

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, April 25, 1980 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **TABLING RETURNS AND REPORTS**

MR. COOKSON: Mr. Speaker, perhaps I could table responses to motions for returns 102, 103, and 107.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. MANDEVILLE: Mr. Speaker, I would like to introduce to you, and through you to members of the Legislature, 25 grade 9 students who came up from Brooks yesterday to tour Edmonton and to see the procedures in the House this morning. They are in the members gallery, accompanied by their teachers Larry Regner and Kay Enns, and their bus driver Vi Erion. I'd like them to stand and be recognized.

MR. CRAWFORD: Mr. Speaker, I'd also like to take the opportunity this morning to introduce some students from St. Martin school in the Edmonton Parkallen constituency. I congratulate them on their interest in the public affairs of the province and on their visit to the Legislative Assembly this morning. I hope they enjoy the proceedings. I would ask that they rise, along with their teacher Mrs. Pshyk, and receive the welcome of the House.

MRS. FYFE: Mr. Speaker, I also would like to introduce to you and Members of the Legislative Assembly 55 grade 8 students from Lorne Akins school in the city of St. Albert. They are seated in the public gallery, accompanied by their teacher R. Dammann. I'd ask them to rise and receive the recognition of the Assembly.

head: **ORAL QUESTION PERIOD**

Nurses' Strike

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Attorney General. The question will deal with the whole area of the nurses' strike and the implications thereof. My initial question would be: what legal action has the government taken since yesterday afternoon when the Attorney General reported to the Assembly with regard to the strike?

MR. CRAWFORD: Mr. Speaker, as indicated to the House on an earlier occasion, the government felt it would be possible to deal with the principal issue with regard to the validity of the Executive Council order of last Monday by not specifically taking separate proceedings on the part of the government, but by using the proceedings commenced by the United Nurses Associa-

tion a couple of days ago and making in those proceedings any application that we had to make, by way of what lawyers call counterclaim, but which is a motion in the same proceedings. That is still the situation. Although a number of issues are involved, I expect that a hearing with respect principally to whether the Executive Council order of Monday is valid can be dealt with today or tomorrow.

MR. R. CLARK: Mr. Speaker, to the Attorney General. What steps have been taken between the Attorney General's lawyers and the lawyers representing the nurses, to move the proceedings along as quickly as possible? Not being a lawyer, but simply wanting to see the matter resolved, what attempt has been made by the Attorney General's Department to move the hearing along as soon as possible, in co-operation with the nurses?

MR. CRAWFORD: Mr. Speaker, I think there has been co-operation in accordance with the usual practices of the court, the way matters are being dealt with between counsel. As I've expressed before, there are many complex issues. Even though the desire is to submit the one point first, the necessary arrangements between the legal counsel take some time with regard to providing copies of relevant documents from one side to the other. That has been done. Given that the original date proposed in the first notice of motion was May 5, I think the level of co-operation has been quite adequate, as would be expected.

MR. R. CLARK: Mr. Speaker, to the Attorney General. What consideration caused the government to decide to file the application for an interim injunction rather than deal with the appeal of the UNA in the normal manner? The reason I ask that question is: was it a matter of the government's feeling the matter could get to court sooner that way, this afternoon or tomorrow, as the minister indicated, or has the Minister of Hospitals and Medical Care reported to the government additional hardships that caused the government to take this step?

MR. CRAWFORD: No, Mr. Speaker. I think I should point out that the actual form of the motion is by way of a request for an interim injunction, but that is what I anticipated it would be from the beginning. What I indicated to hon. members and to others a day or so ago was that we believed the proceedings commenced by the nurses had raised enough issues in order that we could see the important issues determined in those proceedings without actually commencing a separate set. All the request for the temporary injunction is, in fact, is a declaration that the Executive Council order was valid. Since the nurses' claim is that it is not, we are really dealing with the same issue in the same proceedings.

MR. R. CLARK: Mr. Speaker, I'd like to put the supplementary question to the Attorney General again. I think it's important that we understand if the action taken in court by the government today or tomorrow morning is based on legal steps being taken by the government to get the matter to the court or to chambers more quickly, if I could use that term. Is it because of that desire, legally, on behalf of the government or, in fact, have additional hardships come to the government's attention, and has the government chosen this route to move things along more quickly?

MR. CRAWFORD: Mr. Speaker, for a number of days the government has been convinced with regard to the question of hardship and emergency. What is being done in the sense of legal proceedings reflects that. I believe the desire of both parties has been to have an expeditious hearing, and that is why we speak of today or tomorrow as the time when that can take place.

The hon. leader's question relates to whether at the same time the circumstances have been changing at some rate that would cause us to have adopted a different view towards the proceedings than I might have expressed before. The answer is that that has not happened. The view expressed today is consistent. It's approximately the rate at which we expected the matter could progress and be determined in the way described.

MR. R. CLARK: Mr. Speaker, to the Minister of Hospitals and Medical Care. Is the minister in a position to indicate to the Assembly the availability of emergency beds in the major government-run hospitals in Edmonton and Calgary today?

MR. RUSSELL: I could do that on very short notice. It would take a little bit of collating of information that we have available. Mr. Speaker, members may have seen the release issued by the director of the University of Alberta Hospital with respect to its willingness and ability to manage and cope under the increasing pressures.

MR. R. CLARK: Mr. Speaker, to the hon. minister. Is the minister in a position to indicate what type of counsel he has given to the families who have contacted him and expressed the feeling that deaths were caused as a result of the strike? What kind of counsel has the minister given the families, from the standpoint of options that are open to those families?

MR. RUSSELL: Mr. Speaker, I have given the families no counsel. I think all you can do under circumstances like that is express your concern and sympathy. I'm advised that in one case the family had already initiated the proper action. I'm sure the hospital boards involved in the other situations are available to discuss those matters with the families if that request is made.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister, if I may. In light of the concern of both the nurses and, I believe, of some of the hospital administrators, was the minister able to review the concern expressed by the bereaved families and obtain any evidence as to whether these deaths that the minister alluded to on Wednesday of this week were in fact caused by the cessation of work?

MR. RUSSELL: No, Mr. Speaker, I think it was very clear — and I've checked *Hansard* on this — what I reported to the Assembly in the general report of the strains and concerns building up within the system, and the fact that at least three Alberta families believe those circumstances had affected them in the way I described. In saying that, I think all members recognize that under those circumstances, in a time of stress like that, people do look for reasons to explain a death. That may be part of it.

