

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, October 15, 1979 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 36****The Municipal and School Administration
Amendment Act, 1979**

MR. MOORE: Mr. Speaker, I beg leave to introduce Bill No. 36, The Municipal and School Administration Amendment Act, 1979. The purpose of this Bill is to introduce amendments to the legislation which would allow for the split of a joint municipal and school administration in a community which had previously opted for this type of administration. It applies mainly to a situation in the town of Devon.

[Leave granted; Bill 36 read a first time]

Bill 44**The Firefighters and Policemen
Labour Relations Amendment Act, 1979**

MR. YOUNG: Mr. Speaker, I beg leave to introduce Bill No. 44. Subsequent to a recent court decision, the Bill will assure that the practices of organization and administration of police and fire departments may continue as they have developed in the last decade.

[Leave granted; Bill 44 read a first time]

Bill 51**The Health Insurance Premiums
Amendment Act, 1979**

MR. KUSHNER: Mr. Speaker, I request leave to introduce Bill No. 51, The Health Insurance Premiums Amendment Act, 1979. The Bill has two main principles: first, it defines the basic benefits for senior citizens which were previously defined as extended care benefits; second, the Bill brings forth a number of administrative changes.

[Leave granted; Bill 51 read a first time]

Bill 55**The Sale of Chattels by Public Auction
Amendment Act, 1979**

MR. FJORDBOTTEN: Mr. Speaker, I request leave to introduce Bill No. 55, The Sale of Chattels by Public Auction Amendment Act, 1979. The purpose of the Bill is to update the existing Act so that it will more adequately safeguard the public. The Bill will provide a greater capability to monitor activities of auctioneers

and auction sales companies and to respond to contemporary issues.

[Leave granted; Bill 55 read a first time]

Bill 232**An Act to Amend
The Municipal Government Act**

MR. PURDY: Mr. Speaker, I beg leave to introduce Bill No. 232, An Act to Amend The Municipal Government Act.

This Bill will amend Section 126(2) of the Act, not allowing a petition to be presented to a municipality once the council has passed a by-law to proceed with projects in that municipality. At present, at any time any citizen may draw up a petition, and if 3 per cent of the eligible taxpayers sign that petition, projects must be stopped. An example of this would be the convention centre in Edmonton.

[Leave granted; Bill 232 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bills 51 and 55 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. YOUNG: Mr. Speaker, I wish to table the annual report of the Alberta Human Rights Commission. It is for the period April 1, 1978, to March 31, 1979.

MR. HYNDMAN: Mr. Speaker, pursuant to sections 14 and 59 of The Legislative Assembly Act, I wish to table copies of two reports showing payments to Members of the Legislative Assembly for the year ended March 31, 1979.

MR. SHABEN: Mr. Speaker, as required by statute, I wish to table the financial statements of the Gas Alberta Operating Fund for the year ended March 31, 1979.

MR. SPEAKER: For the records of the Assembly, I am tabling the recent report by the provincial Ombudsman. This report has already been circulated among the members.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. PURDY: Mr. Speaker, it's my pleasure this afternoon to introduce to you, and to members of this Assembly, 25 students from the Parkland Immanuel school located in the Stony Plain constituency. A number of the students who attend this school are from the city of Edmonton. They are in the members gallery, accompanied by their teachers. I would ask them to rise and be recognized by this Assembly.

MR. HIEBERT: Mr. Speaker, it is my pleasure to introduce to you and the House a grade six class from Forest Heights school. They are in the members gallery, accompanied by their teacher Vlad Eshenko. Could the House accord them the usual welcome.

MR. ADAIR: Mr. Speaker, I would like to introduce to you, and through you to members of this Assembly, the president and founder of the Canadian Federation of Independent Business, Mr. John Bulloch, in the public gallery. If Mr. Bulloch would rise and receive the welcome of this Assembly.

head: **ORAL QUESTION PERIOD**

Alcan Pipeline

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Premier. It flows from the Premier's recent trip to the United States and more specifically from the reported discussions with certain congressmen and officials of the U.S. government. Is the Premier in a position to indicate to the Assembly today whether any commitments were made in the course of those discussions, either with senators or American secretaries, as to commitments by Alberta to encourage prebuilding the southern portion of the Alaska pipeline?

MR. LOUGHEED: Mr. Speaker, in terms of the phrase used by the hon. leader, "commitments", the answer to the question would be no.

MR. R. CLARK: Mr. Speaker, then is the Premier in a position to indicate any areas that he indicated, either to senators or to the appropriate secretaries, that the Alberta government was prepared to assist or encourage the go-ahead, one, with the project and, second, with prebuilding the southern portion of the project?

MR. LOUGHEED: Mr. Speaker, I noted to the senators and the Secretary of Energy that the Alberta government had been fully co-operative with the project, particularly during those important periods when the negotiations were under way — I believe August, September, and October of 1977 — at which time the federal governments of Canada and the United States were negotiating arrangements relative to that pipeline. It was very important for the Alberta government to take the role we did in being very responsive to the pipeline project and encouraging it. I repeated that, and of course it was not only understood by the congressmen and the Secretary of Energy, but also appreciated.

MR. R. CLARK: Mr. Speaker, a supplementary question to the Premier. Was any commitment or indication given by the Premier to the U.S. officials with regard to the availability of Alberta gas, and were there any discussions regarding the way in which that gas could perhaps be paid back to either Alberta producers or the Alberta government, as far as this royalty portion is concerned? I'm alluding to that portion of the gas from Alberta which would be used in the prebuilt portion.

MR. LOUGHEED: Mr. Speaker, I'm not sure I understand the import of the question. Certainly I made it clear to those I discussed the matter with in Washington that we had anticipated — more than that, we were firmly of the view — that the situation would be a flowback of the border price of Alberta natural gas in

the way it has been flowing back, pursuant to the legislation approved by this House — that is, to the producers and to the ownership interests of the government of Alberta — and that would continue.

MR. R. CLARK: Mr. Speaker, one further supplementary question to the Premier, and then perhaps one to the Minister of Energy and Natural Resources. Mr. Premier, was there any indication from the officials as to when the American Senate and regulatory agencies would have made a decision, hopefully, to go ahead with the project?

I recognize, Mr. Speaker, that this is somewhat speculative, but on the other hand the Premier did take part in the discussions, and I think it would be helpful to the Assembly if he could give some indication what possible time line is now in effect, given the political situation there.

MR. LOUGHEED: Mr. Speaker, yes, a very appropriate question in my judgment, but not one that I can easily answer. I think we received mixed signals with regard to that matter: both positive and negative. Some were of the view that the financing could be arranged and the producers' participation from Alaska would be forthcoming in a desirable way within not too long a time frame. Others in a positive way reminded us of the commitment of President Carter with regard to this matter a number of months ago in a speech he gave in Kansas City.

There were others, though, who were concerned that the American political situation with regard to the presidential campaign might interfere with whatever, if any, necessary changes might be made in their current regulatory or legislative position.

Natural Gas Marketing

MR. R. CLARK: Mr. Speaker, I'd like to direct one further supplementary question to the Minister of Energy and Natural Resources. It deals with that portion of the question itself concerning Alberta gas. Has the minister had an opportunity to arrive at conclusions regarding the idea of some prorationing for smaller Alberta and Canadian companies? I ask the question in light of the submission made to the Minister of Energy and Natural Resources some while ago.

MR. LEITCH: Mr. Speaker, I take it the hon. Leader of the Opposition is referring to prorationing of the natural gas supply available in Alberta among the markets. No, no final decision has yet been made on that question.

MR. R. CLARK: Supplementary to the Minister of Energy and Natural Resources. Is the minister in a position to indicate to the Assembly how close the government is to a definitive decision on the proposition put forward by a number of small Canadian and Alberta producers?

MR. LEITCH: Mr. Speaker, I believe it would be some time before we made a decision on that point. I've indicated that we are open to review and consideration of that question. But I would think it would be wise, for example, to wait until we have a decision from the National Energy Board, and thereafter the federal government, on natural gas export on those applica-

tions currently before the National Energy Board. In my view, that will have a significant bearing on natural gas marketing within Alberta.

Alcan Pipeline
(continued)

MR. NOTLEY: A supplementary question, if I may, to the hon. Premier. Is the Premier in a position to outline to the Assembly whether there was any suggestion by the U.S. officials that he met with that there should be debt financing or partial debt financing from the Alberta Heritage Savings Trust Fund on the southern portion of the line?

MR. LOUGHEED: No, Mr. Speaker, there weren't discussions of that nature. On the other hand, we didn't give any indication that we wouldn't be interested in such an investment, from an investment point of view in the best interests of Albertans.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Premier. Was there any suggestion by the U.S. officials who met with the hon. Premier that there was a problem raising the required capital for the pipeline, and that there may need to be some possible funding from Canada for a portion of that pipeline?

MR. LOUGHEED: Mr. Speaker, without breaching the confidences of the discussions, I don't believe I would interpret the difficulty of financing as related to the Canadian section. I think the question is the overall project, the equity and overrun factors involved.

Cattle Mutilations

MR. LYSONS: Mr. Speaker, my question is to the Minister of Agriculture. Has he had any information on the cattle mutilation situation? Can he indicate how serious the problem may be?

MR. SCHMIDT: Mr. Speaker, the reported carcasses are under the investigation of the Royal Canadian Mounted Police. Alberta Agriculture has volunteered the services of both our professional staff and the veterinary labs at Lethbridge and Airdrie to help in any way they can. I have received no reports yet, but on the receipt of some of the reports from our own labs I would be pleased to report to the House, if the information were such that I felt it needed reporting.

Loto Canada

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister responsible for Culture. What agreements, if any, have been reached with the federal government with regard to Loto Canada?

MRS. LeMESSURIER: Mr. Speaker, Loto Canada will be turned over to the province of Alberta as of December 31.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Has the minister or the provincial government established a policy for the administration of that fund in the province?

MRS. LeMESSURIER: Mr. Speaker, Loto Canada will follow the same procedures as Western Canada, working out of the Western Canada Lottery Alberta division.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister clarify whether all communities in Alberta will have access to the funds for either capital or operational purposes?

MRS. LeMESSURIER: As stated at our press conference, Mr. Speaker, our first obligation with Loto Canada is the responsibility we have had to assume on the Edmonton Coliseum. When that is committed and we have paid that, we will then be taking care of our Olds Arena.

MR. R. SPEAKER: Mr. Speaker, a supplementary question in light of the answer given by the minister. Have other communities in the province of Alberta access to capital funding, as have Edmonton and Olds?

MRS. LeMESSURIER: Mr. Speaker, the remainder of the funds coming to the government after our initial commitments have not been discussed.

MR. R. SPEAKER: Mr. Speaker, could the minister indicate whether, in the approval of funds for Olds and Edmonton, the provincial government endorsed that particular policy?

MRS. LeMESSURIER: Mr. Speaker, our government asked the federal government to honor its commitment. Alberta was the only province that took the stand that the federal government honor its commitment. Naturally, we were only one and we lost out. So we are honoring the commitment made by the federal government.

Land Use Forum Recommendations

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. What is the present status of the recommendations of the Land Use Forum?

MR. SCHMIDT: Mr. Speaker, the Land Use Forum recommendations were made to the Minister of Municipal Affairs, and it was on the outcome of the Land Use Forum, of course, that the new Planning Act was based. At present the land-use reports that exist and policies within the province are tied, through the deeded portion of agricultural land, through The Planning Act itself, and through government policy for land use within those parcels of land held under Crown ownership.

MR. MANDEVILLE: A supplementary question to either of the ministers, Mr. Speaker. Will there be any announcements or any further government policy changes as a result of some of the areas touched on by the land-use report?

MR. MOORE: Mr. Speaker, a number of things are occurring as a result of the Land Use Forum report. Members will recall that when The Planning Act, 1977, was introduced into this Legislature and finally received third reading and Royal Assent, there were

some major provisions within the new Planning Act for land use. I think the most important aspect of the whole work of the Land Use Forum was its comments and recommendations with regard to land use.

Members will be aware, Mr. Speaker, that at some future date every region in this province is required to put in place land-use by-laws. I've already signed a number of those with respect to improvement districts in this province, and others are coming forward every month or so with respect to other municipal jurisdictions. Those land-use by-laws, quite properly in my view, are the vehicle which this government intends to use to control the use of land, preserve agricultural land, and lay out a pattern for land use and development across the province. Quite frankly, Mr. Speaker, I don't believe that you can possibly have one single land-use program or set of land-use regulations for the entire province. Because the situation varies so dramatically, it was our opinion, and it was reflected in the legislation, that each municipality should develop its own land-use by-laws within the parameters of that legislation. They're proceeding in that manner now.

