request the Minister of Advanced Education and Manpower to advise this House of the rationale of the recent decision to limit the expansion of the post-registered nurse degree program at the University of Alberta.

MR. HORSMAN: Mr. Speaker, over the past few months the government has had under consideration two requests for expansion of a program of nursing education past the basic R.N. degree. One was from the University of Alberta, and one was from the University of Lethbridge. The one at the University of Lethbridge was to institute a new program entirely, and the other at the University of Alberta was to double the existing student enrolment.

The University of Lethbridge program has been agreed to. That program, which will add significantly to the number of nurses who can receive baccalaureate training past the R.N. degree, will go into effect in the fall of 1980. The University of Alberta program was not approved, in that when existing programs are in place it is a policy of this government to require the boards of governors at the various institutions to consider the possibility of reallocating their resources within the existing institutional funding. That is what we have asked the University of Alberta to do, rather than to provide additional funding for that program.

MRS. EMBURY: Mr. Speaker, a supplementary question. I'd like to ask the minister if the proposal from the University of Alberta was not only an expansion of the existing baccalaureate program but if it also didn't include some aspects which were a bit innovative. By that I mean it would be meeting the needs of nurses who want to pursue the baccalaureate degree in northern areas of the province besides Edmonton.

MR. HORSMAN: Mr. Speaker, of course some elements of the proposal were new. Nevertheless the program has been in existence at the University of Alberta for some time, and it is our decision to request the university to review the matter themselves to see whether in the budget they have, which is amongst the most handsome of university budgets in Canada, they cannot find the necessary funds, in view of the fact that there are areas of the university where enrolments are declining. We think it appropriate indeed, and I'm certain the board of governors will review our request very carefully in the coming months.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Could the minister advise the Assembly whether the funding for this new nursing program will be part of the \$560,000 additional funding that will be going to the University of Lethbridge in the 1980-81 fiscal year?

MR. HORSMAN: Mr. Speaker, I don't know exactly what the hon. member is referring to with respect to the specific sum, but the new program funding will be in addition to the base grant plus increment which is normally provided. In other words, this is new program approval on top of their previous program offerings, and the funding will flow accordingly.

MR. R. SPEAKER: Mr. Speaker, the minister should check with the briefs he receives from the University of Lethbridge.

MR. SINDLINGER: Mr. Speaker, a supplementary question to the minister. Will the supply of graduates from the established programs, plus those from the new program at the University of Lethbridge, meet the demands for Alberta graduates up to 1990?

MR. HORSMAN: Mr. Speaker, it is hoped that, in addition to the new program at the University of Lethbridge, there will be indeed an increase in enrolment at the University of Alberta from the funds presently allocated to that institution on the block basis.

MR. SINDLINGER: A supplementary, Mr. Speaker. Could the minister advise whether the demand for Alberta graduate nurses will be met by Alberta graduates from the established programs plus the increased supply from the University of Lethbridge?

MR. HORSMAN: Mr. Speaker, the whole question of nursing education in Alberta is much broader than the programs offered at the universities. Included, of course, are nursing programs at the University of Alberta, many of the public colleges and, in addition, several of the existing nursing schools associated with teaching hospitals. In view of our rapidly increasing population in this province, there's no question there will be a strain on the programming, but we are confident that working carefully with the institutions and with the nurses we will be able to meet those needs.

MR. SPEAKER: I apologize to hon. members who haven't been reached. Perhaps we went a little far with supplementaries on some of the topics.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

15. Moved by Mr. Lougheed:

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

MR. LOUGHEED: Mr. Speaker, as many hon. members are aware, the purpose of this motion is to respond by way of accountability to the Legislative Assembly, through the leader of government, to review the state of provincial affairs and provincial administration through the various departments during a period of adjournment of the Assembly. As hon. members are aware, when the House prorogues at the end of a given session and there is a period of adjournment, it commences normally with the Speech from the Throne, which also has a review element in it. It has been our practice and custom for a number of years to launch such an overall review at the start of the fall session for the benefit of members and by way of our view of government accountability to the Legislative Assembly.

The intention in my remarks today will be not to deal with certain subjects; first of all, not with energy, except in an ancillary or supplementary way, because of

the nature of negotiations which, as members are aware, are ongoing. I am sure there will be appropriate times to discuss and debate those specific issues later in the fall session or at least over the course of the months ahead. It's also not my intention to dwell upon the Heritage Savings Trust Fund during the course of these remarks. Quite obviously, the Provincial Treasurer will be presenting to the Assembly an appropriation Act, and of course at the committee stage either the Provincial Treasurer or I will respond and be able to answer policy questions that may be raised.

Since our adjournment on July 4, there has been a very high degree of government activity. There certainly doesn't appear to be any diminishing of the rate of activity we're involved in as a provincial government. The government party caucus has of course been very active with its task forces and its committees, and with regard to other assignments. As has been our custom, Mr. Speaker, the cabinet took three days in late September to move away from short-term contemporary problems and review the long-term plans of the government of Alberta and the people of Alberta.

I want to note in my preliminary remarks a number of special events. One event seems to me so impressive, in that it drew so many Albertans and reflected the nature of our society. That was, of course, the St. Albert Summer Games, which were so well organized by that community and showed the community spirit of the people of St. Albert and area. Some 2,350 participants came there.

On the other side, perhaps, of the nature of activity was the conference organized by the Minister of Environment. An international conference on environment in the northern regions involving delegates from various countries who came to Edmonton, Alberta, Canada, gives some idea of the scope of government activity.

There has been, of course, considerable travelling by all of us who have been involved in government. Part of what we've said since 1971, Mr. Speaker, is that we're so much affected by what goes on in other parts of the world relative to our decision-making process, we need to be aware of international events and trends. Our ministers have, been travelling extensively: to China, the Minister of State for Economic Development — International Trade; and through the Pacific Rim, of course, the Minister of Agriculture — who is not quite sure, I think, as we all can understand, whether this is Tuesday, Monday, Wednesday, or Thursday, having covered the distance he has been travelling. As well, there have been numerous federal/provincial conferences.

One of the most interesting things happening in Alberta today, Mr. Speaker and members of the Assembly, is the international focus which is coming on this province for a variety of reasons. It's certainly clear in terms of the number of visitors coming here to be aware of the situation within Alberta, and hopefully to bring their risk dollars with them. I'll say more about foreign investment during the course of my remarks.