But the facts are that at least three families in Alberta believed strongly enough to cause them to report to the government that the depletion of nursing services to their family members had contributed to their deaths. In one

case, they felt strongly enough about it that it was reported to the hospital board. The board has taken the appropriate action, and the family's complaints are being followed up. So far as I know in the cases of the other two families, they have not taken that action, but they may.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the delicacy of the negotiations and the question of morale on both sides, what consideration did the minister give the to future consequences with respect to morale, before he decided to report this information to the Legislature on Wednesday?

MR. RUSSELL: Well, I'm not quite sure I understand the import of the hon. member's question, Mr. Speaker. If you're asking for my opinion, it is that the nursing profession is professional in its attitude. It does put the health, care, and safety of its patients foremost. We know that from time to time within any occupational group there are situations where feelings run high until issues are resolved; this is one. It's one of delicacy and concern. I believe that the membership of the nursing profession would be concerned about those kinds of reports. I believed I was doing the proper thing in making that information available to the citizens of Alberta.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister with respect to reports which may or may not be accurate, but which have been attributed 'to the minister outside the House. Was there any intention on the part of the government to put pressure on the United Nurses of Alberta by reporting as the minister did in the House on Wednesday?

MR. RUSSELL: Mr. Speaker, the report I gave was factual. I think I've, given the optimistic side of the report, if there is such a side to this dispute, by also reporting on the various hospitals' ability to continue functioning under difficult circumstances. I think I have reported fairly and objectively, bringing all sides of the argument to the attention of members of the Assembly and citizens of Alberta.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the concern expressed by nurses and hospital administrators, too, over the public reaction to the minister's statement in the House, will the minister advise the Assembly if there will be any effort by the department to evaluate the circumstances, so that in fact the public will be looking at accurate information on the deaths, as opposed to conjecture?

MR. RUSSELL: Mr. Speaker, I've said before that those sorts of reviews and investigations, if necessary, go on all the time, whether or not there is a collective bargaining dispute under way. The systems for investigating those kinds of complaints are in place and are used throughout the year.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Minister of Labour. Did the Minister of Labour have an opportunity to meet with representatives of either the Hospital Association or the nurses yesterday? If the minister did, could he indicate to the Assembly what progress was made, if any.

MR. YOUNG: Mr. Speaker, in fact, I did have a meeting with one of those parties yesterday. The subject of whether it was appropriate to be negotiating directly between the two parties at this time was raised. I indicated clearly to the Alberta Hospital Association yesterday that, in my view, it was perfectly acceptable at the present time. If the parties can arrive at a collective agreement, they should do so.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. At the same time, did the minister indicate to the group he met with that services of the Department of Labour and in fact the minister himself would be available if called upon by one or both sides to attempt to resolve the matter, even at this late hour?

MR. YOUNG: Mr. Speaker, the answer to that is yes. There is a dispute over the ministerial order, and while that dispute remains it would seem that the best course of action, if assistance can lead to a settlement, would be that that should be provided. Accordingly, both parties know that if they wish that assistance, they may call on it.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. It's small, but it could be a very important difference. Did the minister indicate to the group he met with yesterday that the services of the Department of Labour and the minister himself would be available if called upon by one side or the other in an attempt to resolve this situation, even at this late hour? Specifically, did the minister assure that the department and the minister would be available if called upon?

MR. YOUNG: Yes.

MR. R. CLARK: Mr. Speaker, one further supplementary question to the Premier. Yesterday during question period my colleagues urged the Premier's active involvement in this matter. My question this morning is: since yesterday, what involvement has the Premier had in attempting to resolve the matter by bringing together the two groups?

MR. LOUGHEED: Mr. Speaker, as the hon. leader would anticipate, I have been monitoring the situation very closely over the last number of hours. I've been in constant communication with the responsible ministers, and will continue to monitor it on an hour-by-hour basis.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Labour. Can the minister indicate if the government is considering amending Section 163 of the Labour Act, so that the Legislative Assembly rather than Executive Council bring in an emergency section order?

MR. YOUNG: Mr. Speaker, at the present time the government is quite occupied with the immediate dispute in hand, and has not directed itself to a revision of any legislation; that is, any revision or any second considerations that would have been occasioned by this dispute at this time. The dispute is a very important and very serious dispute for the province and citizens of Alberta. It lays a heavy responsibility upon the Alberta Hospital Association and the United Nurses of Alberta to resolve it, and upon the government to assist in every way possible. That is our first, foremost consideration. I have to underline, Mr. Speaker, as I've underlined to those parties, that it affects the public esteem in which hospital

boards are held, the public esteem in which the nursing profession is held, as well as the health and lives of Albertans.

DR. BUCK: Mr. Speaker, a supplementary question on a point of clarification. Did the minister say "no" or "maybe"? Did the minister say there would be any amending of the Act? He made a speech, but I want to know what the answer was.

MR. YOUNG: Mr. Speaker, the hon. Member for Clover Bar has a lot of problems, and we've just been visited with one of them. To repeat for the hon. member . . .

DR. BUCK: Not as many problems as the Minister of Labour has, I'll tell you, Mr. Speaker.

MR. NOTLEY: And they've just started.

MR. SPEAKER: Stop counting problems and get on with the question period.

MR. YOUNG: Mr. Speaker, I clearly enunciated to the hon. member opposite that the most important topic before the government and the two parties involved in this dispute at the present time is in fact this dispute, and that no consideration has been given at this time to changing any legislation.

MR. R. CLARK: Mr. Speaker, with regard to my second question, sir. It was to be to the Minister of Agriculture. I know the acting minister is the Minister of Environment. But on checking with the minister's office, I understand he's meeting right now with the federal minister and expects to be in the Assembly before the end of the question period. I wonder if I might hold my second question until the minister returns.

Rental Accommodations

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Consumer and Corporate Affairs. Has the minister's department been monitoring the number of applications by landlords to increase their rents on July 1 as a result of rent controls being lifted?

MR. KOZIAK: Mr. Speaker, I responded earlier to questions posed by the hon. member, I believe, if not by others, that we would not be setting up a formal system to monitor rents. At the same time, we have received word by virtue of telephone calls and correspondence at the office. Of course calls relative to rent increases are made by tenants to the rent decontrol offices in Edmonton and Calgary. But we don't have a formal monitoring system that would envisage an accurate count of increases across the province.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister had any indication of the increases coming in? Are landlords applying for large increases or moderate increases?