Quebec Referendum

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question, if I may, to the hon. Premier. It concerns the interview between the hon. Premier and Mr. Laurier La Pierre on June 21, 1979, page 7. The Premier indicates that, should a referendum pass: "In fact the Federal Government would have less [to] say in that negotiation than the Premiers of the other nine provinces would have."

Mr. Speaker, my question to the hon. Premier: is that the view of the government of Alberta, that should a referendum pass the primary responsibility for negotiation would in fact rest with the provinces as opposed to the federal government and the provinces?

MR. LOUGHEED: Yes it is, Mr. Speaker. In our judgment the nature of Confederation historically is a compact of provinces. The federal government's jurisdiction under circumstances like that . . . We very much hope and indeed pray that no such occurrences will develop in Canada, but in the sad event they did, it was our judgment — and that's what I'm responding to — that quite clearly the federal government would not have a mandate in terms of such sovereignty association negotiations or negotiations of that nature. The mandate they have now is a mandate under the British North America Act and is quite a different matter. In our judgment, we would revert to the historical compact of provinces.

MR. NOTLEY: A supplementary question to the hon. Premier. Has the government of Alberta considered its position, in the light not of a clear-cut vote for separation by the people of Quebec, which is one thing, but of the rather more fudged referendum proposal of a mandate to negotiate sovereignty association, which is quite clearly another thing? Has the government considered its position in the light of the probability that Mr. Levesque's question to the voters of Quebec will not be a clear-cut yes or no on separation?

MR. LOUGHEED: Mr. Speaker, in this Legislature in early November of last year I outlined the constitutional position of the government of Alberta at some

considerable length, which we felt is probably the most effective one for the federalist cause in Quebec, in terms of a new federalism for Canada. We believe the pursuing of that constitutional position by the government of Alberta is the very best policy we can undertake, and we'll continue to do so because the status quo in terms of a centralization in Canada is clearly not in the best interests of all of Canada. If a referendum vote should be obscure or ambiguous, it will be even more important that the federalist cause in Quebec and literally throughout Canada is therefore one that reflects a new approach and a new federalism.

MR. NOTLEY: A supplementary question to the hon. Premier. Has the government of Alberta developed any position with respect to its view should the question be ambiguous as it relates to the negotiations, which would presumably have to occur even should there be an ambiguous question, were it accepted by the voters of Quebec in a referendum? I refer specifically to the question of a mandate to negotiate as opposed to the more clear-cut proposition of yes or no on independence.

MR. LOUGHEED: Mr. Speaker, I can hardly conceive of a more hypothetical question that you will find in *Hansard* than the question we've just heard. I certainly feel that, as always, we will be preparing for a number of contingencies which we're not prepared to deal with until we reach the facts. When we've had awareness as to what the specific question will be by the Prime Minister of Quebec, we will assess that. We'll be responding to questions that arise from the particular, specific question put to the people of Quebec under the referendum debate.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. What discussions have taken place between the government of Alberta and the Prime Minister of Canada concerning the Premier's view that, should a referendum pass in the province of Quebec, the primary responsibility for negotiations should rest with the provinces, and that in fact, as per the compact theory of Canada, the responsibilities for negotiating a new Canada would rest primarily with the provinces as opposed to the provinces and the federal government?

MR. LOUGHEED: Mr. Speaker, I haven't had such discussions with the Prime Minister, but I presume that he's a good historian.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. What priority does the government of Alberta place on the question of constitutional change prior to the referendum, so that in fact all Canadians will be involved in this question of restructuring Canada as opposed to reacting to a possible vote in the spring in the province of Quebec?

MR. LOUGHEED: Mr. Speaker, [inaudible] the centralist point of view that the hon. member has expounded over a number of years to the Legislative Assembly, we have presented this view and are continuing to present it across the country, and certainly in Quebec; and in every other way. That's reflected in interviews such as the one the hon. member is referring to.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. The question is: what priority does the government of Alberta place on constitutional change before the referendum in the province of Quebec? Or are we going to await the referendum before taking any further major steps, such as a major constitutional conference of first ministers to see whether or not changes can be made prior to the vote in Quebec?

MR. LOUGHEED: Mr. Speaker, the priority is very high. I've expressed that on a number of occasions. We've expressed that by being the only province in Canada to debate our constitutional positions within the Legislative Assembly last year, present a complete proposal, communicate it all across Canada, and meet with the leader of the Liberal Party in Quebec. All of those things have been going on in the past in terms of continual communication. And as I mentioned in my remarks in the Legislative Assembly last Wednesday, the matter of national unity is a matter of high priority with this government. I developed that position during the course of my remarks, including the discussions that I raised and initiated at the premiers' conference with regard to matters of Canadian unity. I think the statement I put forth to the Legislature last Wednesday reflects the priority we give the issue.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Premier. Has the the government of Alberta made any suggestion to the new federal government, in particular from the hon. Premier to the Prime Minister of Canada, urging the Prime Minister to move quickly on constitutional reform prior to the referendum in the province of Quebec?

MR. LOUGHEED: Mr. Speaker, that's not a subject I've discussed with the Prime Minister at this time. I'm sure he would be very interested in hearing the representations from the hon. member.

MR. R. CLARK: If I might ask one supplementary question. It flows from the early portion of the remarks by the Member for Spirit River-Fairview, dealing with the interview and the transcript which was tabled in the Assembly.

In the remarks the Premier made to the House last Wednesday, he alluded to the Alberta government's "associates", I believe the word was, in the province of Quebec. Does the Alberta government have a group monitoring the situation in Quebec, or were the terms used in the House last Wednesday to mean associations that the Premier and others in the government have with the province of Quebec? What I'm really trying to determine, Mr. Speaker, is whether an official monitoring group paid for by the government of Alberta is assessing the situation in Quebec. Or is it in fact a matter of discussions with a number of people from the province of Quebec?

MR. LOUGHEED: Mr. Speaker, we considered various approaches to that matter and concluded that our best way was not a formal approach to the monitoring; that it was much better for us to collect the various associations and relationships that not only I but other ministers and associates here in Alberta had in this matter.

Poison Control

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. It has to do with poison control information centres. Can the minister indicate if his department has received complaints or representations on the large number of poisonings, some fatal and some near fatal, especially as they apply to children? Has this information been brought to the minister's attention?

MR. BOGLE: Mr. Speaker, the question of poison control information services is jointly shared by the Department of Hospitals and Medical Care and the Department of Social Services and Community Health. We currently provide services in a number of ways.

First, through the local health units across the province, there is a preventative program primarily aimed at educating the parents of young children. I might add that over the past 10 years through regulation, this education, and a better awareness by private industry, a great effort has been made to ensure that toxic substances have the types of lids and containers that are not easily accessible to children. That has assisted greatly, Mr. Speaker. In addition to that, there's an information service . . .

MR. SPEAKER: With great respect to the hon. minister, as I understood the question, it enquired whether the minister or his department had certain information. It appears the minister's answer is going in the direction of programs that are in place.

MR. BOGLE: Yes, Mr. Speaker, I was trying to give a background of what now exists. Apparently I wasn't as brief as I should have been. But I should mention, Mr. Speaker, that the safety of young people is an issue of great concern to us.

Several proposals have been made from time to time, in some cases by physicians, in some cases by health units and other interested bodies, for an expanded role. That's currently being assessed, but I'm quite satisfied with the work being done at present by the many bodies involved.

DR. BUCK: Mr. Speaker, to the hon. minister. Can the minister indicate what response has been given to the Edmonton poison control committee's request for establishing full-time, seven-day-a-week poison information centres, especially in the two major centres?

MR. BOGLE: Well, that was one part of the question I was going to answer earlier. It relates to what is currently done at the poison control centre at the hospital here in Edmonton. That portion of the program is treated through the emergency department of the hospital and funded by Hospitals and Medical Care. If I understand it correctly, the requests have been made to have staff members on duty with that function and that function alone. That's currently being reassessed by the departments involved. I'm not hopeful that a change will be made in the current funding approach. Used not only here in Edmonton but also in Calgary and other centres in the province.

DR. BUCK: Mr. Speaker, to the minister. In light of the fact that there are approximately 100 a week and about 6,000 a year, can the minister indicate if he has

considered setting up information centres as well as the health units to monitor the situation in, possibly, Grande Prairie and Lethbridge, as well as Edmonton and Calgary?

MR. BOGLE: Mr. Speaker, approximately half of the 6,000 or so reported poisons affect adults, not children. The majority of those are carbon monoxide. The question of whether the service might be expanded to other centres is part of the review which the two departments are currently undertaking.

DR. BUCK: Mr. Speaker, just a short supplementary. I believe the minister did touch on it briefly. Has the minister's department given any consideration to a widespread campaign to bring the matter of the disposal of hazardous materials to the attention of parents?

MR. BOGLE: The broader question of prevention and safety in the home is handled by the health units through their advertising and information programs. If the question is, can that be strengthened — it's part of the overall preventative program that we are currently working on with health units. I think the answer to that is, yes, we can do more than we have in the past in the area of prevention.

Mr. Speaker, I don't want to leave the House, with the wrong impression. The results have been very gratifying in the sense that the number of fatalities has been reduced dramatically through the efforts of the health units and other professionals involved.

DR. PAPROSKI: A supplementary, Mr. Speaker, just for clarification of the House. Will the minister indicate to the House that there are in fact information centres in Edmonton and Calgary, they are full-time, they are 24 hours a day, and they're also treatment centres?

MR. SPEAKER: The hon. minister will no doubt appreciate the assistance of the hon. Member for Edmonton Kingsway.

DR. PAPROSKI: Mr. Speaker, with respect. There was a question whether there was, from the hon. member from the opposition. I just want confirmation, unless there's some change in the program.

MR. BOGLE: Mr. Speaker, the service is provided through the emergency departments at the hospitals. The request has been made for a specific and separate unit. That's the issue currently under discussion by various professionals in this city and other cities in the province. I think that relates to the question raised by the hon. member.

Rail Transport — Bridge Accident

MR. SINDLINGER: Mr. Speaker, my question is through you to the Minister of Economic Development. It's in regard to a marine accident in the port of Vancouver. Last weekend a ship ran into the only rail link from the south shore to Neptune Terminals and Vancouver Wharves. Does the minister have any information in regard to the length of time that rail link will be closed to Alberta shippers of coal, sulphur, and grain?

MR. PLANCHE: Mr. Speaker, that's a very important question, because it tends to underscore the tenuous nature of our grain shipping system in western Canada. As of today the best estimate I have is that that particular bridge will be out of service for three months.

MR. SINDLINGER: A supplementary, Mr. Speaker. Is the Alberta government taking any steps at this time to ensure that there will be no long-term deleterious impact on Alberta shippers of coal, grain, and sulphur?

MR. PLANCHE: Mr. Speaker, it's a little soon to put a whole new system in place. We're studying three alternatives. One is barge/rail across to the north shore. Another is to redirect commodities to other terminals so the terminals now exposed will have maximum usage for grain. The third is to see if we can redirect rail. I'd be happy to report as we come to some kind of conclusion.

RITE System

MR. CAMPBELL: Mr. Speaker, my question is to the Minister of Government Services. Could he outline changes being made in the RITE system?

MR. McCRAE: Mr. Speaker, members know that the regional exchange system, whereby people of Alberta can phone the government, was introduced in 1972. It has proven an extremely popular means of communication with government by our citizens. We've had a number of representations for improvements to the system. The areas where improvements have been suggested are: in communities presently not served by the system; institutions and businessmen now unable to gain access to the RITE system; and, thirdly, in communities where the system presently is but there is overtaxing because of the dynamic growth of our province, the effectiveness of our decentralization, and the growth of smaller communities.

MR. NOTLEY: Smile when you say that, Stew.

DR. BUCK: Who writes your speeches, Stewart?

MR. McCRAE: We looked at a number of alternatives for improving the system and decided we should provide that all citizens, institutions, business people, whatever, could phone government by using the ordinary long-distance telephone exchange of Alberta Government Telephones. The introduction of improvements is subject to Public Utilities Board approval. The application will be going forward soon, and I anticipate that the new system will be in place in the early part of 1980 and Alberta citizens will have greater opportunities for contact and communication with their government.

Interest Rates

DR. PAPROSKI: Thank you, Mr. Speaker. A question to the Minister of Federal and Intergovernmental Affairs. It's a follow-up to a question I asked a few days ago regarding high interest rates and whether the minister would be making representation to the parliamentary finance committee dealing with this matter.

He indicated he would not, on a face-to-face basis.

The question is whether the minister would be making written submission either to the parliamentary committee or to the minister or federal department involved to indicate our concern regarding this matter and maybe offer some suggestions.