The BDI mission from Germany, which the hon. Minister of State for Economic Development — International Trade looked after, was a particularly high-powered one, as was the United Kingdom mission on invisible exports; but there were many others. World attention is certainly directed toward Alberta. In my judgment, a very important part of this activity in terms of people coming and looking at Alberta as a

place for risk investment arises from the various missions we've had in the past, specifically the follow-up to the 1975 European mission.

Mr. Speaker, we've had the customary approach with regard to delegations of various groups in the province to the provincial government. But as hon. members are aware, the government has changed its approach. We now have a system which is being well accepted and is working out very well as part of the government team approach. Delegations from provincial groups do not go to the provincial cabinet, the Executive Council, but make their presentations to the caucus committee and its chairman, and the ministers who are responsible sit in. We've had some nine of those in this new approach, and they seem to be working very well.

One of the specifics that occurred during the break was, of course, the new policy announced by the Minister of Advanced Education and Manpower with regard to the refugees from Indo-China coming to Canada. The settlement arrangements which were made, and the nature of the support which I frankly think we received, Mr. Speaker, reflect the humanitarian attitudes of the people in our province which have been shown over a period of years by the matching-grant international aid programs we've had. The positive response to the move of the government of Alberta of some \$2.3 million, with a heavy emphasis, I believe, on second-language training in English, was certainly interesting to us. We watched it with considerable attention. It supported and was in addition to the \$1 million announced by the Minister responsible for Culture with regard to improvement of conditions in those parts of the Far East that are experiencing such difficult times.

Mr. Speaker, I want to review very briefly the present social programs of the government. We've gone through a spring session of budget appropriation, after a campaign of declaration of programs, and a very significant report to the Legislative Assembly is required on implementation of these various programs.

We make, and will continue to make, a constant effort to upgrade and improve the various social programs of this administration. A dozen new programs announced during last spring's election campaign were launched during the spring session, and are now in their early stages of implementation. Under the very effective management of the Minister of Social Services and Community Health, I list, of course, the Alberta assured income program for the severely handicapped, the aids to daily living, the home care program — as I understand it, only three health care units are not now involved. The day care program, with the exception of the city of Edmonton, which I gather may be belatedly involved, has been working very well.

Very interesting data for hon. members with regard to public assistance in this province: some of us have been concerned by the fact that we have an economy so much stronger than the rest of the country, and have been wondering what that would mean in terms of public assistance payments. Would it mean an increase in people coming here, so to speak, to see what's at the end of a rainbow? What would be the result in terms of public assistance? We've all been watching these figures very carefully.

It's interesting to report now to the Legislative Assembly that the total recipients of public assistance

went down by 5 per cent between July 1978 and July 1979. With regard to people who have dependent children and require assistance, there was a decrease of 4.6 per cent, which is also a very interesting statistic. However, the unemployed employables decreased by 14 per cent in the province. I think that's a particularly significant figure for a province such as Alberta, where unskilled people are coming to look for work. I would have thought it would end up on the other side. However, the number on assistance who are unsuited for employment has increased.

But overall, as I've mentioned, the public assistance recipients reduced over that important period of time. In other words, it does appear that our strong economy is attracting skilled people to this province, as distinguished from unskilled. We hope it continues. Keep in mind that through all of this, we have the highest labor force participation in Canada.

Mr. Speaker, the combination of provincial and local government spending on social programs in Alberta is the highest in Canada, despite this low situation with regard to public assistance. If you look at those aggregate figures, obviously we're directing our efforts, our energies, and our resources to people in need in this province who are either handicapped or disadvantaged in some way. That certainly is the philosophy and approach of our administration.

To review briefly some of the departmental steps that have occurred, the Minister of Advanced Education and Manpower has announced a new \$4.5 million program — he may wish to elaborate upon it later in this session — of education and training for the handicapped themselves, but this is the important part: for personnel working with and teaching the handicapped. We can announce these programs through the Department of Social Services and Community Health, but we have to have the people to back up, to implement the programs. I certainly commend the hon. Minister of Advanced Education and Manpower for working that program, and for the support he is developing with the institutions involved. There is an emphasis on training and educating those who are workers and professionals in rehabilitation.

In addition, I should mention that right now we have a very large construction program going on in the postsecondary area, some \$54 million throughout Alberta. Those of you who have been travelling in the last few months would be aware of it.

Relative to implementation in the Department of Education, Mr. Speaker, I'm pleased to be advised that the junior high component of the educational opportunity fund, which we announced last winter, is now half completed, with 75 projects servicing some 1,500 students. In addition, we've had the renewal of the elementary component of the educational opportunity fund moving forward, some 236 projects out of a total of 350. I suggest that members who aren't acquainted pay some attention to what this educational opportunity fund means: the idea of special projects directed by the provincial department that can be helpful to people who are having difficulty within our educational stream.

I understand the heritage learning resources project is progressing well. The material is starting to move into classrooms throughout Alberta. But I imagine that will be more thoroughly discussed and debated during the capital projects estimates. Mr. Speaker, it does reinforce — and I want to reinforce perhaps even

more on another occasion — the continued commitment of this government to a greater emphasis in its education curriculum upon geography and history of our own people in Alberta and Canada. That has been my understanding, which has been reflected as I have travelled the province, of the feelings of a vast number of our citizens.

If I could move next to Hospitals and Medical Care, only 32 of 152 hospitals appealed their budgets, and those budget appeals are now in the process of review by the minister and his department. Hospital construction going on in this province is — well, talk to a visitor — really unparalleled. Twenty-three are in the construction stage and 23 are approved and in the program and design stage: a total of 46 hospital construction projects in Alberta, either at the construction, program, or design phase — \$575 million. Nothing like that is going on at all in the rest of Canada.

We have a new planning manual that the minister has developed with his usual competent leadership, and I understand 86 proposals have been received since June 1. Overall, this is a reflection of the commitment of this government to the high priority of our health care delivery system and the need to constantly upgrade it.