MR. KOZIAK: That, Mr. Speaker, involves a value judgment, which I won't make. I've received word of increases in terms of percentages and dollar values that vary substantially from location to location, and from the quality of the building and the unit being rented.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the government finally closed the door on any mechanism for formal monitoring? In view of the fact that rent controls will cease on June 30, is there any possibility that the government may in fact review its position on monitoring to develop an accurate way of assessing what is happening to rents in a relatively tight market situation?

MR. KOZIAK: Mr. Speaker, the response I gave to that question earlier will be the response I give now; that is, the danger with a monitoring system, or even the announcement of the existence of a monitoring system, is that to many it implies a return to controls. Our problem in this province is going to be a shortage of units. We won't be able to solve that problem by in any way suggesting a return to controls.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What evaluation is being made by the government of proposals, particularly from senior citizens' organizations in the province, that the government of Alberta should substantially increase the renters' tax credit for senior citizens, some of whom are now facing rent increases that put their rents beyond their monthly income? Is the government actively reviewing at this stage substantial revisions that could be made in the present tax credit provisions?

MR. KOZIAK: Mr. Speaker, we've made two very important announcements in our housing programs, providing funds in excess of \$0.5 billion which will see the construction of an additional 10,000 units in this province. We indicated in both the Speech from the Throne and our Budget Address, and the Premier has also indicated in response to questions, that there will be further announcements coming. I don't think it would be proper for me to make those announcements before their time.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. The question relates directly to changes in tax credit provisions. Is the government seriously entertaining major changes at this time, in view of the stress that rent increases are causing for senior citizens, and the specific recommendations that I know have come to the government in the last several days from senior citizens' organizations asking for substantial increases in the renters' tax credit?

MR. KOZIAK: Mr. Speaker, the [answer] I gave to the previous supplementary applies to the question that has been raised now. The history and record of this government are clear in terms of the approaches we've taken, particularly with respect to the senior citizen renter's grant and other fields. We are really not leaving any stone unturned in our studies that will lead us to the final announcements, which will be made shortly.

MR. MANDEVILLE: A supplementary question, Mr. Speaker, to the hon. Minister of Housing and Public Works. Has the minister any up-to-date figures on the vacancy rate for rental accommodations in the province?

MR. CHAMBERS: Mr. Speaker, I guess it might be helpful to point out how we monitor vacancy rates. In Calgary and Edmonton this is done by the Canada Mortgage and Housing Corporation in October and April. Then those figures are adjusted monthly through

calculation, taking into account the number of units coming on and the absorption rate of those units. So the rates are calculated between those two six-month measuring periods. The last figures I saw were: Edmonton, something in the order of 3 per cent, and Calgary, in the order of 1 per cent.

MR. R. CLARK: Mr. Speaker, a further question to the Minister of Housing and Public Works. Is the minister in a position to indicate what projections his department has, or the two Crown agencies the minister is responsible for, with regard to the construction of rental accommodations in the province this year? How do those projections compare with last year?

MR. CHAMBERS: Mr. Speaker, there's no question but that the indications from the first quarter are that the number of private starts are down appreciably as a result of the removal of the capital cost allowance and the federal government policy of high interest rates. On the other hand, the applications under our family home purchase program and core housing incentive program are very considerable indeed. Those areas will be very strong in terms of construction in months ahead.

MR. R. CLARK: Mr. Speaker, a supplementary question to either the Premier or the Provincial Treasurer. Following the remarks just made by the minister with regard to the effects of the capital cost allowance, and the reference in the budget that a major announcement would be coming later this session — this spring session, hopefully — regarding this whole area, is the government giving active consideration to taking steps to blunt the effect of removal of the capital cost allowance?

MR. LOUGHEED: Mr. Speaker, that question really involves the whole area of the nature of housing initiatives we have under consideration. We recognize that the major problem we face stems from the elimination of the capital cost allowance by the federal government, which the Minister of Housing and Public Works has just referred to. We're examining a multitude of options as to what our approach would be to try to encourage the private sector back in a substantial way in terms of rental accommodation in this province.

I really can't say anything more about it until we have concluded our assessment, except to assure the Speaker and the members that it is our intention to bring in a number of additional housing initiatives before this spring session is concluded, as we mentioned in both the budget speech and the throne speech.

Sulphur Dioxide Emissions

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Minister of Environment. It concerns the question of the build-up of SO_2 in the northeastern Alberta and northwestern Saskatchewan region, and the concern by some that this could lead to an acid rain problem second only to Sudbury's. What assessment has the Department of Environment been able to make of the acid rain problem in northeastern Alberta at this time?

MR. COOKSON: Mr. Speaker, we have continuously tightened down requirements with regard to emission of SO_2 . For example, Syncrude is emitting less SO_2 than the first GCOS plant. When you take the total emission for

the province into consideration, it's far less than the one plant that the member from Fairview suggested, the INCO plant in Sudbury. In addition, studies have shown — I suppose fortunately, in a way — a large amount of the soil in the general area is alkaline, or base, in nature. In fact in a number of instances, emissions even within our strict standards are actually helping to balance the pH of the soil in the general area.

MR. NOTLEY: Mr. Speaker, supplementary question to the hon. minister. The minister indicated that standards have been strengthened, as members are aware, between GCOS and the Syncrude project. What assessment, however, has been made by the department on the impact of the cumulative emissions from GCOS, Syncrude, and then other industrial developments in northeastern Alberta? Has there been any specific review of that aspect of the problem?

MR. COOKSON: I really can only add to that question by saying that we have taken into consideration the impact of future plants in the general area. We believe that in terms of technology, plants can now be constructed with even tighter controls with regard to SO_2 , and our people will be pursuing that in terms of new plants coming on stream. I suppose the question, then, is what the picture down the road will be when perhaps 10 or 15 plants in the general area are producing oil. In a sense that is hypothetical. If we don't come to some sensible arrangement with the federal government, it really is a hypothetical question. But assuming we do come to some sensible arrangement with the federal government in terms of oil pricing, we will continue to explore new areas of technology in order to protect that general area, including the area involved in the province of Saskatchewan, because the general direction of the winds in the area I'm describing is from west to east.

MR. NOTLEY: Mr. Speaker, supplementary question to the hon. minister. Is the minister in a position to advise the Assembly what discussions have taken place with the government of Saskatchewan, as well as the territorial government, on this matter? I raise it specifically with respect to a recent study by the Saskatchewan Research Council which expressed some concern on the issue of SO_2 emissions and acid rain and the impact on the La Loche area of Saskatchewan. Are there ongoing discussions, and was there any specific discussion with respect to the Saskatchewan Research Council review?