MR. JOHNSTON: Mr. Speaker, I think the specific question should be referred to the Provincial Treasurer, who would have responsibility for the economic and fiscal development of our province.

MR. HYNDMAN: Mr. Speaker, in light of the fact that it's a parliamentary committee inquiring into a matter under the jurisdiction of the Bank of Canada, I would not be contemplating making written submissions to it.

DR. PAPROSKI: A supplementary, Mr. Speaker. Would the Provincial Treasurer indicate to the House whether he has a contingency plan in place to deal with this matter if the interest rate continues to rise above what it is now, which is bad enough?

MR. HYNDMAN: Mr. Speaker, a good question. As I indicated to the House a few days ago, we are monitoring the situation with respect to whether the recent rise in interest rates — one of a series — is in fact having an adverse effect in the province of Alberta and, if so, its extent. If that evidence is clearly available, we would contemplate a possible review of government policies and programs that might be available for modification.

DR. PAPROSKI: A final supplementary, Mr. Speaker, just to be sure the minister understood the initial question. In addition to making written submission to the parliamentary committee, which the minister said he would not do, would the minister be writing to the federal department concerned to express our concern?

MR. HYNDMAN: Mr. Speaker, I may be seeking an opportunity to make submissions to the Minister of Finance on the matter.

MR. GOGO: A supplementary, Mr. Speaker, to the Provincial Treasurer. With reference to his comment about high interest rates, could the minister indicate to the House how high is high?

Loto Canada
(continued)

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister responsible for Culture. It relates to my earlier questions. The minister indicated the province will continue to administer the Loto Canada program as it has been administered by the federal government. In light of that answer, would the minister indicate whether other communities in the province of Alberta are eligible for capital grants from those Loto funds?

MRS. LeMESSURIER: Mr. Speaker, when received, we will take a good look at the funding from Loto Canada. At this time I would take that question as notice and will report.

MR. R. SPEAKER: Mr. Speaker, for clarification from the minister. Is the minister saying at this time that the ground rules will be changed when the Loto Canada funds are transferred to the province? Is this in conflict with the first response I got?

MRS. LeMESSURIER: No, Mr. Speaker, there'll be no apparent changes in the ground rules now.

MR. R. SPEAKER: Mr. Speaker, will the minister assure this Legislature and those other communities — I have a list of disaster communities that require capital as well as operating grants — that they will have the right to make application to those Loto Canada funds for their use?

MRS. LeMESSURIER: Mr. Speaker, we will take the questions and demands one by one as they come in and study them.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Can the communities make application for capital funds as of this time?

MRS. LeMESSURIER: Mr. Speaker, I think I made the point quite clear before that the funds from Loto Canada will not be returned to the government of Alberta until after December 31.

MR. R. SPEAKER: What's the policy?

Would the minister be prepared to table in this Assembly agreements that have been reached with the federal government with regard to the transfer of those funds?

MRS. LeMESSURIER: Mr. Speaker, we have had only two commitments made by the federal government on the previous funding of Loto Canada. We have made the commitment and will honor it.

DR. BUCK: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to indicate when the minister's department can indicate to this Legislature what the policy will be as to how those funds will be disbursed?

MRS. LeMESSURIER: Mr. Speaker, we will bring back to the Assembly the process and policy of using the lottery funds.

MR. R. SPEAKER: Mr. Speaker, a final supplementary to the minister. Will the system of patronage be used as is being done at the present time?

SOME HON. MEMBERS: Order.

AN HON. MEMBER: Shame, shame. [interjections]

MR. R. SPEAKER: Mr. Speaker, I thought maybe I could get a chance to ... [inaudible] ... a cheque.

MR. NOTLEY: Before the election.

MR. R. CLARK: The commitment was made before the election. In hopes of changing some things.

DR. BUCK: Mr. Speaker, can the minister indicate if there will be a firm, laid-out policy — not comparing

to the previous minister's when we had the \$6 million grants but no policy was in place? Can the minister assure this Assembly that there will be a written policy so communities can understand on what grounds they make applications? Because the hon. minister of grants had a very free system. You just apply, and he hands them out.

MRS. LeMESSURIER: Mr. Speaker, there will be a policy in place for the spending of Loto money that will be shared by the communities in the province.

MR. R. SPEAKER: On an equal basis?

Stampede Ranch

MR. WOLSTENHOLME: Mr. Speaker, my question is to the Minister of Social Services and Community Health. After the minister's recent visit to the Stampede Ranch, I wonder if he would indicate to this Assembly his assessment of the work being done there with delinquent boys?

MR. BOGLE: Mr. Speaker, in conjunction with the hon. MLA for Highwood, I had an opportunity on Saturday morning to visit the Stampede boys' ranch located west of Hinton. The ranch is operated by the Merv Edey family. They currently have 14 youngsters who are there because they've come into trouble with the law. I think they're doing an excellent job of working with these youngsters in a work environment. It's showing how Albertans are dedicated to helping other Albertans, in that we don't have to do everything through institutions and government-operated facilities.

Government Contracts

MR. R. CLARK: Mr. Speaker, my question to the Minister of Tourism and Small Business flows from a private member's resolution in the House some two years ago dealing with a certain portion of government service contracts being allocated to small business. Has the minister had an opportunity to make a decision on a firm commitment as to the percentage of government contracts allocated to small business in Alberta? That was the gist of the resolution at that time.

MR. ADAIR: Mr. Speaker, in response to that particular resolution: no, I have not addressed myself to it recently.

MR. R. CLARK: Mr. Speaker, to the minister. Is the matter under active consideration? Or in fact has the government decided there will be no concerted policy that a percentage of government services will be made available to small business in Alberta?

MR. ADAIR: Mr. Speaker, there has not been a decision that no contracts would be let to any other particular area, regionally or otherwise. It's under consideration, but I have not addressed myself to it recently.

MR. R. CLARK: Mr. Speaker, to the minister. When might the addressing procedure take place?

MR. ADAIR: Mr. Speaker, I would assume in the near future.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the hon. minister able to outline to the Assembly what he means by "under consideration"? Who, in fact is considering the subject, if the minister has not addressed it?

MR. ADAIR: Mr. Speaker, within the Department of Tourism and Small Business and the adjustments made from the old Department of Business Development and Tourism, there were a number of areas where we were relating to subjects under discussion and under consideration by the old department. Some of those are the ones we're reviewing now, and that is one.

MR. SPEAKER: May the hon. Minister of Advanced Education and Manpower supplement some information given on Friday?

HON. MEMBERS: Agreed.

Nursing Education

MR. HORSMAN: Mr. Speaker, to supplement my answer to the questions with regard to nursing education: the hon. Member for Edmonton Kingsway asked the number of baccalaureate-trained nurses in Alberta in proportion to population, as compared to other provinces. I wish to advise that the most recent statistics, as of December 1976, indicate that Alberta's percentage is the best in western Canada, and in terms of Canada, second by a very few to Ontario. I can supply detailed figures. But for the record, that is the case.

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.

[Adjourned debate October 12: Mr. Knaak]

MR. KNAAK: Mr. Speaker, before going into my prepared comments, which I call the siege of Alberta by Ontario, I wish to comment briefly on the comments of the hon. Leader of the Opposition last Wednesday.

One of the points made was that this government is not doing as much as it can in the area of diversification. I tend to disagree with that for the following reasons. First of all, the hon. member seems to suggest that the government should do something like attract a shoe industry, a Bricklin plant, or perhaps a TV manufacturing operation. The real strengths in Alberta are agriculture, petrochemicals, its citizens — which relates to brain power — and now as a financial centre. Surely any diversification must be in those areas, and in spinoffs from them. In fact, through stimulating this area, including the oil sands and heavy oil, the government has generated the most rapid growth in Canada for several years.

The hon. Leader of the Opposition made the point

that this government is relying on non-renewable resources for 50 per cent of its revenue, and in 1971 it was only 35 per cent. Aside from the fact that I don't see how this relates to diversification, there is also a very good reason this should be so. This government increased our royalty, which was only 16.666 per cent prior to 1971, to around 40 per cent, if one averages the royalty on old oil and new oil. It's because of this higher, realistic royalty that we now have the kind of revenue situation we have.

The other aspect of the equation is the question: why 50 per cent resource revenue? The reason is that taxes are now lower than ever before. Sure we can raise that average by increasing taxation, but nobody is suggesting that. So aside from the point that it's unrelated to the question of diversification, I think there are very good reasons we are in that very fortunate position.

My comments today are something that I wish I didn't have to speak about, because I think it's a very serious matter and one that leads to tremendous strains between east and west, in particular between Ontario and Alberta. Using the words of a well-known *Edmonton Journal* writer of national renown, I've called it the siege of Alberta by Ontario. During the last five or six years, Mr. Speaker, Premier Bill Davis of Ontario has attempted very strenuously to isolate Alberta with respect to its ownership of oil and gas. The intent is to usurp some of those ownership rights.

Premier Davis was only marginally successful with the former federal Liberal government, primarily because its strength lay with the Quebec caucus, not the Ontario caucus. Now that we have a new federal Conservative government in power, Premier Davis seems to be initiating his siege on Alberta with new vigor, primarily because the new federal government is to some extent dependent on the support of the Ontario federal MPs.

One of the things I wish to discuss is the ownership rights that belong to a province through its constitution. It's very clear that the constitution, our BNA Act, grants to a province ownership of its natural resources and, along with that, the right to royalties. As well, we have jurisdiction over property, civil rights, and matters of a local and private nature. On the other side, the federal government has the ability to regulate interprovincial trade under its trade and commerce power. Surely ownership means having the right to dispose of a product, and at fair market value. If one owns something and cannot sell it, or must sell it and then sells it at a price below its value, surely that's not ownership. My point is: ownership means the right to deal with it as a prudent owner would, and at the market price. I don't think the federal government, or the Ontario persuasion — that the trade and commerce power can be used by the federal government to usurp that ownership right.

At the last premiers' conference, Mr. Davis renewed his attack with new vigor in a policy statement which he later strenuously promoted among the federal Ontario caucus, in Europe, and among the Ontario public. Before coming back to the particular proposal, I wish to go quickly into the history of oil in Canada since 1973-74.

The federal government and the province of Ontario have been successful in identifying oil as a unique commodity. To Alberta's detriment, they were successful in attaching this uniqueness to it. Oil is no more

unique than timber from British Columbia; nickel, copper, and steel from Ontario; potash from Saskatchewan. In fact, it's only one of many energy sources, and there are substitutes for it. Over time, I'm sure substitutes will be found, and all the faster if the prices increase. Because of this identification of uniqueness which the former federal Liberal government and the Ontario government were successful in, it also has had unique treatment.

The present situation is that it's sold at half its proper value, and is being depleted or exhausted from Alberta at the maximum technical rate possible. In 1973-74 a voluntary price freeze was put on by the federal government. Subsequently, an oil export tax skimmed off for federal government benefit the difference between the lower domestic price and the higher price the Americans were paying for exported oil. We therefore have a product, the only product in Canadian peacetime history, which has been sold at well below market price, and an export tax put on top of that domestic price to support and subsidize imported oil in eastern Canada.

There is no other product in Canadian history that has deserved or attained such treatment. How would the people of British Columbia react if the price of their lumber were frozen, and any lumber exported received a federal export tax, and the revenue were distributed in some way other than going directly back to the province? How would the residents of Quebec react if the hydro exported were held down by an imposed national price, and an export tax skimmed off the higher export price?

AN HON. MEMBER: They would be upset.

MR. KNAAK: Yes, they would be upset, and it would be unacceptable. It would create a national crisis even more severe than we have today. Nevertheless, we as Albertans have been asked to endure and be happy about this unique treatment we have received in the past. To this point the government of Alberta, in the national interest, has gone a long way in moderating its insistence on world prices.

The proposal by Mr. Bill Davis was enunciated in a statement, *Oil Pricing and Security: A Policy Framework for Canada*. In substance the proposal is that Alberta receive royalties only for the next \$2 increase in the price of oil. So if we go from \$14 to \$16, the government of Alberta would receive the increased royalties for that \$2, but any price increase after that would go into a federal fund, to be administered primarily by the federal government with some input from the provinces. This fund would be used initially to subsidize the prices Ontario and Canadian consumers pay. So this fund would be used to bring the prices back down.

At some point in time, a greater proportion of the fund would be used to subsidize or encourage energy-using industries to find substitutes and to develop energy conservation industries. By the way, these are now primarily in Ontario.

The other suggestion was that industry, which is now healthy and vigorously exploring, receive a much smaller proportion of any price increase than they receive now. There was also a suggestion that the federal government pay into this fund a portion of the funds they collect from oils.