We're involved in a challenge: at the same time that we are doing these things in our health care delivery system, we are upgrading, by way of renovation and improvement, those facilities brought in by the former administration, primarily in the '50s and to some extent in the early '60s. At the same time, we are dealing with the rapid population growth that is occurring in many centres in Alberta, not just in the two metropolitan centres. As well, we're designing some very, very important specialty facilities that are important to the citizens of this province by way of referral. All of that program is going on at the same time. There is no comparison in the rest of the country.

Relative to housing, we've been watching an important point as we carefully monitor the rent decontrol system. The apartment vacancy situation in Edmonton is quite good. It's up to 3 per cent now, where it was in 1975. The Calgary situation is tighter, at only 19 per cent, the 1975 level. So, despite the boom conditions in our two metropolitan centres, through very extensive construction from '75-79, we're taking the pressure from our rental situation and hence moving, I think, very effectively with our rent decontrol program.

The situation of housing starts in this province is still quite astounding. From January to the end of August 1979 there had been 20,375 urban housing starts in Alberta, 21 per cent of Canada's total housing starts. That's after our housing development program, our housing starts, coming down somewhat from the high of 1978. Despite coming down from that high, it is still so large that it represents, as I say, some 21 per cent of all housing starts in Canada when we have only about 8 to 9 per cent of the total Canadian population. I think hon. members would be interested to know that 34 per cent of the residential permits in the province in that period of time were outside Edmonton and Calgary.

Since July 1, 1979, the Department of Housing and Public Works has, under the direction of the minister, approved 14,000 applications for grants to senior citizens on the home improvement program, the Alberta pioneers' repair program. That is quite a figure, 14,000. We were concerned about the response we would get to the home adaptation program which, as

you recall, is for home renovations for wheel chair users. There have been 116 applications received, and they are being processed by the department.

Relative to the senior citizens' facility grant program under the administration of the department of Culture, some 80 applications have been received to date. So that program is being picked up as well.

Relative to native people in the province, we had a good meeting with the Indian Association of Alberta in June. They took the position, as we've reported in the House, that they were not interested in the province moving into certain areas that they felt should be retained under federal jurisdiction. They have said, however, that they want to bring some economic proposals to us. We said that the programs available now are available to all Albertans, including native people, but we would certainly look at proposals, which we hope would be soundly conceived.

The Metis Association of Alberta has a new president. Our minister who is responsible has had two early meetings, and reports a constructive approach with regard to our relationships with the president of the Metis Association.

Going to the area of culture, I think our ongoing programs are clearly the finest in the country. We're developing a fascinating situation in terms of cultural activity in this province. We see it in so many different ways, from the television film festival that the minister and I attended in Banff, and the whole attitude of the people there, to so many other aspects of activity which balance the material nature of our progress here in Alberta.

There have been some other developments with regard to the minister's activity. That includes, of course, the transfer of lotteries to provincial jurisdiction. Of course, the 75th Anniversary celebrations have been noted in the public press. Rather than take the time now, Mr. Speaker, I'd prefer to wait and, towards the end of the session, have either the minister or a number of ministers give a ministerial statement as to how we're progressing with our 75th Anniversary celebrations.

A brief word about Recreation and Parks. There certainly has been continuation of activity by way of improvement and construction all across Alberta. The Kananaskis is an exciting project, and I suggest hon. members visit and see what's going on there. Relative to recreation, I know that since I mentioned St. Albert, the hon. minister and the hon. member would want me to mention the Winter Games in Grande Prairie, where they anticipate some 2,500 athletes.

As I understand it, the Attorney General is moving along with the citizen advisory committee on gaming laws, and with the very important recommendations of the Kirby Board of Review. Very substantive progress has been made in terms of court facilities in Alberta.

Solicitor General: I have a long report. Perhaps I should condense it and just take the highlights. We've really upgraded the jail system in this province in a very important way. The correctional system facilities haven't been as high-profile as others, maybe for obvious reasons. Perhaps the most exciting, the most important opening — I hope it wasn't exciting — was the Edmonton Remand Centre, which would take the pressure off the Fort Saskatchewan jail, reducing the jail population from some 600 to 330. The capacity of the Remand Centre is 338. Significant progress has also been made in St. Paul and Lethbridge and

throughout the province in terms of upgrading and improving our correctional system. In addition, the Solicitor General has been involved in further work relative to rehabilitation and law enforcement.

Mr. Speaker, that covers my very brief overview of the social programs of the government. I now want to go on to the state of the Alberta economy.

First of all, Mr. Speaker, a general statement: Alberta is continuing its rapid pace of economic development this year, despite the fact that we've had the end of the Syncrude construction, and we haven't had the start of any other large projects. I think some thought there would be a very significant dip in the economy of the province of Alberta, which really has not occurred. In addition, our net farm income is expected to rise this year. Almost a 14 per cent increase is forecast on the basis of above-average crop yields and good prices for grain and livestock products. Oil and natural gas production is increasing. Of course, drilling remains at an all time high.

An interesting figure throughout all of this: retail sales are increasing more rapidly than last year. Their growth leads Canada as a whole by a very wide margin: 19 per cent increase for the first seven months in '79 for Alberta; only 13 per cent in the rest of Canada. Manufacturing shipments from Alberta are also growing very rapidly this year, up by 22 per cent while the increase for Canada was 19.5 per cent.

As you recall from the budget debate, the government is playing an important role this year in maintaining the buoyant economic conditions. We recognize the gap that's occurred between the construction of these large projects. We felt it was an opportune time for us to bring in necessary government capital projects — I've just mentioned that in terms of our correctional facilities — and it's obviously the right thing to do. If you recall, we have in our budget some \$768 million for capital construction. We have in Alberta, leaving aside our population, by far the highest expenditures in Canada in government and institutional buildings at the present time.

This approach, this policy, this fiscal measure of ours, seems to have helped a great deal in maintaining the construction industry this summer. There doesn't appear to have been any abatement of activity. Some reduction in housing starts has been made up by the extra effort going into the overall building construction. Construction employment has indeed, despite these circumstances, shown very significant gains. So I think our policy was well timed and is in fact working.

The situation of job creation, though, is really the exciting one. We look at our figures here. Of the 257,000 new jobs created in Canada between the end of 1978 and August of this year, 52,000 or 20 per cent were here in Alberta.