MR. COOKSON: Mr. Speaker, I haven't had any recent discussions with the hon. Mr. Bowerman, the Saskatchewan Minister of the Environment, although we have had recent correspondence and dialogue expressing concern in another specific area which doesn't necessarily deal with SO_2 . But I could perhaps check to see if anything further has been going on between ourselves and Saskatchewan. We're prepared here in Alberta to dialogue and do whatever we think is necessary to protect any province around us from any kind of pollution. I hope that position is reciprocal.

DR. BUCK: Mr. Speaker, a short supplementary question to the hon. Minister of Environment. The minister mentioned the beneficial affects of the acid rain in neutralizing alkaline soils. Can the minister indicate the difference between the short-term benefits and the projected long-term disadvantages of that type of situation?

MR. COOKSON: Mr. Speaker, there would be long-term disadvantages to that only if the normal pH, or acid/base balance, of the soil were exceeded. At the present time those large areas are gray-wooded soils of a base nature and, as I suggested earlier, present emission studies have shown that they are essentially improving some of those soils. I would think that if we found it projected in our careful analysis of the long-term situation that emissions might result in a pH standard which exceeded the normal, then we would take steps in the province to tighten down again on possible emissions from future plants.

DR. BUCK: Mr. Speaker, to the hon. minister. Just the northern parts of the two provinces have gray-wooded soils. What information does the minister have as to the effects on the plains portion of the neighboring province?

MR. COOKSON: I guess we would have to get that information from Saskatchewan. I have no information to indicate that the plains area, which would perhaps be a more acid type of soil, is suffering specifically. I have no indication from the Minister of the Environment in Saskatchewan that that is the case.

MR. NOTLEY: Mr. Speaker, a supplementary if I may.

MR. SPEAKER: Following the hon. Member for Edmonton Mill Woods.

MR. PAHL: Thank you, Mr. Speaker. My supplementary to the minister flows from the questions by the hon. Member for Spirit River-Fairview. I wonder if the minister could indicate to the House, or clarify if I've missed the point, that the licences for emissions would be for a definite period of time, and would be subject to some review relative to the sharing of air sheds for certain industrial developments. The other part of the question is: could the minister indicate how Alberta standards particularly with respect to sulphuric emissions would compare with other jurisdictions, particularly our neighbor to the east?

DR. BUCK: How many others have tar sands plants?

MR. KOZIAK: That's because of their governments.

MR. COOKSON: Mr. Speaker, we probably have some of the best emission standards anywhere in Canada. The other point was raised with regard to termination, or procedure in case of a licence being issued and fining at a later date. Licences are essentially that: they lay out the emission standards. If those standards are exceeded at any point, we have the usual procedure of a certificate of variance for temporary exceeding of the limits. We also have authority for a stop order. A licence is ongoing provided only that the industry stays within those requirements. It's always subject to review and revoking, if necessary, to tighten up on standards.

MR. NOTLEY: Mr. Speaker, my supplementary question is whether the government is giving any consideration, when the companies renew their licences under The Clean Air Act, to there being a specific commitment to update their sulphur emission control equipment in accordance with the principle of the best available technology.

MR. COOKSON: That's correct, Mr. Speaker.

Forest Fires

MR. BRADLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Energy and Natural Resources. Could the minister advise the Assembly what action is being taken with regard to the forest fire situation in northern Alberta, particularly in the Slave Lake area?

MR. LEITCH: Mr. Speaker, I can respond to that question and to a question asked during my absence yesterday by saying we currently have approximately 500 firefighters working in the forests. We have a number of helicopters and other aircraft, and a number of pieces of heavy equipment. The fire towers are in the process of being manned, and I anticipate will be completely manned within the next few days. The fire situation in Alberta at the moment is far more serious than normal for this time of year. I think about 41 fires are now burning, of which one is out of control, in the Lake Athabasca area near the Saskatchewan border.

In connection with the specific question asked by the hon. Member for Pincher Creek-Crowsnest, bomber crews in the Slave Lake area are working, dropping retardant. As members of the Assembly probably know, there was a very tragic incident there last night. The wing of one of the aircraft caught the trees as it was making a run, causing the crash of the aircraft and the death of the pilot.

DR. BUCK: Mr. Speaker, a supplementary question to the minister, to follow up the question I asked yesterday in the minister's absence. Can the minister indicate if the contract for the bombers that come in from British Columbia has been consummated? Those bombers usually come in in May. Are they in place and being used now, Mr. Minister?

MR. LEITCH: Mr. Speaker, I can answer the question yes, apart from the comment about their coming in from British Columbia; I'm not sure of the source of all the fighter bombers we have. But those contracts are in place and the planes are either working or available to go to work immediately. There is one technical difficulty, however, in that the bombers normally pick up water from the lakes in the vicinity of the fire. Those lakes are still covered with ice. We are now finding we have to load the aircraft at places other than the normal lakes.

DR. BUCK: Mr. Speaker, can the minister indicate how close the fire is to the town of Slave Lake?

MR. LEITCH: I haven't precise information on that, Mr. Speaker.

DR. PAPROSKI: Supplementary, Mr. Speaker. I wonder if the minister would indicate to the House roughly how many acres are involved relative to other years. He indicated there was a substantive increase in the number of forest fires in this province.

MR. LEITCH: Mr. Speaker, I don't know that I could give the House an estimate of the acreage now burning as compared with the acreage burning at this time last year. I can get an estimate of that, but I'm sure it changes

hourly. If the hon. member wishes, I'll endeavor to get an estimate.

MR. SPEAKER: The hon. Member for Clover Bar.

DR. BUCK: Mr. Speaker, that was my question, on the firefighting.

MR. NOTLEY: Mr. Speaker, I wonder if I might ask a supplementary question of the hon. Minister of Energy and Natural Resources. Is the government in a position to advise the House today whether there are an adequate number of firefighters in the area, and is the government giving any consideration to changes in the remuneration?

MR. LEITCH: The way the hon. member links the two parts of his question, I take it that he has in mind a relationship. With respect to remuneration, Mr. Speaker, of course we reviewed that in the ordinary course of events. The remuneration was changed just recently. I can't call to mind the precise increase, but there was an increase in salary paid to the firefighters.

Mr. Speaker, I think I can fairly answer the question of adequate numbers by saying we are not having any difficulty that I'm aware of — if we were, I'm sure I would be made aware of it — in recruiting and placing in the field the number of firefighters the forest service wants to place in the field.