[Mr. Wolstenholme in the Chair]

If you think about the uniqueness of this proposal, it's just astonishing. The proposal doesn't deal in any way with what Alberta should do after its energy resources are exhausted. It doesn't in any way deal with transportation and tariff problems that have existed in the west since Confederation — to somehow permit increased spontaneous diversification in the west, which is now being frustrated. It is in fact a constitutional amendment suggestion with respect only to oil. It asks Alberta, and Saskatchewan to some extent, to share its revenue from oil without any suggestion for the sharing of revenues from any other resource — not from gold, whose price has increased more than ten-fold in the last 10 years; not from nickel, steel, or iron ore, whose prices have gone up substantially. It is indeed an outstanding proposal for the province of Ontario.

The argument Ontario has made and is continuing to make is that it needs to be sheltered from world prices. I think an argument can be made that the province of Ontario might need to be sheltered to a point where petroleum prices in Ontario are no higher than the Chicago composite price, so that competition between Ontario and the United States is on equal terms in that respect. But the rest of the argument is really hard to believe. All European countries have paid world oil prices since 1973. Examples we can use are Germany and, outside of Europe, Japan. Remember, we are talking about the question of competition. Paying world oil prices, these countries have not only competed, but their currencies have appreciated substantially vis-a-vis the American and Canadian dollars. Both countries were not paying average world oil prices. Not only are they competitive at world oil prices, they are more than competitive.

If Ontario industry is not competitive now, it will not be because of the price of oil. It will be for some other reason. But I don't even believe that Ontario industry is not competitive, nor that they won't be competitive at world prices if we phase in the price of oil over a short period of time.

Except for the reaction to the high interest rate, the Canadian stock market has outperformed almost any other stock market in the western hemisphere over the last year. There is a lot of confidence in Ontario and in Ontario manufacturing. It's unfortunate that Bill Davis' argument is not so much an economic as a political necessity, because of his minority government position. It's unfortunate because it's causing hard feelings between Ontario and Alberta that are really not necessary.

I might make just one point which is not in my notes. I have lived in Ontario, my wife is from Ontario, and I have very close friends in Ontario. As far as I can see, there is absolutely no animosity between the people of Alberta and the people of Ontario. It's a government that's taken a stance which is making it very uncomfortable for Albertans to live the way they are entitled to live, in peace.

Good arguments can be made that the Alberta government should cut back from this very high rate of oil production right now, for conservation reasons. Certainly there very good economic arguments that the Alberta government should be cutting back from this maximum oil production for technical reasons. But the government is not doing that. We're supplying this

exhaustible resource at maximum rates, at half the world price, for the national interest.

I might add: okay, we have this proposal from Premier Bill Davis. It's a selfish proposal. But let's ask this question: what has Ontario offered to the rest of Canada? What has Ontario offered to Albertans? What did Ontario offer during the 1930s, when real income in western Canada dropped to 30 per cent of its former level? Ontario stayed at 70 per cent real income. What was done then? What momentum has developed from Ontario to help alleviate our transportation and tariff problems? What happened in the Petrosar situation? At the time our petrochemical industry was developed, there was a high likelihood that new markets could not be found. Nevertheless, Ontario pushed very strongly to assure that the first world-scale chemical plant was not in Alberta, where it should be, but that it went to Sarnia, Ontario.

To Albertans, this question of a fair price for oil is a lot more than money. Most Albertans aren't even talking about money when they're talking about an increased price for oil. Sure, it will result in more revenue to the government; it may even result in some modification in taxation. What we're basically talking about is the right to exist as a province equal to every other province in Canada. That's what we're talking about. We're not talking about only an increase in the price of oil.

No other province has been singled out for the kind of treatment Alberta is now getting, or is suggested to be receiving from the province of Ontario. If it wanted to change Confederation, why didn't Ontario suggest a major constitutional change? We can talk about that. But no, there was no major constitutional change. There's only constitutional change with respect to Alberta oil.

Coming back to the problem of Albertans not thinking it's merely the price of oil, we're talking about an historical development where Ontario and the central government, usually dominated by central Canada MPs, have treated the west as a colony. This is a time in history when natural economic developments are taking the west and Alberta to the forefront. It's a time we've worked toward, a time when we can be equal and make an equal contribution to Confederation. This, is the time when Ontario is wanting not only to undermine our financial strength, but seems to want it to accrue to itself, to maintain its own economic predominance in Canada.

The real concern I have — and one can perhaps understand Premier Davis' approach to this, given his political situation — is that the new federal Conservative government will take this proposal seriously. As we know, the federal Conservative caucus has in it a preponderance of Ontario MPs. If those MPs misinterpret the feelings of Albertans on this issue, and if the federal government does not take some leadership which may be contrary to Ontario's wishes and in fact treat Alberta equally by giving to Alberta its constitutional rights — and that's what I call equality, where everyone under the BNA Act is treated equally — we will have a development in Canada, an alienation of Albertans.

Again, we're not talking about just the price of oil. We're talking about equal treatment, and a history we want to change. We'll have a divisiveness in Canada potentially more serious than the one we have now. It will certainly be a lot more serious piled on top of the

present Quebec separation movement. This is my concern, Mr. Speaker.

I should say also that Albertans welcome citizens from all parts of Canada to help us build and develop this great province. I certainly welcome people from all parts of Canada to help us build a better Canada and a better Alberta.

Mr. Speaker, I think the remarks I have made today accurately reflect — in my own constituency and the people with whom I've talked — the feelings of most Albertans. I hope my colleagues in this House and on the opposition benches support my point of view.

Thank you.

MR. NOTLEY: Mr. Speaker, in rising to participate in the discussion this afternoon, I'd like very briefly to congratulate the hon. Member for Calgary Glenmore on his appointment as Minister of Economic Development, and express best wishes to the former Deputy Premier, Dr. Horner, as he undertakes the difficult task of becoming Canada's transportation commissioner. I would suspect that both the present minister and Dr. Horner are going to have their work cut out for them as a result of the accident referred to in the question period today. But we wish them both well.

Mr. Speaker, before I turn to the Ontario versus Alberta controversy and deal with some of the offers of advice from the hon. Premier on Wednesday of last week, I'd like to deal with a few issues that have come up since the Legislature adjourned in July. Of course, we had the Ombudsman's report on the seizure of Metis' files. In my judgment, one of the most significant points in that report was the assertion that for some time the Metis development branch had been saying to the Metis people of Alberta that these were your files, your clerks, and your offices. For some strange reason that kind of information was not communicated to the ministers or, more important, to the Assembly as a whole, because we had all sorts of government backbenchers rise and indignantly suggest that these were government files, government clerks, and government buildings.

We've also held hearings on the heritage trust fund, Mr. Speaker. I thought one of the most interesting revelations was the assertion by the now Minister of Transportation that if we're going to refurbish the existing primary and secondary road system in Alberta, we're going to have to dig up in the neighborhood of \$1.8 billion. One has to ask where we've been over the last eight or nine years that it is necessary to make that kind of commitment to refurbish the present paved roads. In talking to officials of the Department of Transportation in the Peace River country, they're very quick to say quite candidly that objectives for additional paving frequently fall by the wayside because they have to refurbish roads that are falling into disrepair because we haven't done the repair work we should have over the years.

Then we have the question of Mr. Russell's submission to the heritage trust fund committee, where we were told that, as a result of the \$100 million plus on the university Health Sciences Centre, there will be a net reduction in active treatment beds in that institution. More significantly, Mr. Speaker, the point was made that there will not be a new active treatment hospital in the greater metropolitan Edmonton area until 1984, when the Mill Woods institution comes on stream. Again one can ask, in view of the tremendous

population growth in this part of the province, where has the government been?

We have the rather shabby situation, in my view, of the problems at the CNIB and the strike of workers there.

We have the subtle but I think rather significant change in the government's approach to the heritage trust fund. As I recall the debate very clearly in 1976 and look at some of the Conservative literature from 1976 to 1978, leaflets which went out to every household — at least they did in my constituency, and I suspect they did in others — we were told in those heady years that the objective of the heritage trust fund was to diversify the economy of Alberta. The question of saving money for a rainy day, the piggybank approach, was very much a secondary objective of the heritage trust fund. Mr. Speaker, as I listened to the hon. Premier this year before the heritage trust fund committee, it's obvious that we've shifted ground. Today the saving of money, putting money aside for a rainy day, to maintain revenue for this government in the future, seems to be a higher priority than the diversification of the economy of this province. Frankly, if that is a correct assessment of the government's position, I think this government is making a very serious mistake.

The hon. Member for Edmonton Whitemud raised some rather pertinent points about the relationship of Alberta to Canada. Let me suggest that wherever I've travelled in this country, I have found no small amount of goodwill as far as the heritage trust fund is concerned, if we talk about diversifying the economy of Alberta. Other Canadians are well aware that we have depleting natural resources, and they know it is only reasonable that the people of this province want to know what we do for an encore when the bulk of our conventional oil is gone.

But, Mr. Speaker, I don't think there is the same kind of sympathy for the heritage trust fund being essentially a giant fund to provide, if you like, a tax haven for higher income people in the years ahead. If that is going to be our principle argument for the heritage trust fund, I suspect we will find that we will be under attack, not only by the Conservative government of Ontario but by people throughout the country. So, Mr. Speaker, let us get back to emphasizing the most important reason, in my judgment, for this heritage trust fund. It can be an invaluable investment tool. But simply to be a huge fund to allow us to have rather small taxation 10, 15, or 20 years down the road is not going to be a very convincing case for the heritage trust fund in the years that lie ahead.

Mr. Speaker, I want to move from there if I may to deal with this question of the present controversy between the provinces of Ontario and Alberta. There are a number of major differences. When we get into the Premier's suggestions to the federal Prime Minister, I certainly want to underscore some of the differences between the position I take and the position of this government. But let me also make clear that there are areas where I believe we can take an Alberta point of view. I read the statement made by Mr. Davis at the premiers' conference last summer. We have a submission from the Premier of Ontario that in fact Alberta's oil and natural gas resources would be singled out for special treatment as opposed to other natural resources in this country. I can't buy that kind of proposition. And to the extent that the Premier of this province

speaks out against that particular argument presented by the Premier of Ontario, I am sure he has the support of Albertans, wherever they sit politically in Alberta.

But, Mr. Speaker, I want to move beyond that question and look at the shielding, the massive subsidy that Alberta in fact has been providing the rest of Canada. I shouldn't say Alberta entirely, because some natural gas is produced in the province of British Columbia, and approximately 10 per cent of the oil is produced in the province of Saskatchewan. Let us say, then, that the western provinces are making a very substantial contribution to shielding the industry of central Canada.

As a Canadian I can accept that over a period of time, if in that time there is a clear-cut effort on the part of central Canada to develop an industrial strategy so that in fact their industries can compete without continual subsidy. But, Mr. Speaker, I would say to you and to the members of this House, where has the Davis government been since 1973, when oil prices began to rise? What has the Conservative government in Ontario been doing to stimulate a more competitive and more efficient industry in that province? What have they been doing to stimulate research and development in Ontario, to make products that will be better able to compete in the international market? Quite clearly, Mr. Speaker, the answer is: not much of anything.

Now we have the Premier of Ontario coming to western Canada and saying, you know, we haven't done this job for six years. We need a continual subsidy. For how long? Another six years or another 60 years? Probably closer to another 60 years. We'll have, if you like, a continuation of the national policy, but this time a continuation based on western Canada continuing to supply resources at substantially under the market value.

Mr. Speaker, I'd just like to make one point about much of the controversy over the heritage trust fund. I know that \$5 billion is a lot of money, and I think this government has helped contribute to the illusion of size. Before the last election we had various Conservative candidates running around patting themselves on the backs, as the members of this Legislature have a tendency to do. We were very happy about the size of this heritage trust fund. Then we're rather taken aback when other Canadians begin to pinpoint the trust fund as somehow a major obstacle to developing a more vibrant, efficient Canadian economy. It's absolute nonsense when Mr. Davis and others single out the trust fund as being more important than it is. Five billion dollars is a lot of money. It's an important vehicle for the province of Alberta. But frankly, to suggest that somehow this trust fund, which in total comprises less than 2 per cent of the gross national product of Canada, is going to be the savior of Canada's economic problems is exaggerating the importance of the trust fund.

Mr. Speaker, I think that certain steps have to be taken, and here I am sure I part company with members of the government. I believe that in terms of a price increase, we have to see the price of oil go up. But rather than basing it on the so-called international price, which most of us in fairness would have to recognize is a cartel price between the Arab oil states on one hand and the large international companies on the other — and certain information obtained recently by the Department of Energy in the United States confirms the kind of games which have been played to push up the price of gasoline in that country. Neverthe-

less we don't need to talk about the so-called world price to recognize that any replacement cost of fuel is going to have to be substantially greater than the \$13.75 a barrel we presently receive.