You know, Mr. Speaker, what's pleasantly surprised me is that with this economic activity, our inflation has not been a major problem in terms of being out of line with the rest of Canada. It's a problem, as it is throughout Canada and North America for that matter, but the Edmonton and Calgary consumer price increases are going up basically in line with the rest of Canada. That surprised me. I think I've said three or four times in this Legislature, Mr. Speaker, that I didn't think we could continue that position. We seem to be continuing, and it is a surprise to us. Wage rates in Alberta are now rising more rapidly than in Canada

as a whole.

More specifically with regard to the economy, a few comments about agriculture. I think we're all aware, even members from the middle of the metropolitan centres must be aware, that the harvest has been very good. Over 95 per cent of the crops have been threshed. Another good week and everything should be done. An important matter, as the Minister of Agriculture has advised me, is the quality of the '79 crops. They're better than in the past two years, and most grains tend to be in the higher grades. So, we're doing very well in terms of the harvest.

Between January and July '79, farm cash receipts were 34 per cent greater than the previous period, which was the greatest increase in the country, far greater than in many other provinces. Although the farm price index went up in Alberta, it did not go up nearly to the same degree as farm cash receipts. Of course, that's why those net farm income figures are as I just mentioned.

The minister has made a determined effort — he mentioned it in part of the question period today — with regard to beginning farmers. That's important. Nearly 20 per cent of our farm operators are now under the age of 34, as compared to 17 per cent in 1971. So we've moved young farmers in there at a very important time in the history of this province, with the emphasis on beginning farmers. The amount of Agricultural Development Corporation loans to beginning farmers is up considerably over a year ago. This is on the basis of changes in the method of lending. Between April 1 and September 1 of this year, 46 per cent of the direct loans of the Agricultural Development Corporation went to beginning farmers. I think the minister should be commended for his initiative at the last meeting of the agriculture ministers of Canada in St. Andrew's during the summer break, in putting the emphasis upon the whole question of beginning farmers. I think that was a very appropriate move.

Some income data is important to report to the Legislature. The latest data are 1977. Alberta has the greatest proportion of its population with income over \$18,000 a year, but also shares with Ontario the fewest in the low-income groups. Ontario, by the way, and I'm sure this figure will be repeated at another forum or another time, still has a higher average family income than the province of Alberta.

Mr. Speaker, I've already mentioned the labor force. I can only say that in addition to having the fastest growing labor force in Canada, an incredible 5.9 per cent, we have the fastest employment rate growth, 7 per cent. Our strike situation in the first six months of 1979 was better than the last six months of 1978. This summer the Minister of Advanced Education and Manpower brought some 3,472 students through the student temporary employment program. That program is continuing to work well.

Mr. Speaker, I want to make a few comments, too, about other departments of this administration. It's obvious that Public Works is having a busy time this year. Only 5.4 per cent of total construction in Alberta, though, comes through the Public Works department, perhaps less than you had expected. The value is in the order of \$231 million, and this doesn't include what I mentioned with regard to hospitals.

The Transportation Department has reported to me that they are ahead of their anticipated schedule.

Throughout the year their tendering system has been improved, and they're getting earlier mobilization in the field. There's no question that they're going to argue with us, come budget time, that they can simply accomplish more in this province. I am just anticipating that by making that remark now. The situation in our province with regard to support for municipal and county roads has also been very positive. There is a great deal of progress; in fact, the progress has been termed excellent. In addition, the department is proceeding well with the five air terminal buildings under construction.

Mr. Speaker, I am summarizing very quickly a number of other programs of implementation by various departments that I know deserve more time. Let me mention by way of highlight the Utilities and Telephones Department and its replacing of something like 820 miles of plastic pipe. The expansion plans of Alberta Government Telephones are certainly moving apace with the growth of the population. Relative to Government Services: the new concept under the RITE system of no charges for long distance dialing for our citizens to government offices. Safety administration under the minister is moving very rapidly to overcome the backlog in X-ray inspection, also moving with a new thrust to try to upgrade safety measures in the drilling industry in this province. Consumer and Corporate Affairs is expanding the services to meet the demands of our province, and public awareness and educational programs.

In Municipal Affairs, the Edmonton annexation hearings are under way. In addition, the municipal debt reduction program has been implemented without any hitches. The debt cancelled was some \$648 million, and all over this province there are now trust funds of \$383 million. That's an interesting figure. To September 27 of this year there were 16,668 senior citizen home-owner refunds, over \$3 million. Senior citizen renter grants have been processed, some 23,000 senior citizens. As of this date, almost 40,000 senior citizens are benefiting directly this year by way of effective implementation of those two key programs of senior citizen renter grants and senior citizen home-owner grants by the Department of Municipal Affairs.

Mr. Speaker, the Department of Environment has, and will continue to have, busy summers. The projects under way are extensive. The Oldman River basin report is under assessment by the minister. There is an assessment, too, of the storage of hazardous materials. The Vegreville environmental research centre will be opening soon. So activity continues in that department.

Relative to Public Lands, the reclamation and grazing programs are proceeding as we had hoped. The Eastern Slopes use decisions, projects like Odyssey, will have to be made very soon. The administration of the legislation restricting the foreign ownership of land: buying agricultural or recreational land has certainly shown a dramatic decrease since 1978 due to this legislation.

In forestry, my colleague to the right has become very familiar with the terminology these days. I heard about the speech he made when they opened the new Pine Ridge Forest Nursery near Smoky Lake. I understand from the MLA that the minister, who is used to talking about barrels of oil, was using all kinds of terminology, sounding completely at home in his new forestry responsibility. He advises me there are 20 mil-

lion seedlings annually to enable the province to meet its reforestation. To me — I'm not very familiar with this area — 20 million seedlings coming out of a plant in the hon. member's constituency sounds like a very extensive operation. I'm glad we did it, and it's interesting that it flows. I'm sure the hon. Member for Redwater-Andrew would concur with me that that's a classic example of what really is involved in decentralization of government operations, and the way it can have a positive impact upon a community. The hon. minister is also responsible for decisions relative to Berland and Fox Creek on disposition of timber rights; a very, very important decision, Mr. Speaker, that we're now in the process of resolving within our administration and with our caucus.