ORDERS OF THE DAY

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 17 The Motor Vehicle Administration Amendment Act, 1980

DR. C. ANDERSON: Mr. Speaker, it's my pleasure to rise on second reading of Bill No. 17, The Motor Vehicle Administration Amendment Act, 1980. This Bill amends Chapter 68 of the *Statutes of Alberta, 1975*, Second Session.

The main purposes of the Bill are, first of all, to facilitate the administration of motor vehicle registrations by defining certain vehicles. At the present time, we have PSVs, or public service vehicles, commercial vehicles, and private vehicles. The intention of this Bill is to classify them into private or public vehicles. The Bill also facilitates the motoring public by allowing entry into Alberta by way of in-transit permits issued by other jurisdictions in Canada. At the present time, people purchasing . . .

MR. SPEAKER: Order please. I think there may be some difficulty in hearing the hon. member. I would suggest that he's entitled to be heard by the Assembly.

DR. C. ANDERSON: At the present time, a person purchasing a motor vehicle in another province and obtaining an in-transit permit to bring that vehicle back to Alberta, runs into difficulties. This is especially the case in centres like Medicine Hat. People purchase a vehicle, have the in-transit permit, and as they come across the border, the in-transit permit issued in another province becomes invalid. At that time they either have to look for a police officer to issue another permit, or take a chance

and drive into Medicine Hat, where they register their vehicle. This has led to convictions and hardships on residents. Therefore, the four western provinces agreed that permits issued in other jurisdictions would also be valid in Alberta.

The Bill also creates conformity with the provision in The Motor Transport Act, the Criminal Code of Canada, and other provisions of this Act, including enforcement of the penalty provisions.

I think the most contentious issue in the Bill, if there are any, deals with Section 103, offences related to charges of operating a vehicle without a valid operator's licence and without a valid financial responsibility card or motor vehicle registration.

The Bill also helps to allow for the disposal of impounded and stored vehicles, and for the disposal of any money that comes from the disposal of such.

Section 103 deals with offences related to a subsisting operator's licence in 12(a), dealing with increases in fines and with subsequent offences. At the present time, there are cases where, rather than paying the fine, the judge gives a penalty, imprisonment for one day. This one day is much less than would be required to buy the insurance. Therefore, it helps bring into line and encourage people to drive with a valid licence. In Section 12(c), we have the motor vehicle registration, dealing with subsequent charges related to an invalid registration.

The Bill is mainly administrative and brings in conformity with other provinces.

Thank you.

DR. BUCK: Mr. Speaker, I agree with most of the principle of the Bill, but some parts really disturb me. The section which could apply to a farmer having a number of trucks on the farm that he uses maybe once or twice a year — if he removes the plates, he could be liable to a fine up to \$500. I'd like to know if the member sponsoring the Bill has considered this.

The other principle that greatly disturbs me, Mr. Speaker, is under Section 15. Just speaking on that principle, what we seem to be doing under this section is creating a situation where someone who is certain he is drunk can gain by refusing to take a breathalyzer test. I'd like the sponsor to indicate what the intent is and make sure that intent is very clear. We shouldn't make it easier for people to refuse to take a breathalyzer test; we should make it more difficult. I would like to say to the member sponsoring the Bill that that section should certainly be looked at very, very closely. I've had this brought to my attention by several enforcement officers who said that the way the new Act will read certainly will not be any encouragement to have people take the breathalyzer test, but will encourage them not to. If we're going to keep drunks off the highway, we certainly had better find out what we're doing in this section.

I would certainly like the member sponsoring the Bill to look very closely at those two areas of concern, and possibly take it back to his caucus and have a rethink and a rewrite. I think those two issues, especially the second, are very, very important and would certainly discourage people from taking a breathalyzer test. That section must be looked at more and reworked.

[Motion carried; Bill 17 read a second time]

Bill 27

The Social Care Facilities Review Committee Act

MR. GOGO: Mr. Speaker, I move second reading of Bill 27, The Social Care Facilities Review Committee Act.

The purpose of this Bill, Mr. Speaker, is that more and more with social progress in Alberta, we have a situation developing where the government plays an ever increasing role in the social field. As a result, citizens of this province are using many foster homes, child care institutions, day care facilities, and so on. It's been felt necessary that, in addition to the social care licensing Act, which licenses these organizations, there should really be a review committee. That's essentially the purpose of this Bill.

Mr. Speaker, this committee will be 12 members appointed by the government. If, in the opinion of the government, a Member of the Legislative Assembly should chair that committee, that provision is there.

I think the important functions of the committee are primarily three. One, the committee, which consists of 12 people, can be broken down into a variety of subcommittees. Their primary responsibility is, one, from time to time to visit all facilities within the province of Alberta paid for either wholly or in part by the Department of Social Services and Community Health. Secondly, they're to respond to any matters they are asked to perform by the Minister of Social Services and Community Health and, perhaps more importantly, to investigate any complaint made by a citizen or anybody else within the province as related to these facilities.

Mr. Speaker, I think it's a very progressive Act in this day and age in Alberta, with such things as day care becoming more and more a fact of life. The safety device within the Bill is that each year the committee must report to the minister on its activities for the year. That in turn puts the responsibility on the minister to table a report to this Legislature within 15 days of the House sitting. Mr. Speaker, I think The Social Care Facilities Review Committee Act is a real sign of progress in this province, and I urge all members to support it.

[Motion carried; Bill 27 read a second time]

head: GOVERNMENT MOTIONS head: (Committee of Supply)

[Mr. Purdy in the Chair]

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

Department of Economic Development

MR. DEPUTY CHAIRMAN: Has the minister any opening comments?

MR. PLANCHE: Thanks, Mr. Chairman, just a few comments. First of all, I'd like to indicate how privileged I feel to have had an opportunity to be the Minister of Economic Development in this government, and to share this experience with my colleague Horst Schmid, who is going to make some comments a few minutes further into these estimates. I think it may also be appropriate at this

time to acknowledge how much I appreciate the talent and diligence of the officials in this department. They've certainly made the job a lot easier, and really have helped me allow my imagination to soar in terms of what direction we might want to take this department.

Mr. Chairman, we're indeed fortunate to be in a province where we have sufficient employment and opportunities to allow us to have people like me standing back and trying to determine where we might be in the medium to longer term, and doing the things that are possible in order to get in place an infrastructure that allows the private sector to develop those areas, so that the people who follow us will have meaningful employment and opportunities.

Perhaps just a couple of quick comments about the kind of direction we may take. If there's no industry here now, there's clearly a reason why. We've undertaken to see if we can determine what the impediments to that industry being here are, and to backtrack to see if they can be corrected. At the same time, we've tried to take a longer view, to see what might come here, in view of the changing scene in energy, emerging nations, and trading patterns.