But, Mr. Speaker, if we are to receive less than the opportunity price in the world, it seems to me that there is an argument, as I've said in this House before, for trade-offs in other areas, on freight rates. And frankly, I don't think this government has been doing enough on that important item over the last eight years.

Now as prices go up there is no doubt that Canada's energy self-sufficiency is important enough that a large part of that increase should be invested in energy projects. As an Albertan, I would argue that if the price of oil goes up \$3, \$4, or \$5 a barrel we as the owners of the resource, or the people of Saskatchewan or the people of British Columbia, should in fact retain ownership of that money. But the money should be put to use on energy projects for the people of Canada. In short, the money remains ours, but we invest in Canadian energy self-sufficiency.

A national energy bank makes a good deal of sense, Mr. Speaker, but we must be very cautious that in developing a national energy bank we simply don't make the mistake of substituting public dollars from Alberta, Saskatchewan, and British Columbia for the private dollars from companies that are active in the industry.

Finally, it's my submission, Mr. Speaker — and I'm going to go into this in a little more detail in a moment — that a national energy bank should concentrate on developing Canadian self-sufficiency through Canadian companies. I think the present move of the Clark administration to privatize Petro-Canada is a retrogressive step which, rather than contributing to Canadian self-sufficiency, will prove to be a major stumbling block.

Mr. Speaker, I want to move from there if I can to review some of the advice given by the hon. Premier on Wednesday of last week to the Prime Minister of Canada. He argues, first of all, that we should build on strength, and that's a reasonable enough argument. But I would hope that in advancing the case of building on strength we would not be inadvertently tying ourselves into a resource-based economy forever.

Two years ago at a national municipal conference I was privileged to attend in Toronto, we had Mr. Jim Gillies, who's now the gray eminence on economic matters for the Prime Minister of Canada, suggest to us with a straight face that the economic strategy for Canada that suited the country best was to be in fact a hewers of wood and drawers of water economy. He even used that phrase to make the case that getting into manufacturing was a bit of a pipe dream that just wouldn't work. Well, Mr. Speaker, when I look at our trade figures and discover that last year we paid over \$11.5 billion for goods and services produced outside this country, in my judgment there is an argument for substantial upgrading of our resources, for value-added industry, for stimulus for manufacturing. So if we're talking about building on strength, let's recognize the importance of supplying the Canadian market through firms that are controlled and managed in this country.

[Mr. Speaker in the Chair]

The Premier went on to suggest that we're going to have to deal with inflationary problems in Canada by controlling public spending. This is the old bugaboo that somehow expenditure in the public sector is by definition inflationary, and the same expenditure in the private sector is productive; that if a carpenter is hammering a nail in a hospital he's contributing to inflation, but if he's hammering that same nail in a private shopping centre he is adding to the productive capacity of the country. Mr. Speaker, this sort of throwback if you like, this reincarnation of Herbert Hoover economics, makes about as little sense today as it did in 1929. Again without dwelling on a federal issue, certainly the sale of PetroCan simply underscores this rather dogmatic position taken by the government of Canada and, it appears, supported by the Premier of this province.

I was interested when the Leader of the Opposition, in reviewing the Premier's five or six points, mentioned that he could have taken the five or six points from the Conservative federal election campaign. With the exception of the question of the port in Prince Rupert and improving grain handling in the country — which I think is long overdue, and applaud — I would say, and perhaps the Member for Little Bow could bear me out, that virtually everything the Premier advised the Prime Minister to do could have been taken from a Joe Clark speech in 1960 when he was leading the Conservative party in model parliament. It is simply a regurgitation of old shibboleths, old political wives' tales, which have been around for, lo, these many years, and frankly the suggestion that somehow there's something new in these proposals is rather amusing. [interjection] We've heard the speeches, Mr. King.

I'd like to move on to several other proposals the hon. Premier made. He suggested that we export more natural gas. Well, in the short run that would improve our balance of payments problem. But we have to ask about our own long-term needs. We now find that part of diversification in this province is our petrochemical industry, which is going to be increasingly under stress in remaining competitive in the international market. We have to ask ourselves whether the encouraging pace of discovery over the last several years will continue. There have been times when members on both sides of this House have been worried about the pace of discovering natural gas, and some real scepticism about how much additional natural gas there was in this country.

I would say, Mr. Speaker, that before we begin committing substantial quantities of natural gas for export, we have to ask ourselves whether or not there is some real danger that we will have a continental energy policy by the back door. Why not examine the proposal of a gas bank or a system of taking royalty in kind, which would allow the smaller producers to have the cash flow they need yet at the same time bank the natural gas for Canada's long-term industrial and residential requirements?

Mr. Speaker, the one area where I suppose members would not be surprised to see me differ most with the Premier is the question of foreign ownership. The Premier simply dismissed it all as being a paranoia — you don't need to worry about it. But I couldn't help but think that this attitude of saying, shucks, there's no problem at all, was just so typical of the attitude of Frost and Robarts, the Conservative premiers of On-

tario in the '50s and '60s. They kept telling the people of Ontario, don't worry, everything is in hand; there is in essence no balance sheet in foreign ownership; we'll have continual prosperity. Notwithstanding the comments of the hon. Member for Edmonton Whitemud, I would question today just how satisfied the people of Ontario are with that province's economic role.

In the times I've been to Ontario in the last few months, quite frankly one of my most surprising observations in talking to people is that wherever you go there is a recession mentality, a real concern about the economic potential of the province of Ontario. Mr. Speaker, one of the reasons that exists, one of the reasons Mr. Davis has not really been able to do much over the last six years of shielded energy prices, is that so much of the manufacturing industry in the province of Ontario is not Canadian controlled.

If the research and development are done elsewhere, what chance have you of developing products that can compete in the world market? What chance have you of developing product lines that will be truly competitive? Are we going to be in the situation, Mr. Speaker, where in Windsor and Oshawa we are producing big motors for big cars while smaller cars are produced in Detroit? Last night on W-5 we had the example of the forklifts that were sent as a foreign aid program. Allis-Chalmers in Canada had received \$4.5 million to produce these forklifts, but the bulk of the parts were imported from the United States of America.

Mr. Speaker, there is just no question that foreign ownership has led to a lack of research and development. In my judgment, that happens to be an unchallengeable fact. So is the fact that a major part of our present balance of payments problem — everybody worries about the present plight of the Canadian dollar. The Premier attempted to suggest on Wednesday that really it has nothing to do with equity capital coming in; it's all this debt capital from New York. When provinces go down and borrow money on the capital markets, they are contributing to the balance of payments problem. Quite frankly, that's true. But we should also admit that large amounts of that debt financing are through corporations based not in this country, but controlled outside the country.

Even setting that aside, when you look at the foreign investment transactions, in 1977 almost 50 per cent of the outflow that contributed to our balance of payments problem was in the form of dividends or the payment of fees, licences, consulting fees, this sort of thing. Almost 50 per cent. In 1978 that changed slightly because of the higher interest rates in the United States capital markets. Nevertheless, 43 per cent or more than \$2.5 billion of that balance of payments deficit was still directly attributable to operations of non-Canadian companies in Canada.

Mr. Speaker, I think we'd be living in a fool's paradise if we didn't recognize that that tendency to bring back profits is going to be even greater as the United States economy begins to slow down. We have the two major contenders, Senator Kennedy in the Democratic Party and former Treasury Secretary Connally in the Republican Party, as unabashed promoters of a continental energy policy. We don't need to take too long to recall that when Mr. Connally was Secretary of the Treasury under President Nixon, without any consultation with Canada we had a surcharge put on Canadian exports to the United States. Several years before that we had American companies under the

DISC program forced to send back additional moneys in the form of interest and dividends to their parent companies.

Mr. Speaker, I'm saying that a concern over foreign ownership, far from being paranoia, is simply a reasonable concern that should exist not only in Ontario, because Ontario is now reaping the fruits of a lack of long-term planning 20 years ago, but in Alberta as well. That's why I find it difficult to understand why we would be examining future resource development and funnelling part of our heritage trust fund into companies that are not Canadian controlled.

I remember well the arguments that a number of us had on the foreign investment committee of this Legislature six or seven years ago. Its final report was tabled in January 1975, long before we had substantial sums of money from the heritage trust fund that we could use for investment. At that point the argument was, well, we should be emphasizing the development of new industries under Canadian ownership, not worrying about buying back the past. I think that's probably a reasonable enough concern. But in 1979, Mr. Speaker, when we take investment capital which is Canadian, then turn around and make it available for the capital requirements of non-Canadian companies so that in fact we help to finance the further foreign ownership of our own economy, as a member of this House, I just have to say I am quite frankly concerned about that policy and so are a lot of other Canadians and a lot of other Albertans too.

Mr. Speaker, in the remaining few minutes I have this afternoon, I'd like to move from there to make a few observations about Alberta's role in Confederation itself. I was one of the members who applauded the decision of this government to loan money to the province of Quebec, notwithstanding the political complexion of its government. I think that if we get into a situation where we attempt to use economic blackmail, we're going to make it much easier for Mr. Levesque to win the referendum.

Quite frankly, what disturbs me are the Premier's comments on page 7 of his interview with Mr. La Pierre — questions I raised to the hon. Premier this afternoon. No one in this House hopes the referendum will pass. I'm sure all 79 members hope and pray the referendum will be defeated. But the argument that I think has to be fairly addressed is: what happens if it does pass? First of all, what happens if a very ambiguous referendum question passes? And here the Premier was extremely evasive today. I would say that if an ambiguous question passes, a mandate to negotiate, I don't really believe Mr. Levesque would have a mandate to do anything. If he fudges the question, in my view he has to take responsibility for that kind of fudged question. But the suggestion that, should a referendum pass, the primary responsibility for negotiation should exist with the provinces, in my view, boggles the mind.

I would be willing to argue very strongly that the provinces would have a vital role at any negotiation. That's true. But the primary role? Surely not, Mr. Speaker. Surely we are not saying that if a referendum passes in the province of Quebec, the whole deal is off, we go back to square one. Surely we're not saying that to our fellow Canadians. The BNA Act would still be in place. We'd still have a Canadian government, still led by an Alberta Prime Minister. Surely we would not be saying we're just going to scrap everything and

try to start all over again.

Mr. Speaker, I would just draw my remarks to a close by saying that this summer we saw the passing of one of the truly great parliamentarians, and in many ways one of the truly great Canadians of our time, the Rt. Hon. John Diefenbaker. While I respect the efforts of the new Prime Minister, Joe Clark, to obtain a consensus, I suggest that being Prime Minister is not simply being a referee among 10 premiers. It is to be something more than that, to provide, if you like, that sense of direction, the kind of ability John Diefenbaker implicitly brought to the office when he talked about not being hyphenated Canadians. While he was referring to not being French-Canadians, Ukrainian-Canadians, or English-Canadians, he could just as well have been referring to not being Alberta-Canadians, or Saskatchewan-Canadians, or Ontario-Canadians, but being Canadians first and foremost.

I would just close my remarks, Mr. Speaker, by saying to the members of this Assembly that that kind of spirit, if you like, of unhyphenated Canadianism is just as important today as it was 20 years ago when Mr. Diefenbaker was in office. It is just as important in the next 6 months prior to the referendum in the province of Quebec. And regardless of what happens in that referendum, it is just as important after the conclusion of that referendum. If this country is to survive, Mr. Clark would be well advised to listen to some of the voices in this country that see Canada as more than a mini-United Nations and strongly believe that the sense of Canadianism Mr. Diefenbaker epitomized is perhaps as good a place as any to start as we try to draft a better constitution and, I think, seek a stronger Canadian identity in the years ahead.

MR. ZAOZIRNY: Mr. Speaker, I rise to speak on Motion 15 with mixed emotions of pleasure and concern; pleasure at the comprehensive accounting our Premier provided us last Wednesday of the activities of this government since the spring sitting, and concern with respect to some of the responses we've heard to his remarks, particularly those of the hon. Member for Spirit River-Fairview, which I will deal with later in my remarks, in particular his comments with respect to foreign investment here in the province of Alberta and in this country in general. So I'll endeavor to highlight some of the remarks of the Premier which I believe warrant special elaboration, and respond to some of the comments of other members.

First of all I would like to begin by commending the government on its new actions and initiatives in the area of social programming. I'm particularly inclined to do so when, during the last provincial election campaign, I as a new candidate was faced with candidates from other political parties trying to argue what a poor job was being done by this government. I'm pleased to report, as I think the members are well aware, that the public didn't share that view, certainly not in terms of their response at the polls. But I did want to comment on the new \$4.5 million training and education program for the handicapped and on the some 46 new hospital construction projects which are in the design or construction stage.