That covers the review of a number of departments. We move next to the financial position of this government. There's no question that our financial position has to be termed excellent. The Provincial Treasurer was in New York last week and went to visit two rating agencies. I believe I can say this: the rating agencies have a rating, Mr. Speaker, that is AAA, the highest you can get. The Provincial Treasurer went into the two rating agencies and said to them, not entirely facetiously, don't you think you have to come up with a new system and have AAAA for Alberta?

I think the reaction we received when we were both in New York last week reflected good, sound fiscal management by this government. What they really were interested in, Mr. Speaker, was the fact that we had wage and salary guidelines; that we had a fiscal policy that said, we're not to increase our operating expenditure over the increase in the gross provincial product; that we have a fiscal policy where we say, we're not going to increase our manpower beyond the increases in population, with few exceptions; that we're prepared to take fiscal responsibility; that we use our surplus funds in the meaningful way of the municipal debt reduction plan to avoid the unnecessary payment of interest. When that was explained to these people, I certainly got the impression that much more in terms of their assessment of what was going on in Alberta and their advice to clients and to others was the reflection, which I believe we can be very pleased about, of sound fiscal management. That's what this province has today: sound fiscal management in handling large sums of money very, very well indeed. I think that's an important point.

In terms of the budget year, Treasury has advised us that there are no significant alterations. Although we do not have the six-month statement, we're right on target with the budget appropriations this Assembly has approved. The Provincial Treasurer has now had the Audit Committee for the Auditor General appointed, and we will be making a decision with regard to the range of wage and salary guidelines later in this calendar year.

Mr. Speaker, that brings me to the fall session. The House leader advises that there will be an extensive legislative package, because obviously we dealt with fewer legislative items in the spring. The Heritage Savings Trust Fund committee will be making recommendations to the Assembly, and I enjoyed my opportunity to appear before the committee. I have already mentioned the appropriation Act. The capital projects division estimates will be presented by the Provincial Treasurer within a matter of weeks.

I look therefore, Mr. Speaker, at the commitments we

made when we sought a renewed mandate from the people of this province. I'm an old-fashioned person in those situations; I believe that we make commitments, we follow through on them, and if you don't you'll find out in due course what the public thinks about that. We made a number of commitments. There were 14 in number. We've implemented all but one. The one we haven't implemented yet is the medical research foundation for Alberta. After an extensive amount of travelling and briefing and working with a special adviser to me and with others, it's my intention to introduce in this Assembly during the fall session a Bill to set up that endowment fund. I think that Bill will prove to be a highlight of the fall session.

Mr. Speaker, that covers my review. I now want to deal with three areas before I close: some comments about national unity, then about the economic strategy of this government, and finally about the situation Alberta finds itself in with regard to the total Canadian economy.

First, national unity. Since 1971 we have developed a Department of Federal and Intergovernmental Affairs that all of us involved in and associated with government are very proud of. It has a reputation across Canada which the minister is enhancing, following his predecessors, in ensuring that our delegations are among the best, if not the best prepared, delegations at the multitude of conferences that make up this Canadian nation and our federalism.

At the premiers' conference in Quebec in early August, the question of how to handle the sovereignty association issue came up in the minds of a number of us. As we reported to the House, we passed a communiqué of the western premiers in Prince George, which reflects, I believe, the views of western Canadians. And I know there are still some Members of the Legislative Assembly from other jurisdictions sitting in the gallery. I feel quite strongly that when we met in Prince George, the western premiers, in putting out the statement about sovereignty association, were not threatening. We were really trying to make an important message to the people of Quebec. That message clearly is that if there is a belief in Quebec that they can have it both ways, that they can separate and then have all the benefits of Confederation, it simply isn't going to wash in western Canada. It won't wash in western Canada. So we have an obligation to communicate it, because it would be tragic if we did not. The problem, and difficulty, is how to communicate without appearing to be either offensive or threatening. It's not easy to do.

At the premiers' conference in Quebec, we were faced with the added dilemma that the Prime Minister of Quebec was of course our host, and a very gracious host indeed. But it was our view that it was the last meeting we would have as premiers before the referendum targeted for next spring, that it was important for us to get into the subject, sensitive and delicate as it was. I asked some of my fellow premiers about it, and I raised it in a private meeting — later it became public — with the 10 premiers. We pressed the issue. We got an answer — at least I felt we got an answer — which really hasn't been rebutted by the Prime Minister of Quebec. I guess what they want is separation. They want separation, then they want to work out an association with us. They can call it any way they want, but that's what they're talking about: separation first and then an association; not, as might tend to be the matter

that's discussed, the idea of a different arrangement with Canada. It's got to be a very major concern to Canadians, wherever they live.

At the press conference after the premiers' conference, Premier Levesque was asked about it. He said that obviously the matter was discussed. I think he used the phrase — as he always uses colorful phrases — that we couldn't be ostriches about the matter; it was raised. But he equally had to respond and admit — and admit — there were nine other provincial premiers saying to him: sovereignty association won't wash. And that was there at that premiers' conference, and it was very important it was there.

For our part, we're trying to do some other things because of the position of the province of Alberta. I've tabled in the Legislature today a transcript with regard to a television program. So that nobody's too uneasy about it, I spoke English and the French was interpreted by somebody else. But I'm told by good French-Canadian friends of mine that it was a very effective program in the way it was handled; it was handled very fairly and effectively. I don't know whether it was the right way to do it, but it certainly was well received by our associates and advisers in Quebec who are on the federalist side of that question.

In addition, members are aware that when I appeared before the Select Committee on The Alberta Heritage Savings Trust Fund Act, I announced on behalf of the government our change in policy: that contrary to a previous position, we were prepared to make loans available from the Heritage Savings Trust Fund, Canada investment division, to the duly elected provincial government of Quebec.

Now the Federal and Intergovernmental Affairs Department and the minister are reviewing very carefully how, if at all, Albertans should participate in this referendum debate next spring. I'll be interested in the views of members as to what they believe with regard to that, because it is not an easy matter. First of all, we're going to have to think carefully about it over this winter, use sound judgment. On one hand we have to be very careful because we're outsiders and, to a fairly significant degree, it's their decision, voted on by the people of Quebec. On the other hand, depending on the question, particularly if it's an economic question such as sovereignty association, we — the people, the government, and the Legislature of Alberta — may have an important role in the question. Putting it another way, it depends on the question that is put to the people of Alberta in the referendum.