We've also attempted to be very sure that considerations such as the diversification of opportunities in the economy are our consideration. We concern ourselves that anybody coming here comes with a natural advantage, so they don't require ongoing government support and will be able to carry on in their own way over an extended period of time without government subsidies. We've tried to see that the laws and regulations are structured in such a way that people can prosper. Those are all the kinds of things we address ourselves to in the medium term. Having said that, I think we can begin with the estimates.

MR. GOGO: Mr. Chairman, I wonder if it would appropriate, in that the minister has given an overview, to pose a couple of general questions at this time. They would of necessity spill over to the Minister of State for Economic Development — International Trade as well. I wonder if the minister would mind noting my concerns, as I make them and then respond at some time during his estimates.

First of all, in the limited time I've known the minister's new portfolio, I've found him to be extremely enthusiastic, not only for the manufacturing sector of Alberta but indeed for the grain farmer. I think the amount of time he's spent attempting to get things on stream at Rupert is commendable. I'm sure the farmers of Alberta and the members of this Assembly are behind him. However, there's more to the province than just shipping grain, as the minister can appreciate. I would view the department as one which perhaps sets an economic climate in this province that makes it attractive for employers, and for capital to be invested in the province, thereby creating some long-term jobs.

In the southern Alberta — certainly south of Nanton where the highways seem to end in this province, certainly four-lane highways — there's a distinct difference. For example, the community I'm from has, rightly or wrongly, the lowest house prices in the province of Alberta, which I think is indicative of the economic climate in the Lethbridge southern-Alberta belt. I hope the minister would find time in his portfolio to address the areas of the community I represent. I can appreciate, as the Premier said, that unless we have healthy economic regions of Canada, we can't have a healthy Canada. I would think that would be equally applicable to our

province. So, Mr. Chairman, I would ask the minister if he would comment as to what he sees in terms of potential opportunities in southern Alberta, particularly in the Lethbridge area.

Another area, Mr. Chairman, is that under the decentralization policy — which may or may not be a direct responsibility of the minister — there are areas of government which could perhaps function as well or better outside capital cities No. 1 and No. 2, being Edmonton and Calgary. I hope that's being pursued. I would think it would be a gross mistake if the minister's department were to be shaped in any way similar to the DREE programs of Canada, where politicians at the federal level who think they know all the answers attempt to plug in an industry in parts of Canada where industry just doesn't want to go. But they are in effect bribed by substantial grants to establish branch-plan operations. For some reason, they seem to end the day the grant ends. Then they go back and, I suggest, leave economic problems and social conditions far worse than they were initially. Mr. Chairman, I hope the minister doesn't — I know he won't, but I want to put it on the record — follow the example of the DREE program in Canada.

Finally, I would hope the Minister of State for Economic Development — International Trade would take a few moments to tell the Assembly about the exciting things he sees on the horizon in terms of things like the Pacific Rim, perhaps an update on his trip to Mexico, and how we in Alberta can be plugged into the economic community.

In closing, Mr. Chairman, I just want to reiterate that I've been pleasantly surprised at the initial success of the Minister of Economic Development and his colleague, and I know we're in for three or four exciting years ahead.

Thank you.

DR. BUCK: Mr. Chairman, before I address a few comments to the minister, can I ask permission of the committee to introduce visitors?

HON. MEMBERS: Agreed.

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

DR. BUCK: Thank you, Mr. Chairman and members of the committee.

I would like to introduce 28 grade 6 students from Fort Saskatchewan school. They are accompanied by their teacher Mrs. Scott, parents Mrs. Wilson and Mrs. Shafer, and their bus driver Ray Schoepp. They are here this morning to watch the Legislature in action. I would ask them to rise and receive the welcome of members of the Legislature.

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

DR. BUCK: Mr. Chairman, to the hon. minister. I would like to say I'm rather disappointed in your rather short introductory remarks, Mr. Minister. When the Premier brought this new department into existence, the people in the province had such great expectations that the former Deputy Premier was supposed to do all these great and

wonderful things for the province of Alberta. It seems that this department has now taken a rather low profile. I think it's incumbent upon the minister to indicate to this committee and to the people of this province just what some of these great diversification directions are. I don't think the minister should be taking such a low profile.

We would like to know from the minister the philosophy on what they're going to be using the inland terminals for. The government in its wisdom bought them, but nobody seems to know what they're going to do with them, including the government. We'd like to know what infrastructures have started being placed in the Prince Rupert area. We would like to know the program for increasing trackage to Prince Rupert. We would like to know what the government's going to do with their grain hopper cars.

I was quite dismayed, Mr. Chairman, to the minister, when the Premier, in his speech to the Progressive Conservative convention, said we're going to paint all the hopper cars blue and orange. So if we see them standing on a siding and they're not being used, we can phone the minister. Well, I'd like to say to the hon. minister, no government stays in power forever. What if we have to change the color of those cars? But that's not so important.

AN HON. MEMBER: That was the suggestion of the Leader of the Opposition.

DR. BUCK: What is so important . . .

MR. NOTLEY: . . . is to change the color of the government.

AN HON. MEMBER: Bob Clark suggested the color. [interjections]

DR. BUCK: For the Minister of Environment, who's color-blind, that's red and it says, nurses are worth it.

Mr. Chairman, to the minister, surely the Premier of this province knows that hopper cars or any cars go into a car pool. They're going to be used throughout the western provinces.

MR. NOTLEY: Probably through the States.

DR. BUCK: Surely the Premier doesn't expect the people and the farmers in this province to think we're going to use just our cars just for our own grain.

MR. NOTLEY: That's right.

DR. BUCK: Let's be reasonable; let's be statesmen.

Mr. Chairman, I also look forward to the report from the minister responsible for world tours, the minister responsible for international trade. The minister seems to spend all his time in airplanes touring the world, but we want to know what is being accomplished.

I found it rather interesting to hear that the minister thought the good old province of Alberta was going to provide practically all the oilfield equipment for the Mexican government, or words to that effect. To understate it, I found that a little more than immodest. So I would like to know what the minister of international trade has done, besides run all over the world, and what positive benefits we've seen from the minister travelling all over the world.

Mr. Chairman, at this time I'd especially like the

Minister of Economic Development to bring us a little more up to date on what is happening with the grain movement system. We'll be covering the rest when we go through clause-by-clause study of the budget.