I noted with great interest the comments of the hon. Member for Spirit River-Fairview when he was making the rather predictable complaints that the government isn't doing enough, or if it's doing enough, it's not doing it quickly enough. I suppose that's part

of the role of an opposition member. But when you take a look at the kinds of expenditures, the some \$700 million in the '78 fiscal year and some \$832.2 million in the '79 fiscal year, by gosh, I don't think that's a record to be ashamed of. It's an area this government considers of crucial importance, and I think the dollars we've allocated make it very clear.

I'd also like to make a general comment about the state of the economy in this province. I don't think there's any question about its buoyancy. People in this province have a very positive outlook on the economic situation generally, and one needs to look no further than the housing starts in Alberta as a percentage of the national situation: some 21 per cent. Given our population in this province, I think it's outstanding. So I'm pleased with where we've come to at this point in time.

But having said that, I want to express a word of caution. I would frame my caution, I suppose, in terms that have been used before in this House about just how fragile our prosperity is. I think that's a reality we should be well aware of, and certainly the Premier has drawn it to the attention of this House on a number of occasions. One only needs to look at the current interest rate situation to recognize just how true that is. There's no question in my mind that the rate of interest paid by our business people and consumers generally, and particularly by small businessmen, is oppressive. The level is far too high at this time.

I recall the remarks of the hon. Leader of the Opposition, which I enjoyed very much. However, I must remark particularly on his view that we need to send our small businessmen to school. With respect, Mr. Speaker, businessmen are busy tending their shops, and they're doing a pretty fine job of it in this province. I don't think sending them to night school is going to be of any assistance. However, at some point in the near future this Assembly may have to look to some real financial assistance if this interest rate situation doesn't improve quickly.

I'd also like to address my remarks briefly to the Premier's referring to himself as somewhat old-fashioned in living up to commitments made at the last provincial election. I want to assure the Premier that in my view he doesn't need to feel old-fashioned. As one of the newcomers to this Assembly, I think I can say, on behalf of all new members, that we certainly attach equal importance to the principle of living up to commitments, and commend the government highly in its consistent policy of having done just that.

I'd like to say a word about national unity. Some days ago in this House the hon. Member for Calgary Currie, a colleague of mine, spoke very effectively and with great sincerity on that issue. I would simply like to put on the record my concurrence with his eloquently stated views. I also join him in his view that it's incumbent on this province and its government to do what we properly can to let the people of Quebec know just how strongly we feel about this country and how much we want to keep it together and will do those things which are appropriate and not viewed as an intrusion in their internal affairs, to assure them we are Canadians first.

I think that's an important comment in light of the remarks of the hon. Member for Spirit River-Fairview. I was incredulous at his suggestion that the Premier of this province was suggesting something to the contrary in his remarks and in his speaking engage-

ments. I think the hon. Member for Spirit River-Fairview has failed to recognize the need for a new federalism in this country. Surprisingly he has failed to recognize that there are some pretty deep-seated problems. The only way to solve those problems is by sitting down at the table and working out a new formula, so the diverse interests in this country can be satisfied and we can continue to live as one nation from sea to sea.

I think one of the most useful aspects of the Premier's excellent state of the province address last Wednesday was his clear elaboration of what diversification means in this province. Clearly it does not mean, as has been suggested by others, some sort of total and radical departure from our base industries of agriculture, and oil and gas. What it does mean is to build on those bases and strengths. Again, I have to take some issue with statements of the hon. Member for Spirit River-Fairview when he seemed to suggest we should move away from those bases. That's like suggesting we should pull the rug out from under our own feet. I don't see how that can possibly be in the best interest of people in this province. What has become abundantly clear is that we have to expand the base. We have the base; it's an historical fact. Frankly, we're very fortunate to have that kind of base in this province. I think you could talk to legislators in any other province in Confederation, and they'd be very happy to exchange bases with us. So I don't think we should talk in terms of getting away from that base. We have to recognize the need to expand the base.

I would now like to address myself to some of the remarks made by the hon. Member for Spirit River-Fairview — certainly not all of them. The issue in his remarks that I'm most concerned about and, I suppose, disappointed in, concerns foreign investment. I see this question of foreign investment as one of the most crucial issues in the whole economic debate — the role of foreign investment in the province of Alberta and, going further if we might, in the Canadian situation as a whole.

Frankly, in the first instance I think the Premier was far too modest in his remarks last Wednesday, when he talked about the way this government has encouraged Canadian and Alberta ownership. The fact is that one need look no further than the establishment of the Alberta Energy Company. It is clearly on record as an outstanding example of how this province has encouraged Alberta and Canadian ownership in Canada. It's a well-known success story, some people think almost too successful. But we're not embarrassed about it; we're damn proud of it.

In addition to the Alberta Energy Company, take a look at recent amendments with respect to small business and the level of taxation being reduced from 11 to 5 per cent. There is a measure that will directly encourage and assist the businessman in Alberta and encourage Alberta equity investment. Again, I think the record speaks for itself.

We need to take a look from time to time at the number of companies incorporated at the companies branch in the last couple of years. My trade is that of a lawyer, and I can speak from first-hand experience and, I might say, a certain degree of frustration about the difficulty, from time to time, in getting a company incorporated on behalf of a client. I'm certainly not making any allegations of poor operation on the part of the Minister of Consumer and Corporate Affairs.

The fact is that in the last year or so we've been swamped. We've been swamped with people who have been in this province for some time and want to get into business. We've been swamped with people coming and joining us as Albertans, to establish small businesses. That is probably one of the most clear indications of the way this government, through its sound economic policies, has encouraged Alberta and Canadian investment in this nation. So let's get that on the record in the first place.

I think it's important to say a few words about the nature of foreign investment, to re-emphasize some remarks the Premier made, and perhaps to elaborate on them a little more. The fact is, if we're going to continue to have a strong province in Alberta, we have to continue to have a climate where local investment, which we clearly have been encouraging, and foreign investment can continue to work together. Perhaps the reason this concept of partnership, which the hon. Member for Spirit River-Fairview seemed to have great difficulty with, needs reiteration is that there still seems to exist with some members, particularly that member, this old, doctrinaire, socialist view that was most romanticized, I suppose, in the 1960s, that if it's foreign, it's bad. With respect, Mr. Speaker, I think that's sheer and utter nonsense.

Sadly, it was just that kind of mentality that in the last 10 years has thrown this country, a trading nation that greatly needs to encourage multilateral trade relations, into the economic disarray we're quite frankly faced with today. When the hon. Member for Spirit River-Fairview talks about the situation in Ontario and the kind of recession mentality that exists, I'd like to suggest to that member that a good part of the reason for that situation arises from the kind of legislation, exemplified by the Foreign Investment Review Act, that was enacted by the previous federal administration. That's the kind of legislation, based on that old, doctrinaire, socialist view that if it's foreign it's bad, that has knocked the pins out from investment in this country. That's the reason we have the problem. It's not that we have had too much foreign investment; we aren't getting enough of it nowadays.

It's important that we recognize that while it's absolutely essential to encourage Canadian equity investment — and one must bear in mind that we're talking in particular about equity financing and not debt financing — we have gone in the wrong direction. I think the federal situation is an embarrassing example to the nation of what can happen when one develops that paranoia about foreign investment. It's the kind of notion that at first blush sounds pretty good. It conjures up visions of nasty foreigners with wheelbarrows full of Canadian dollars racing across the border and aboard ships to other nations. But frankly, the argument is very fallacious. The reality is that foreign risk investment brings to this country and to this province the kinds of entrepreneurial skills and abilities that can work hand in hand with Canadians and Albertans, and continue to strengthen this country and this province in particular.

If amongst those foreign investors there are individuals or corporations who are not prepared to reinvest dollars in this province or this country, or who, for whatever reason, are bad corporate citizens, the fact remains that we have a large number — I would suggest an almost excessive number — of rules and regulations by which we can control them. When we're

analysing the role of foreign investment, the key question is, can we control it? I think the indisputable answer to that question is yes, we can. We have regulations and, of course, taxation. That's the way we can deal with any potential problems.

Unfortunately, I would suggest that those who view foreign investment as taboo are more concerned about a problem than is necessary. In fact they're trying to resolve a small problem by applying a remedy that kills the foreign investment that is so crucial to this country.

The notion of foreign investment being a bad thing, as I mentioned, relates I think to that old fuzzy 1960s view of the good guys and the bad guys. I would be most concerned if this province adopted any policy whereby we were going to try to discourage foreign investment working hand in hand with the local investment we're encouraging at the present time. If we did so, I feel that would be the beginning of an economic catastrophe for this province. And I really feel that within a relatively short period of time it could bring this province to its knees in just the tragic way it has brought the economy of this country to its knees.

Having made all those remarks, however, I must say that, notwithstanding the speech of the hon. Member for Spirit River-Fairview, I take great comfort in the strong belief that the people of this province recognize that foreign and local investment can work hand in hand. I believe they recognize that if their government remains strong and vigilant and ensures that the proper controls are exercised, the biggest winners in that formula are the people of this province, Mr. Speaker.

I would like to make a couple more remarks about the Alberta/Ontario controversy, if you will, over oil pricing. I must admit to being somewhat surprised by the remarks of the hon. Member for Spirit River-Fairview when he acknowledged the kind of massive subsidy that has been made available by Alberta, in their role as good Canadians, to central Canada. All I can say to him in that regard is, welcome aboard; where have you been for such a long time?

I can also agree with many of his remarks with respect to the possibilities of a national energy bank. I would only suggest that the crucial question becomes, what is the nature of investment from Alberta? If we're talking about debt investment, I think that's very feasible. If we're talking about an equity investment, I have some real concerns. I feel very comforted by the capable work being done in this regard by our Minister of Federal and Intergovernmental Affairs, our Minister of Energy and Natural Resources, and certainly our Premier.

Finally, Mr. Speaker, I'd like simply to say that I continue to have a very strong belief that we have the potential in this province to maintain a very high standard of living and a wonderful quality of life for Albertans. Based upon my first six months' experience in this Legislature and my having now had the opportunity to meet all the members of this House, I am absolutely convinced and comforted to know that the members of this Assembly are not about to let the people of this province down in any way.

Thank you very much.

MRS. CRIPPS: Mr. Speaker, I am pleased to be able to participate in this debate on the motion by the hon.

Premier. Contrary to the opinion of the hon. Member for Spirit River-Fairview, I believe we should be proud of our Alberta Heritage Savings Trust Fund, which is a result of good fiscal policy and progressive administration. If other provinces had been more conservative, possibly they would also have had trust funds. I'm not altogether sure that we as Albertans can continue to shore up the basic economy of the other provinces by selling our fossil fuels at fire sale prices. Alberta businesses, too, are affected by tariffs and transportation policies set by eastern pressures.

In a time when we are so affected by the world economy in our decision-making, economic well-being, and social pressures, we are fortunate indeed to be able to be so positive about our progress in social, educational, and provisional areas. Albertans enjoy the best health care system in the world; one which I would guard jealously. The hon. Premier mentioned that presently 46 hospitals are approved in either construction or design stage. Having one in the design stage makes me appreciate the dedication of the board and the trepidation with which the public awaits visible signs of activity.

The buoyancy of the economy in agriculture is extremely important to my constituency. We have had an ideal fall for harvesting. Farm incomes are up. However, I am worried about the debt load in agriculture. Many farms carry mortgages of \$0.25 million. With the cost of tractors and combines running at \$70,000, this isn't hard to imagine. At 15 per cent — and many of them are carrying this rate — that's \$37,500 a year interest. Many farms don't gross that. In farming there just isn't the margin to withstand double-digit interest rates.

The appointment of Dr. Horner as grain coordinator is an extremely positive step. Farmers have confidence that their grain will be moved to market. Transportation has always been a problem, with prairie farmers feeling that the railways have been unsympathetic to their needs. Grain producers are caught in a captive, tariff discrimination situation.

Not only grain producers suffer from this discrimination. Statistics show it is cheaper to ship raw materials out of the prairies than into the prairies. It is cheaper to ship manufactured goods into Alberta than out of Alberta. This rate tends to discourage prairie industry. There is also long/short haul discrimination. It is often cheaper to ship from Ontario to Vancouver than to the prairies. This rate differential cost prairie farmers \$6.4 million in 1972.

The announcement last week by the hon. Minister of Economic Development that the Alberta government will purchase 1,000 hopper cars is exciting for a province that, for the lack of carriers, has a traditional backlog of grain. As a representative of an agricultural constituency, I applaud this move.