I didn't want to pass by this subject in my review to the Legislative Assembly today, because of the nature of other events that are going to emerge obviously as high profile over the course of the next number of months, and to assure the Legislature that it is still very much in my mind and the minds of my colleagues.

The constitutional situation would appear to be quiet over the next period, but I hope there's no misunderstanding in Canada that we're going to have a status quo. Even if the referendum is defeated in Quebec, the problem's not going to go away. This country is going to need a new federalism and a different federalism. At this very crucial time in our history, it is absolutely essential that the federal government respect the jurisdiction of the provinces and the rights of the provinces. That must be respected. If it's not respected, it will play directly into the hands of

the separatists in Quebec.

Mr. Speaker, I want to move next to our economic strategy, which I outlined at considerable length in the fall of 1974 and updated again in '76 and '78. Diversification is of course a good issue for the people of Alberta. Last year I emphasized it extensively in my remarks. We made very good progress in economic diversification over the past year, more progress than I'd expected, particularly in these last months. There's still a lot to accomplish, and on behalf of all my colleagues, I wish the new Minister of Economic Development the very best in a very challenging responsibility. He has our full support. [applause] He is joined and ably assisted by the hon. minister for International Trade — that is, when he returns from his travels all over the world — with his ebullient ability to represent this province so well and so effectively, and to represent the very nature of what Alberta is today in terms of its multicultural aspect.

Mr. Speaker, with regard to diversification, there have been some distortions that stem back to a campaign in 1971. It was never suggested by this government when we sought office in '71 or '75 or '79 that the oil and gas industry or the agricultural industry would not remain our base industries; they will continue to. In fact it was very important for us, as part of our strategy and effort, to assure not only that these base industries are still viable in this province, but that they strengthen and improve. During the period 1965 to 1974 there was a tendency for the oil and gas, the petroleum industry in Canada to move from an Alberta to a Toronto base. The evidence is there. Mr. Speaker, as a result of consistent policies and hard work, that industry is back stronger than ever, centred unequivocally and clearly here in the province of Alberta. And that's important.

Mr. Speaker, I wish other provinces well — and I don't want to get into the subject today — with regard to their resource development, particularly the Atlantic provinces, as well as other western provinces. But the base of those petroleum operations will continue to emanate from Alberta. It will remain a crucial part of the economy of this province. There's also no doubt that it has been important for us to continue to strengthen agriculture, and we've certainly done that.

The extent of activity outside these base industries, though, is what we're really talking about. Now, how do you evaluate it? How do you look at it? Do you look at statistics of value of production? Well, that just isn't a very sensible way to do it, because those statistics distort what's involved. What we're really talking about is jobs. That's the situation; that's our goal.

When we started on this difficult process in 1971, and when I was sitting opposite and making these speeches about this question of diversification, I took the view then, as now, that it's not going to be easy. I never said it was going to be easy; it was going to be very, very difficult. I said that at least one hundred, two hundred times to the people of Alberta. Why? Obviously, we don't want large influxes of population. We want skilled people coming here. We want diversification, but we still want space; we still want to enjoy the outdoors.

How do you have this sort of development when you don't have large influxes of population? How do you have it when you're a long way from markets and you haven't got enough of a local market to sustain certain activities? Obviously we're never going to have

the manufacture of automobiles in the province of Alberta. We have to look at where we can specialize. How do we work it out when we're not on tidewater like British Columbia and we're a long distance from market? We in Alberta have the toughest transportation problem of any province of Canada, and the biggest challenge to overcome.

So these obstacles are great; they're going to take time. They're going to involve, for example, a continued emphasis on some bold initiatives that we have taken and will continue to take in transportation — a constant effort. And there will be setbacks. There will be problems of trying to break down non-tariff and tariff barriers, the very subjects I was discussing just a week ago today with people in Washington, D.C., and have discussed in other parts of the world as well. It's going to require a federal government that doesn't look in terms of protecting central Canadian industry, but recognizes what's going on in other parts of Canada. It's going to take plenty of time, but the progress has been and will continue to be there. I'm enthusiastic about it. Particularly in the last year or two it's been even more dramatic.

So ever since 1971 — if we look at Alberta, I guess that's the way to do it, Mr. Speaker: pause and sort of close your eyes and say, Alberta 1971. It's a very different place today. It's a very different place in terms of business and economic activity and opportunity. It's a very different place, too, in terms of confidence. In terms of the economic scale in Canada we've come from third to first place. With the appropriate federal policies — I'll speak about that in my concluding remarks — we can stay ahead for the '80s.

Let's review it. First of all, the non-conventional oil and gas which, in my judgment, clearly — and I can't understand why people can't accept this concept of diversification. The problem with depleting oil and gas on the conventional side is exactly what's happening: the degree of the reserves in conventional oil is going down; fortunately not in gas, because of our petroleum exploration incentive system. But in conventional oil it's going down. But we have a tremendous reserve in the oil sands of Alberta. There's not a feed-stock problem. What we have there is reserves.

In addition, we have technicians and technology that have brought a whole new aspect of activity to the province of Alberta and an upgrading of this resource. The Syncrude plant is now one year behind us. The very significant price which the bidders paid for 10 per cent of the Alberta Energy Company option — the best evidence one can have is the market place — assures the movement forward in that area, provided we can work out arrangements with the federal government. It still depends, of course, on those commercial terms. So the first part of diversification is our non-conventional oil supply situation.

The next one is petrochemicals. Oh, but weren't they sceptical? The sceptics have tried to do anything dramatic in this province. But what happened? We've seen the evidence in the past year. Here we have a situation with regard to the opening of a world-scale ethylene plant at Joffre. I want to be down there in a few weeks. Sceptics said it would never be built in this province, always be in Sarnia. Right next to Petrosar, I suppose, is where they wanted it. What did it do? It came in, on budget and on schedule.

And people are critical about foreign investment. The Premier of Saskatchewan and I had a little tangle

on that at a first ministers' conference. I don't agree with him; he knows that. We have a different point of view. I think foreign investment in the resource and related resource area can be a very, very good thing. Let's not get so nervous about it. If you really want to look at resources in terms of foreign investment, talk to some of them about the control that government, which owns the resources, has. What we need is the technology and the brain power from all over this world. As far as I'm concerned, Mr. Speaker, how can we be a trading nation selling all over the world, wanting to get into American markets, wanting to get into markets all over the world — but oh no, you can't come in here: that's the attitude which pervades a great deal of our country today and which, in my judgment, is wrong.