MR. NOTLEY: Thank you, Mr. Chairman. There were several areas I wanted to raise with both ministers. First of all, I think the Member for Clover Bar has very legitimately raised the question, Mr. Minister, of what steps this government is taking to achieve diversification. The Department of Economic Development estimates are obviously the place where we as an Assembly should discuss the government's game plan, particularly in view of the fanfare and flourish with which this department was announced. I can't think of a more important department in government at the present time than the department the two ministers share.

That being the case, it seems to me that beyond the generalities we've heard in statements in Speech from the Throne debates or the Premier's submission, made several years ago, I would like to see what steps we've taken to go beyond those general principles and develop an economic game plan for this province. Obviously we're going to have to begin emphasizing our renewable resource sector. I would be interested in a fairly comprehensive report on this issue from both ministers. I think the time to do it is when we're considering the estimates of the department. It's an opportunity for us to engage in a discussion of where this province is heading in terms of long-term economic strategy.

Mr. Chairman, I want to deal with three separate subjects that I think are all in a sense related to economic strategy. I mentioned the renewable resource sector. Obviously that brings into discussion where things stand at Prince Rupert. I've said in the House and I'll say again in committee that the action of the federal government at this stage is just impossible to fathom. At a time when there's widespread alienation in western Canada, I can't understand why the federal government would attempt to change the game plan worked out by the former administration.

I think I can be permitted to say that in most respects the former Conservative government of Canada was a bit of a disaster. But the government was making some progress in the area of transportation. Mr. Mazankowski was probably the most sensitive Minister of Transport we've seen for a long time, as far as western Canada is concerned. The agreement that was not quite nailed down and signed, but was basically worked out to get this thing under way at Prince Rupert, was an important step forward.

The present minister, Mr. Pepin, says it's only fair and reasonable that there be some relationship to user-pay for the infrastructure costs at the Prince Rupert terminal. Mr. Chairman, I find that very difficult to understand. If we were to apply a rigorous user-pay principle at Mirabel airport, for example, there wouldn't be a plane that would go into Mirabel. If we were to apply the same kind of rigorous user-pay standard at the international airport in Calgary, very few people would be going in and out of Calgary. Yes, there's a small user-pay charge, but it doesn't even begin to pay the cost of those major projects, either in Montreal or Calgary, or for that matter elsewhere.

There's been a long-standing acceptance that there has to be a commitment from the public sector to provide infrastructure costs. The government of Canada's insisting at this stage on going back to a slightly toned-down

version of the position of the former Minister of Transport, Mr. Lang, that we have to have user-pay is, in my view, just incredible. I know the western premiers have made statements on it. As a frequent critic of this government — and some of the other things I'm going to say are not going to be quite so generous — I think that on this particular score Albertans, wherever they sit in the House, on the government side or the opposition side, and whatever political party they happen to belong to, are united in saying to Ottawa: get moving, and let's honor the commitment that was made by the former administration so we can get this project off and running.

I want to deal with a question to the hon. minister in charge of international trade. It seems to me that some of the points the Member for Clover Bar raised are accurate. When this government, with great fanfare did away with the Export Agency in 1976, we were told that the departments of government would be able to take over that role and be more successful. Well, Mr. Chairman, with that statement still lingering in my mind from the debates we had in Public Accounts in 1976, I think we have to have a fairly clear report from the minister on just what has been achieved. During the days of the Export Agency, I must confess that I think a number of disastrous decisions were made, but at least there was some degree of activity, and initiatives undertaken. I'm certain we wouldn't want to go through the Mexican Holstein cattle fiasco again; nevertheless there were ongoing efforts. I have yet to see evidence, in either the Department of Agriculture or this department, that that sort of initiative is being continued. So I back what the Member for Clover Bar has asked, and I think we need a little more detailed review, not trip by trip, Mr. Minister . . .

DR. BUCK: That would take all week.

MR. NOTLEY: . . . but on the question of what agreements have been made, and whether it is the government's view . . . Frankly, when we battled over the Export Agency in 1976, I think the government ended up throwing the baby out with the bath water. I think the Export Agency made a number of mistakes, and that perhaps a number of personnel in the export agency weren't as qualified as they could be. But in my view the basic concept of an export agency, particularly one that can work with the other provinces in the federal government, is not at all a bad idea. It was one of those concepts that the former Minister of Economic Development, Dr. Horner, brought in, and was conceptually excellent. But it broke down, as far as I'm concerned, in its administration. Mr. Chairman, I think this government might well be advised to take a second look at perhaps re-establishing an Alberta export agency.

Finally, I'd like the Minister of Economic Development to bring us up to date on where the government stands on railroad policy in the province, in a number of ways. First of all, the question of where this government stands on the Crow rates: whether it is the view of the government of Alberta that some backing off of the Crow rates will be necessary, or whether the government is firmly committed to the continuation of the Crow rates. I'd like some advice as to where the government of Alberta stands on possible changes in railroad policy in this province. In the heritage trust fund committee — and the hon. minister was a member of that committee — we have discussed the feasibility of linking up with the BCR. I would just underscore the fact that in the Peace there is widespread

support for a link with the BCR.

Now I know that creates some problem, because with the NAR being linked through Edmonton as it now is, and even with the government's very heavy investment in the ARR, in a sense it's rather difficult to convince people that we should go west. Nevertheless, Mr. Chairman, when you look at the saving in distance, the saving is really quite remarkable when we use the BCR. Doggone it, Mr. Chairman and members of the committee, I think we have to take a close look at this.

I remind the minister that about a year ago the Minister of Agriculture set up a task force within the government to look at grain transportation in the Peace block, and a number of meetings were held. I was at one of those meetings, in the community of Worsley. Two resolutions were passed unanimously by people from the improvement districts, from the agricultural service boards, from throughout the area. One was the completion of the highway, which I'm sure the minister is not too surprised at, and the other was a commitment to a railroad link with the BCR.

When we get to the Department of Environment, I want to raise some questions about the Dunvegan dam. But it seems to me that if we proceed with a low-head dam, Mr. Minister, that makes it technically possible to put a railroad from Fairview over to Rycroft and then link with either the ARR or the BCR. When I talked to the NAR, Mr. Chairman and Mr. Minister, they didn't seem to have any indication as to where the government is going on this matter. I'd like to have some indication, because I think that relatively small link of approximately 30 miles would be of tremendous value to the entire Peace block, not just the Fairview-Spirit River-Rycroft area. For example, you could look at grain moving down from the Fort Vermilion area. You could look at products moving from Pine Point. In my view, Mr. Chairman, if we could shift the entire operation over and reduce the mileage, it would be one of those infrastructure commitments the government of Alberta could back, which would go some distance to improving the transportation of commodities in northern Alberta.