Mr. Speaker, the Pembina oil field produces over 87,000 barrels of conventional oil a day. The oil industry, while generally thought of as multinational corporations, is really small business and labor intensive. The spotlight is always on exploration, but the production of oil and gas is the key to Alberta's economy. The production and service industries represent thousands of independent businessmen. They have a massive investment in plant and equipment. They are continually calculating the risks and investing accordingly. In May 1978 the best financial forecast for industrial loan rates was 10 per cent. Now it has escalated as

high as 15 per cent. Interest wasn't one of the risks; it could be judged. With million-dollar loans, and there are many of them — a service rig costs nearly that — this 5 per cent escalation in interest is crippling. If the small independent businessman goes bankrupt, the snowball effect will affect the entire province. We are encouraging major innovative developments such as the tar sands through incentives. There is little future in major developments unless the independent businessman can also succeed.

In the hon. Premier's address last week, he noted that the major concern of Albertans has to do not with our economy but with the Canadian economy. That's the problem in a nutshell. The interest rates I have referred to are Canadian in nature, but provincial in consequence. Traditionally, interest rates run 2 per cent over the inflation rate; we are now far exceeding that. In fact, interest is an inflationary factor.

The idea, supposedly, is to stop borrowing. It hasn't. It is supposed to slow down growth. It hasn't. Is there any real rationale behind the traditional trailing of the U.S. bank rate? Aren't we mature enough to stand on our own two feet?

The Premier noted that 20 per cent of all new jobs in Canada were created in Alberta. New jobs mean more capital investment; so it follows that 20 per cent of the borrowing must be in Alberta. Albertans, then, are paying 20 per cent of this inflated interest rate. I'm happy to hear that the Treasurer is carefully monitoring the effect on Alberta business of the high interest rate.

Mr. Speaker, recently I attended several graduations. These young people are our finest resource. They are the next command generation. Today's graduates are more knowledgeable than any previous generation about world situations, science and technology, the consequences of their actions, and the need to plan for the future. They need to be. There has never been a time in history when decisions made today and in years to come will have so many possible consequences. Advanced technology has given us unlimited power to change, develop, advance, and destroy. But with power comes responsibility. We have a responsibility too, as we are now the command generation.

Energy, for example. Do we conserve it or use it? Do we use depleting resources or develop alternate sources? How safe is nuclear power? Is it worth the risk? Decisions are necessary regarding management, storage, and use of water and conservation of farmland, of pure air and pure water, and of a way of life.

Albertans are independent, imaginative, and resourceful. As citizens it is time to make some independent decisions about our own priorities, maybe about necessities and lifestyles. How much government participation do we want, do we need, and are we prepared to accept? Are we as individual Albertans prepared to maintain an independent free enterprise approach, make those decisions, accept the risks, and live with the results? I believe we are.

The hon. Premier mentioned an attitude of confidence. We are fortunate enough to live in the finest province in Canada, we have great expectations for our future, and we believe in ourselves. We think we can.

Perhaps I could conclude with these words by an unknown poet:

If you think you are beaten, you are;
If you think you dare not, you don't;
If you think you'd like to win, but you can't;

It's almost a cinch you won't;
 If you think you will lose, you've lost;
 For out in the world you'll find,
 Success begins with a fellow's will.
 It's all in the state of the mind.
 Thank you.

MR. COOK: Mr. Speaker, like every other member of the Assembly, I very much enjoyed the speakers' comments last Wednesday. I guess for me it's clear that Alberta is much like a fast-moving freight train. When you're up close, it's really something to watch it moving along as quickly as it is in carrying us forward. Perhaps some of the members in the opposition have a different perspective. I compare it to someone who is removed and remote, up on a hill. That freight train doesn't look nearly as fast as it actually is, given their perspective, and they don't appreciate what is really happening.

DR. BUCK: Less chance of getting run over, too.

MR. COOK: Well, Walt, I think your members were run over about 1971.

Mr. Speaker, I had an opportunity to travel to Washington, D.C. this summer, and the view of our southern cousins is impressive. Alberta is rapidly being recognized as a very strategic area critically important to United States security. We're important for a number of reasons: of course energy, which most of the speakers in this debate have referred to. Agriculture is important. We supply a lot of grain and beef, a variety of agricultural products, to the North American community. Finally, we're becoming increasingly important as a source of capital.

The Premier made a very good point in that we've added a dynamic new industry to our to our economy. That, of course, is our petrochemical industry. We're seeing that develop in Fort Saskatchewan, Joffre, and other areas throughout the province. It's important that we recognize this. It is a real credit to the Progressive Conservative administration in this province. I think it's vitally clear to any Albertan that the oil industry — that and agriculture — is perhaps one of the major bases of our economy. So it's also interesting to note that in the course of this debate for the members who've spoken energy has been the topic that has come closest to home. Conventional oil and gas are absolutely vital to our long-term prosperity.

I guess I'm going to differ somewhat from some of the members who have expressed their points of view. I don't take a hard-line view on oil pricing; I don't think this administration does either. With reference to the hon. Member for Spirit River-Fairview, I think every member of the Assembly recognizes that he or she is a Canadian, first and foremost. But I don't think we have to feel at all apologetic about our position that we do not want to subsidize Ontario and eastern Canada any longer.

It was pointed out over the summer months that our subsidization to the eastern Canadian economy adds up to some \$15 billion. Mr. Speaker, that's with a capital "B". The National Energy Board has estimated that about every year to 18 months we need to develop energy sources equivalent to a new Syncrude just to keep pace with the declining reserves of conventional oil and gas. That requires an investment of another \$6 billion every 12 to 18 months. Again, that's with a

capital "B".

That doesn't mean that Albertans have to bear the brunt of such massive energy development. I think rather we as Canadians should be looking to developing alternative supplies of energy: things like coal mines in New Brunswick and fusion energy, which I'm sure all members will appreciate is a pet topic of mine. But Fundy tidal power comes to mind. I'm going to touch as well on energy we can save from conservation and, finally but not least, the massive tar sands and heavy oil resources we have here in northern Alberta.

Mr. Speaker, I firmly believe the new national government, the Clark administration, and this administration in Alberta recognize we have to develop a national energy strategy based on self-sufficiency. I also know this administration is providing much of the very critical leadership as we as Canadians move in that direction. Let's recognize that, on the basis of the production of 15 million barrels of oil a day, to generate the shortfall of \$2.5 billion for energy reinvestment — because right now the oil and gas industry is investing some \$2.5 billion each year in new supplies of energy — we have to increase the price of oil and the gas equivalent by \$4 per barrel and invest all that money.

As a community, through various vehicles like the heritage fund, the oil industry, and the proposed national energy bank that the hon. Member for Spirit River-Fairview referred to — the Premier of Saskatchewan and the Prime Minister of Canada have already made reference to that kind of strategy — we have to invest some \$2.5 billion over and above the present level of investment. That is precisely where this administration is headed. The Premier and cabinet are providing a lot of leadership.

I'd like to make one reference to our role as Albertans in several areas. Home and industrial heating account for some 45 per cent of energy consumption in Canada. Alberta, representing some 10 per cent of the country, has to carry its share of the load. We've made reference today through the speeches of hon. members that the Alberta economy has subsidized the rest of Canada to the tune of some \$15 billion over the last few years. That's wasted energy, because we have not taken the \$15 billion and made a transition from low-cost to high-cost energy. We haven't reconditioned the Canadian industrial or home heating plant.

In Alberta we have a program called the natural gas price protection plan. It costs some \$140 million annually. Mr. Speaker, I'd like to suggest that that's wasted money. While it might benefit the consumer in the short term, it's really putting that individual in a fool's paradise. I'd like to suggest that \$140 million would be much better spent trying to provide incentives for Albertans to make that jump from low-cost energy, not sheltering them from energy costs.

When I was in the United States, Mr. Speaker, I had the opportunity to speak to several members of the Department of Energy in Washington. They have a very innovative and exciting program that I'll be introducing to the Legislature shortly in the form of a couple of Bills. In a nutshell, the thrust of it is this: the Department of Energy provides two services to consumers, both through the utility companies. The first provides an energy audit of an existing home or factory. Someone from a utility company will go out on request to that individual's home or to that company's

factory and do an audit of all the ways that individual or company is wasting energy. They provide a breakdown of ways and means to improve the energy efficiency of that physical plant.

Second, they cost out the price to bring the home or factory up to national building code standards. It might cost something like \$1,000 for a consumer to bring a home up to approved insulation standards and to improve the efficiency of the heating system in the household. In the second phase of the program, the federal government in the United States provides low-interest loans to the consumer. In effect the consumer actually saves money, because the average payoff on something like this is six years. It means that the savings in the cost of energy, Mr. Speaker, are returned to the consumer completely over the course of six years. I think that's one of the best investments you could possibly make. If any investor in this House or outside were to invest his money and get 100 per cent return within six years, that would be a darned good return on almost anybody's basis.

Basically the federal government in the United States is providing a line of credit to the consumer virtually interest-free. The consumer then insulates his or her home, improves the home heating system, and the difference in cost of the \$1,000 — or maybe \$100 a year in terms of 10 per cent interest, plus something on the capital — is recovered by taking the difference between the heating bill in 1979 dollars and the saving, given the insulation which requires much less natural gas, for example, to be burned. That money is rebated to the federal government in Washington. The consumer actually saves money on this, Mr. Speaker, because his or her fuel bill also drops.

To sum up quickly, the consumer hasn't had to front any of the capital costs for insulating his home because the utility company has done the audit, has costed it out, and in most cases will even provide the contractor for that service. It's billed to the utility company. The utility company then takes a portion of the difference between the present cost of home heating and the new lower cost, sends that to the government in Washington and, if there's a difference over six years, rebates that to the consumer. In fact, the U.S. consumer is finding his home heating bill is dropping, natural gas and home heating oil is dropping, and the United States is making a transition to high-cost energy.

By in effect subsidizing them, our Alberta program of natural gas price protection encourages our consumers to be profligate and to squander energy. My suggestion, Mr. Speaker, is that we should use that \$140 million to encourage our consumers to conserve energy.

The same criticism we level at Ontario for squandering \$15 billion in lost energy can be made right here in Alberta. The same criticism can be levelled in terms of our policies on the speed limits on Alberta highways. Some 15 per cent of energy is used in transportation. It's also a fact, Mr. Speaker, that lower speeds are more efficient in terms of gasoline consumption. Alberta and the rest of Canada clearly have a role in making the transition from low-cost to high-cost energy. As the producing province, I think we have a responsibility to try to make the transition easier for our consumers or for Albertans and to provide some leadership in this country.

Mr. Speaker, I'd like to talk about a couple of other

areas the provincial government is very active in that are very productive. The LRT systems being developed in Calgary and Edmonton are renowned on this continent. A number of people are travelling to Edmonton today to see the LRT system. It is quite common in Europe; I've ridden on the system in Munich. But a light rapid transit system is unique in North America. The value of this particular system is really important when you think in terms of the kind of community it's servicing. Edmonton and Calgary are communities of some 500,000 people and, if you take out the exceptions of Vancouver, Toronto, and Montreal, are fairly typical of the size of community in Canada. The other metropolitan areas can all benefit from this kind of low-cost, light rail system. It's a system that can be adapted easily to a number of other communities.

Its importance is in the way it can shape the urban community to allow the city of Edmonton, for example, to become a high density community where transportation links are not required over long distances. In the long term, Mr. Speaker, if we are going to make the transition to an energy-conserving society, we have to have a higher density in our metropolitan cores. That means we have to develop policies that work against a spread city and against the subdivisions we see in areas like Ardrossan. There's a proposal for that. We have to work against proposals that tend to spread the development of urban areas over large distances, which also require very expensive, energy-inefficient systems to transport people. We have to work against policies that eat up prime agricultural land.

In short, Mr. Speaker, we have to develop programs that make the density of an urban community higher and can provide those efficiencies we so much desire. If we are going to be critical of communities like Ontario for being profligate with our energy, Mr. Speaker, we have to try to develop programs and policies that will also provide energy efficiency in our home community.

Finally, Mr. Speaker, I would like to talk not about the medium and short term ... Those are programs that I think have to be introduced in the medium and short term; we have to start looking at the long term. I think a national energy policy is dependent on developing long-term renewable sources of energy. Here, quite clearly, I think we're looking at fusion energy, wind and solar heating, and hydro-electricity.

If we're going to make the transition into the future, the transition into those areas of energy, again quite clearly Alberta has a role as a leader. Earlier in my remarks I referred to the recognition Alberta is rapidly getting on this continent for being a world leader in terms of energy development and agriculture. Mr. Speaker, here again we can provide that very valuable leadership we can apply to energy conservation and development of long-term energy sources that are renewable.