In this province we have prosperity because we welcome people to come here and bring their risk dollars — we don't need their debt dollars — and joint-venture with our organizations. That's been a very important part of the progress of the economy of this province. We'll make sure they're good corporate citizens. We have, we'll continue to, and particularly in the resource industry there's absolutely no way they aren't in a position to have to, because of the nature of the terms of our arrangements with them.

One of the things we had better watch is the extent of our regulatory approval time. Just travel in other parts of North America today. The prime concern of people who are making major risk investments is turning from a number of things they used to worry about to the length of regulatory delay. In the United States that's a crucial question.

So we have our expansion plans in petrochemicals, and they're really quite exciting. I won't take the time to outline them. I don't think the board of directors of Petrosar is all that happy these days. I noticed a few changes in their management. They blew it in Petrosar. And they're going to end up recognizing they blew it, because the whole situation of assured feedstock, which is what we have here, is what makes the petrochemical industry a real potential for us.

That expansion is going to go on: delighted that Esso has joined with the Alberta Energy Company on the liquid side of petrochemicals, which will bring us into a whole new area; very pleased, Mr. Speaker, with the belated reaction of Dow to the fact that the plant was built at Joffre. They thought that was a very bad move on our part; they now accept it as part of a balanced growth plan. In Bruderheim, where we may be involved with the liquid side, I went on a helicopter recently and saw that Diamond Shamrock plant. I know what a difficult time the former Minister of Environment had on that location. When you have what they call a green-field location, sure you can do it. Obviously you can't do it on an expansion basis.

In petrochemicals, we have a way to go on the tariff side because of the MTNs, but we have an opening relative to bilaterals with the United States.

In terms of jobs that will get into the tertiary and further stages, into the small business stages, we have an opportunity here that's very, very exciting. And for all these sceptics, I'd like to know what it is. You know, I keep listening to their ideas in terms of where the new jobs are going to come from, and they sound pretty hare-brained to me. These new jobs are going to come from building on the strengths we have. That strength is an assurance of feedstock for the people to

be here, to build these products and develop from them. So I think petrochemicals are already a success story for Alberta. I thought I'd be making this speech in 1982, not 1979.

Agricultural processing: steady, not spectacular, but there; going on steadily all the time. Rapeseed crushing plants: have to get that rapeseed oil into the United States for human consumption. They got a kick out of the fact, Mr. Speaker, that I presented myself as a 51-year specimen of eating rapeseed oil. They're not using it for human consumption. I thought that's maybe the best way: after the Minister of Agriculture gets a little rest from his last trip, he can go down there and present himself. I think we can get in there with that product. It would be a real opportunity for us.

There are other areas as well. We have to do more on agricultural processing. But in some areas, too, such as our meat packing industry, I think we have to go through a period of restructuring of that economy. When I was in the United States — and I haven't had time to report to the minister — in terms of boxed beef exports, we presented to them the idea of accelerating the ad valorem tax reductions from 10 per cent to 4 per cent, not waiting till 1983 but bringing it in more quickly. Yes, agricultural processing has and will continue to be a steady area of diversification for the people of Alberta.

The fourth area is the one that excites me perhaps the most. We say Alberta can be the brain centre for Canada. We already have some very major movement in this area. The computer industry is larger today in Alberta than in Ontario. The oil and gas technology is now being taken throughout all the world. The people here — these are entrepreneurs, small business people — have developed this talent and this expertise and are taking it throughout the world and selling it in the world market place. Dr. Gunning has been helping our Department of Economic Development with an analysis of that. We're doing some other things that will be announced shortly relative to progress in this brain centre, technological centre, here in Alberta for Canada.

I've already mentioned the oil sands. I think there's more we can do in the deep oil sands, certainly working on the synthetic fuel programs that are under way in other parts of the world. We could have a centre here for synthetic fuels, not just for Canada but perhaps the whole world. The Research Council of Alberta, under the able chairmanship of the MLA for Calgary McKnight, will shortly be bringing forward a long-term plan developed by him with the council and Dr. Cloutier. We've had some interesting developments in this province in other related areas like Chembiomed Ltd., areas such as pharmaceuticals. I think there's real potential for Alberta relative to the whole field of medical research, which I'll develop at another time.

So, we can do it in Alberta. It doesn't have a transportation component. We have the educational facilities, the entrepreneurs, the financial resources. There's no reason this province can't be a brain centre, not only for Canada but North America at a significantly high level.

What's the next area of diversification? Well, it's already happened. I'm sorry in a way: I'm aware MLAs from other western provinces are in the gallery. I hope they don't take offence if they're to the west of us, but facts are facts, you know. The financial centre of west-

ern Canada is now in Alberta. It's here. The foreign banks are coming in from Europe and the United States. It's a good diversification. When you think this through, drive through some of the constituencies in Calgary, as well as in Edmonton, you'll get a feeling for what it means when you're a financial centre. There are good jobs; it has a good multiplier effect. And wasn't it delightful to have the chairman of one of the national chartered banks, that we used to disparage so badly here in this Legislative Assembly, decide that he wanted to operate from Alberta. I think that's part of it.

Just a brief word on the gateway to the north. Pacific Western Airlines, certainly meeting our expectations, will be moving into a new phase of activity soon. I believe the attitude in the Yukon and the North West Territories is very favorable towards Alberta. The Alaska pipeline is a key project, with Alberta in a very significant role. Our oil and gas industry — in the Beaufort, the Mackenzie, and in other areas based here in northern Alberta, around the Edmonton area — is taking advantage of that. We are the gateway province to the north.

Of course the M.L.A. for Peace River is determined, I understand, that we're going to have paved highway to Hay River sometime. That would be a reverse: we're going to build a highway in the North West Territories with Alberta money. But he thinks that would be the greatest thing ever to assure that we're the gateway province to the north. Sure, it's a bold stroke, Mr. Speaker. But that's the sort of thing I think the people of this province have come to expect from this government. They don't want petty views. They don't want small-minded thinking. They want some bold strokes. Maybe that's the one to do it. It would be a great effort in terms of tourism, too.