I could refer members in the Assembly to the INTOR project of the International Energy Agency, which is a department of the OECD group. For those members who don't like acronyms, the international OECD is the Organization for Economic Co-operation and Development. INTOR stands for the International Tokamak Reactor. The Tokamak reactor, Mr. Speaker, is being developed now in co-operation with Soviet, Japanese, American, and European technology. Fusion power is widely recognized by the scientific commu-

nity as being the future for the world in terms of energy development. Alberta's conventional and non-conventional supplies of energy are probably going to be given a horizon of some 50 to 100 years. There's also the opportunity of developing our massive coal reserves in the longer term. But if I could turn for just a moment to fusion, there are some tremendous technological problems that Alberta can help cross and, in so doing, help itself and help humanity.

The problems, Mr. Speaker, are simply ... I'm sure all members are familiar with Albert Einstein who in the 1930s developed a famous equation, $E=mc^2$, E standing for energy, m standing for mass, and c^2 being the speed of light. It's possible to convert mass into energy and energy into mass. That basic principle is relatively new in the human scale of time. If we look over the last million years, it's a concept that's incredible — to think that you can take an object and have a release of energy from it.

The most opportune resource available to us is hydrogen. The reason for that, Mr. Speaker, basically is the fusing together of two atoms. Hydrogen is the simplest atom available to scientists. An atom of hydrogen has one proton and one neutron as well as one electron. For the moment we can forget the electron. The most important part of the atom for our concern is the neutron.

There is an isotope of hydrogen called tritium. It's slightly radioactive, and it has one extra neutron. Now if you think back to the equation $E=mc^2$, the weight or the mass of the tritium atom is almost twice as great as the normal hydrogen atom. Therefore, if you can combine a tritium atom with a hydrogen atom or another tritium atom, you have more mass and more release of energy. Presently, Mr. Speaker, this process works under very high temperature and pressure. It's a real credit to the scientific community that it's possible today to fuse two atoms of, hydrogen or tritium under temperatures that approach 100 million degrees Celsius, under incredible temperatures.

There is no material that can act as a barrier to enclose hydrogen or tritium plasma under these high temperatures or pressures, so the scientific community has developed a magnetic containment device. Basically, as I'm sure members will appreciate, a magnetic field puts pressure. If you take something very simple like iron shavings, it will move the shavings into a force field. If you create basically a doughnut — a hole in the middle with a containment vessel — put a magnetic force field all around this doughnut, and then increase the temperature, you can confine the hydrogen gas without having a material or vessel wall. You can do it simply with magnetic force fields, Mr. Speaker. That's exactly what the scientific community has been able to do over the last ten years. It's a major technological breakthrough.

The Russians developed the Tokamak reacting system. The Tokamak reactor has some very basic technological problems that the American, European, and Japanese scientific communities have been working on over the last few years at Stanford University and Princeton. At Princeton University they have developed fusion reactors which approach the point where it's possible to get as much energy out of the process as you put in.

Mr. Speaker, we're on the verge of a major scientific and technological breakthrough of incredible importance to mankind, and if my pitch today is going to be

anything, it is this: the cost of the INTOR reactor is going to be some \$1 billion. As well, it will require about \$1 million a year to maintain and running the project will bring together some 1,000 scientists and technicians. Alberta has some very basic advantages over other competing areas. Obviously other areas would like to have the site for this reactor because of its tremendous technological importance. For political reasons the reactor can not be sited in the United States or in the U.S.S.R. Neither side wants the advantage to go to the opposing interests. The Japanese scientific community has not been highly developed in this area, and the Europeans have withdrawn from the INTOR program because they have developed their own new reactor. The advantages Alberta could bring, Mr. Speaker, are a tremendously well developed academic and industrial base. It's approximate to the INTOR reactor study groups now based in Stanford, it's approximate to the Japanese community, and we have a large amount of capital we might be able to contribute. The reactor now operating in Britain was a European co-operative project. It cost some \$300 million to produce, and Britain captured that program basically by front-ending 10 per cent of the costs — some \$30 million — over and above its normal partnership costs. By doing that, Britain has allowed its scientists and citizens to become much more involved, and in a very aggressive way, with a major scientific project.

Mr. Speaker, referring to how Alberta can participate in a long-term national energy program or strategy, my suggestion would be for Alberta to front-end 10 per cent of the cost of a \$1 billion INTOR project, basically \$100 million. By doing so, it would attract to Alberta 1,000 world-class scientists and technicians and provide a tremendous opportunity for young Albertans to become involved in that kind of project.

The exciting part is that the INTOR project is the final step before we develop commercial fusion reactors. It means that young Albertans, if they become involved in this kind of project, would be able to transfer their technology to other areas of the world for a fee. If we're talking about developing an intelligentsia, a community that can participate in world-level projects, surely this is the kind of project we should be looking at.

[Mrs. Chichak in the Chair]

The National Research Council in Ottawa has expressed real interest in this kind of project. My pitch is quite simply that the world is on the threshold of developing in the next 10 to 15 years a major new source of renewable energy. Alberta has a tremendous opportunity to combine its human and capital resources in a bold and imaginative way. This is the kind of project that would allow the whole community of man to make that transition from low-cost energy to a higher cost but much more available form of energy. It would be available not only to people who have resources like oil and gas, but worldwide, to communities much less developed than we are.

I'd like to conclude, Mr. Speaker — and I'm sure members will be very glad — by saying that I think the administration in the province of Alberta has shown real leadership in providing Canadians and Albertans with policies and programs that have developed conventional and non-conventional oil and gas. I look to the Syncrude projects. I'm excited by the pros-

pect of the Alsands project, the Cold Lake project that is virtually certain to be approved this fall. These are all demonstrations that Alberta is concerned about the community of Canada as a whole. We are acting very responsibly.

I think it's also incumbent on us to look ahead, not at the short and medium term but the long term, and to try to capture, if we can, the technological experience which will enable not just Albertans but the whole of mankind to make that leap we're going to have to make when our conventional and non-conventional supplies of energy run out. If we can do that and provide economic opportunity for our young people, that's where we should be moving.

I'd like to thank members for their time and attention, and conclude by saying I'm looking forward to an exciting three years. Again, it's like the freight train I made reference to at the beginning of my remarks. I think the opposition members who cry that we're doing too little too late just don't have the perspective you get when you move closer to that highballing freight train. It's moving along at a tremendous rate. This province is dynamic and exciting. I'm very, very proud to be a part of it.

Thank you

MR. HYLAND: Mme. Speaker, as I rise to participate in the debate, I must say I was a little concerned with the attack of the Member for Edmonton Glengarry when he suggested the INTOR project. I was glad he finished by making his pitch for a share of the heritage trust fund as a brain centre. I was beginning to wonder if he was going to say we might need that project to stop something we think may be coming toward Alberta in the future.

I must say I'm very appreciative of his comments. It's been quite a number of years since I left school, and that's the first physics lesson I've had in all that time. I'd never realized how much physics I'd forgotten until he talked about neutrons and protons and such.

Mme. Speaker, needless to say I wish to start my comments on the state of the province address by the Premier last Wednesday with agriculture, which is very close to my heart and a major part of the activities in my constituency. First, I'd like to comment on the Agricultural Development Corporation. From previous speakers, we heard a number of comments about the corporation. We heard from the opposition about a number of the problems of the corporation, as they see them. I'd like to make a few short comments about some of the problems I feel exist there.

The programs may well be in existence, but I have found — and I've talked this over with various people — that when we're dealing with a beginning farmer, we must realize that we're dealing with the son who wants to start farming, or the person who is starting on his own. It seems to come up more when a son wants to start farming and buy additional land. We seem to forget that it's the son who is buying the land, not the father. The answer often comes back that the parent has the money. Let us remember that it's the son who is trying to buy it. Very often the parents are trying to impress upon that young man that it is his duty to pay back the mortgage on the land, whereas if they take it out there's not the same pressure on the person to pay the mortgage back. I think it's very important that we really reassess that part of the lending programs.

[Mr. Speaker in the Chair]

Mr. Speaker, also associated with agriculture are the activities that are being carried on or will start very soon throughout much of the province — hunting for birds, wildlife, antelope, deer, et cetera. The approaching antelope hunting season is a great worry to many people in my constituency. The grass is probably drier than it has been for a good many years, and through the summer has developed, especially in the winter pastures, a substantial growth. There is much concern among the ranching public — about fires that develop in this grass and can wipe a farm or ranch out, depending on the size of it, for a short while or for many years.

A good example, Mr. Speaker — not that it's associated in way, shape, or form with hunting — is a fire that was started south of Medicine Hat. It moved so fast that neither men nor equipment could keep up with it. The Department of Transportation had a number of graders out and, I understand, a number of other pieces of machinery. But this equipment couldn't move as fast as the blaze, and it wiped out the winter pasture of two ranches plus a portion of a third. Now this land takes a long, long time to come back. If it gets into not only the grass but coulees and the brush in these coulees, it takes many, many years for the land to regain its carrying capacity and productivity. I understand that on the night of this fire up to 200 people were attempting to bring it under control, but they just couldn't do anything because the wind was moving the fire so fast. This is the concern the people have about hunting: the possibility of vehicles setting fire to grasslands.

Mr. Speaker, I know a good hunter asks permission to enter pond land, and the farmer or rancher can express his concern to that hunter. But it seems like there is getting to be more and more disregard for asking permission to hunt. Also, the main fear in the antelope season is that antelope hunting is on a draw system throughout the province. Many people who come from other parts of the province to the south may be totally unfamiliar with the area and the concerns and problems that exist with the dryness, whereas in other seasons the people tend to be local and they realize the problems involved.

Just before I leave this subject, Mr. Speaker, let me give an example of the disregard for private land that hunters seem to exhibit in some cases. It probably happens in the minority of cases, but it projects upon them all. Last week my father was working on the combine some half a mile from our home buildings, and he said that it sounded like World War II breaking out again. He looked up and a number of hunters were around our corrals. So he proceeded to go over there. When he got there, a couple of fellows within 30 to 40 feet or less of our corrals were shooting pheasants. That's what they said they were shooting anyway. There was livestock in those corrals. I'm sure that if they couldn't see the livestock there, they shouldn't have been out hunting. The answer they gave was: the land isn't posted. My God, Mr. Speaker, how much plainer does it have to be — livestock a few feet away, and the total disregard to say that the land wasn't posted.

Mr. Speaker, I welcomed last week the Minister of Economic Development reading the press release pertaining to the purchase of the 1,000 hopper cars. It is a

very important commitment from our heritage trust fund that we hope will assist the movement of grain in western Canada. I read in the paper over the weekend the comments the minister in Saskatchewan made with reference to the announcement of the purchase of the cars and of the three inland terminals. He seemed to suggest that Alberta is going to market its own grain through its own elevators, through its own cars. Mr. Speaker, I say to you that maybe other ministers of agriculture or transportation in other provinces are jealous that they were not innovative enough to think of purchasing the terminal, and attempting to assist in moving the grain.

It would seem that there is much support for the Wheat Board in total — no questions asked. But there is also much support for the Wheat Board in other provinces. Also, people are attempting to assist the Wheat Board in the movement of grain with ideas and with new innovations. It might be put in the same context, Mr. Speaker — I've heard that farmers many years ago hauled grain to elevators by horse and wagon, 50 or 60 bushels at a time. Many of these elevators are still in existence, and those same farmers, or their direct descendants on the land, are hauling to these elevators with tandem trucks somewhere between 400 and 500 bushels of grain.

Now that is not much progress, Mr. Speaker. We might liken that to the comments of people who think our ideas toward marketing and the use of the terminals are not innovative. They seem to be satisfied with sticking to something that was working, or that was set up and worked through the '30s. Mr. Speaker, maybe we need innovation. The general farming pub-

lic has moved much faster and gotten more productive than the system of selling, moving, and transporting of grain.

I'd like to turn now to transportation. Throughout my election campaign, and since in meetings with the councils in my area and especially in the town of Redcliff, there was a question about the upgrading of Highway No. 1 through the town of Redcliff, from the South Saskatchewan River where they are presently constructing a bridge, and beyond. Indeed, it is a great bottleneck. As I've said in many, many, previous speeches, we should construct a four-lane highway from the Saskatchewan border to Calgary so that we have a Trans-Canada Highway four-lane from border to border. I talked previously about Saskatchewan. They have a four-lane highway into Regina and, in our direction, past Swift Current. Then, except through the city of Medicine Hat, we go to a two-lane highway all the way to Strathmore before we hit another four-lane highway. Needless to say we are unable to move traffic through Redcliff because of the pressure. I shouldn't say we're unable, because it's moving through, but it's moving at a much reduced speed, and increasing the possibility of accidents.

Mr. Speaker, in view of the hour, I beg leave to adjourn debate.

MR. CRAWFORD: Mr. Speaker, as for tomorrow's business, it's not proposed that the House sit in the evening, nor is it proposed that it sit this evening.

[At 5:32 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]