The final point I'd like to raise in terms of economic diversification is recreation and tourism — a 10 per cent increase this year. Stamp Around Alberta has been a good program. It's been well received by our citizens. I've already mentioned the parks and recreation area. Mr. Speaker and hon. members, I think there's no doubt that, properly handled in terms of job creation, tourism and recreation can play an ever-expanding percentage of our labor force right across the province, and help communities that don't have a resource base.

So in economic terms: sure, we have difficult challenges ahead. Alberta is the strongest economy in Canada. We have political stability here and the climate for investment. We have balanced growth. We have a new plan for corporation tax. We have a good attitude toward risk investors. Our base industry is strong. Mr. Speaker, this province and this government have succeeded with their target of economic diversification far better than I expected, and will continue to do so.

Mr. Speaker, a concluding remark. I think the major concern of Albertans has to do with not our economy but the Canadian economy. The questions that I think are on our minds are these: will the new federal government respond with sound economic policy? Many, many months ago, well before the federal election, when asked by journalists about our view with regard to a new federal government, I said: first of all, keep in mind the history. Our party developed as a party not in any way dependent on — and basically with different financing, people, background, and organization from — the federal wing. We've had our liaison, but we're in no way — nor are they — beholden

to one side or the other in terms of policy.

So we move into this period of determination and assessment of new federal economic policies. I think the question can be fairly asked: do I think we will see these policies forthcoming? Frankly, I don't know. But I would like to propose what I think those policies should be.

First of all, in economic terms the policies for Canada in the 1980s should be to build on strengths, not continue to shore up weaknesses. To observers who have looked at it, the strengths of this country are clearly based on our tremendous potential in terms of resources, energy resources in particular. So it's in the resource areas where those strength potentials lie for the future. Now, many will work against that, perhaps in terms of policy directions, because literally that policy change — it would have to be fundamental and basic — would change the very economic order of Canada. But in my judgment it should be made. So that's the first one: build on the strengths; don't continue to shore up weaknesses.

The second one: work as quickly and as determinedly as we can, as Canadians, to reduce the balance of payments situation this country faces. The financial people that the Treasurer and I talked to last week in New York come to these questions. They say, you're a country of 23 million people. You have a balance of payments deficit, growing larger all the time, of some \$7 billion a year. That balance of payments is involved to a degree, not because we've brought foreign risk investment into this country — no sir — but because we have gone on a debt basis, not an equity basis. It's happened because for our part we have not been able to overcome it by way of policies that improve our export trade surpluses. We have to be a trading nation to overcome that situation.

As I mentioned in the question period today, Mr. Speaker, I think one obvious way of doing that, which could be dramatic in terms of both interest rates and balance of payments, is to aver with the reports we're receiving relative to natural gas. Clearly we should make a very significant move in terms of natural gas exports to the United States, on terms and conditions that protect both Albertans and other Canadians for long-term supply. I think we can do it, and it's there to be done. So secondly: reduce the balance of payments by a significant increase in the surplus of natural gas export.

Thirdly, the control of government expenditures at the federal level. I was also asked this question recently when I travelled: how come 220-odd million Americans have a federal budget deficit of \$14 billion and think that's very large, and 23 million Canadians have a federal budget deficit of \$11 billion? If you want to know why our Canadian dollar is where it is — a little scary at times — that figure has to be of concern. So control of government expenditure is my third point.

Fourthly — I've mentioned it and I won't stress it any more — I think we have to get away from this paranoia of foreign investment in our country where we can in fact control it, particularly in the resource industry. As I've mentioned many times, we have to make sure it's coming on a joint-venture basis, bringing risk money here, bringing technology and entrepreneurship here, reinvested here — now. If that foreign investment doesn't reinvest, fine, bring in the tax provisions to tax in terms of those circumstances. But when there's reinvestment, in our judgment it has to

be a sound economic position. If in the 1980s we start rebuilding FIRA, the Foreign Investment Review Agency, we're going to be in trouble. In my judgment we're going to be in trouble in this country if that line of thinking, which seems to emanate from other political parties, is accepted.

The fifth one is that we have to learn more from Japan, Germany, and other countries where the public and private sectors work together once they move offshore. If they move offshore in a trading way, they become very effective traders because they know precisely the relative position of the public sector and the private sector. In my judgment, that is an economic policy for Canada.

The last one is that we should be resolving our grain transportation system as an immediate priority. I can't think of a way in which I can compliment them more than on the decision that the former Deputy Premier of Alberta be charged with that responsibility. But they'd better support Dr. Hugh Horner. For our part, we have made the moves in terms of Prince Rupert and the Alberta terminals, and we'll be following through as a catalyst in other areas of grain transportation.

Mr. Speaker, I conclude my remarks by referring to these six items of Canadian economic policy, aside from the important energy area, for this reason. I think we in Alberta are in a position, with the other western provinces and the Atlantic provinces, to be able to take full advantage of opportunities for our young people, based on what we have here in Canada. If we have sound economic policies in Canada, I can see a situation where we will be able to compete with countries all over the world. Perhaps we will be the only industrialized nation that will be self-sufficient in energy. But to do it we have to accept that change will occur. To create that change in Canada will require political courage.

As the Premier of Alberta and the leader of government in this exciting, challenging province, I close my remarks with these thoughts. First of all, you're never through trying constantly to improve and upgrade the services you provide people. Secondly, in this province today we have an attitude of confidence, and I think we should build upon that confidence as an important strength. In my judgment it means a situation where our own people will be able to look forward to a very promising future in a multitude of ways: investment, entrepreneurship, science, technology, the arts, culture — in all aspects of our life, Mr. Speaker.

But we are within Canada. We have the strains of national unity that I mentioned in my remarks. We have the need for federal policies for the 1980s, and we are not going to be remote from those policies. If they come, we will benefit from them. If we continue with what we've seen in the '60s and '70s, we surely will not.

We have a promising future, but not one that will come easily and without very difficult challenges for Alberta and its citizens. [applause]

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, I would indicate that tomorrow it's not proposed that the House sit in the evening. On that basis, I move that we call it 5:30.

HON. MEMBERS: Agreed.

[At 4:40 p.m., pursuant to Standing Order 5, the House adjourned to Thursday at 2:30 p.m.]