MR. KNAAK: Thank you, Mr. Chairman. It gives me great pleasure to be able to speak to the estimates of the department. I want to compliment the minister for doing an excellent job in the short period of time he's been in the portfolio.

I just want to comment very briefly on the observations of both the Member for Clover Bar and the Member for Spirit River-Fairview. They seem to think the government is, or should be, in business. I think this Conservative government . . .

DR. BUCK: Mr. Chairman, would the hon. member like to reword that. Because that's not what either one of us said or inferred.

MR. KNAAK: Thank you for the clarification. I am pleased to hear that, because I was concerned.

DR. BUCK: [inaudible] the socialists are in this government, Knaak, and you're probably one of them. [interjections]

MR. DEPUTY CHAIRMAN: Order please.

DR. BUCK: You should be protecting the free-enterprise system, Knaak.

AN HON. MEMBER: You had your time to talk, Walt.

MR. KNAAK: I see the member's still jumping up and down. He does that most of the time when he can't make a good point.

DR. BUCK: At least I don't use innuendo, Knaak.

MR. KNAAK: One of the prime aims of this government is not to get involved in stimulating various business sectors; for instance, attracting a shoe or a television industry. The prime concern, and the department has reflected that — and not just the minister of business development or the Minister of Economic Development or any other specific department, but we as a government. The minister's department reflects that as a total package. We have lower taxes. Some time ago, the Department of Energy and Natural Resources introduced the drilling incentive program. There is the creation of the petrochemical industry, the creation of the banking industry in Alberta, that has accelerated and improved. The province of Alberta has become a head office centre and a research centre. Basically what has happened is that the natural strengths of the province of Alberta have been developed. I think that is the way this government should continue. I'd be concerned if this government became involved in actually stimulating industries that don't have a natural or comparative advantage in the province of Alberta.

One more point is that at present, the Alberta economy is almost straining; it was in the last couple of years. When we talk about economic growth and economic diversification, I think it shouldn't be overlooked that in fact the province of Alberta, at significant infrastructure and social costs, is absorbing unemployment from other regions. The question isn't: should we grow? We're growing at a faster rate than we would anticipate and probably would plan for, if planning were something we would do; but we don't. The economic system in the private sector alone determines the pace at which it wants to develop.

So I say again that if we look at the statistics and results, they've been nothing less than impressive. Again I want to thank the department and the officials for really creating a good business climate in the province of Alberta.

DR. BUCK: Mr. Chairman, I'd just like to ask the Minister of Economic Development what studies his department has done in conjunction with the Minister of Transportation as to the movement of grain with large trucks, trailers, pups, et cetera. In light of the fact that some of the branch lines have been and are being phased out, what study has the minister done on how many miles we can move grain economically? It seems that as many of the rural grain terminals are being phased out, we will have to address ourselves to this question. So the minister can comment on that.

I would just like to say to the minister: I know he is one minister who is a free enterpriser, Mr. Chairman. I'm sure he bleeds when his colleague the Member for Edmonton Whitemud talks about — I think he said something about creating a banking system. I'm sure he's proud of the government's free-enterprise initiative in buying Pacific Western Airlines. I'm sure he's proud of the Alberta Energy Company involvement. I'm sure he's proud of the money he put into Syncrude as a free enterpriser. I'm sure he's proud of the fact ...

MR. KNAAK: A point of order, Mr. Chairman. The government does not run those enterprises. They're shareholders in them. Perhaps the Member for Clover Bar doesn't understand the distinction, but it's a significant one.

DR. BUCK: Mr. Chairman, I understand free enterprise, and I understand this government's approach to it. Mr. Chairman, I'm sure the Member for Edmonton Whitemud is proud of the fact that the government bought the grain elevators, and proud of the money they've got in Syncrude. I'm sure the hon. Member for Edmonton Whitemud is very proud of the loan we gave Time Air, and then we're going to have Pacific Western Airlines, the government's air line, competing on the route to Lethbridge. I'm sure the member would be proud of that record of the government.

But that aside, Mr. Chairman, I know the minister is a free enterpriser and believes in the free-enterprise system. But I really do want to know what he's doing as far as moving grain by trucks is concerned.

MR. HYLAND: Thank you, Mr. Chairman. First, a couple of comments related to the terminals. I wonder what the minister is planning for the terminals, and when he envisages them to be in use for movement of grain. Is he going to clean grain on the prairies, then move the clean grain to the coast, or what does he expect to use the terminals for?

Also, Mr. Chairman, I'd like the minister to consider a terminal such as Lethbridge. We've often talked in this Legislature about diversification in farming and growing other crops in the irrigation area. Of late, grain corn has become quite a popular crop in the irrigation area, but it requires a great deal of dollar input. You have to have a total system, dryer and bins, and you have to invest quite a substantial amount of money, so your acreages have to be high. I'm wondering if the minister has considered or would consider using Lethbridge as a terminal where farmers could grow corn on a smaller scale, 40, 50, or 60 acres, bring it to a terminal such as that, and have it dried and stored so that farmers with smaller acreages could afford to get involved in the grain corn industry.

I would like the minister to comment on what stance the Nutritive Processing Agreement is at: if they've achieved the new agreement, and how he sees that being of assistance to developing secondary agricultural processing plants not only in southern Alberta but throughout Alberta.

MR. MAGEE: Mr. Chairman, while other hon. members in this Assembly have talked of an overall provincial situation and have expressed some questions to the minister in this regard, I would like to make some comments on behalf of my constituency of Red Deer, and many other communities in central Alberta. I'm sure that the minister is aware, because he made it a point to travel into my constituency of Red Deer on a very important occasion, the official opening of the Alberta Gas Ethylene Plant at Joffre. This is a very significant plant, and has had a great impact on central Alberta. So I was very pleased with the attention the minister was able to give central Alberta on his tour on that occasion. I'd like to commend him for his perception of how things develop.

I'd just like to review a few factors that I consider extremely important. I don't want to dwell a great deal on history, but when the Alberta Gas Ethylene plant was conceived and was talked about being established, the

trade magazines across this country got on the bandwagon and started advertising everywhere. As a result of that, not only did we have an influx of people actually to build the plant down there — most of them, it must be admitted, were located at the insistence of this government in a workers' colony, if you will, to make sure they didn't get the infrastructure in central Alberta overheated. However, that did not stop people coming in the thousands. I would like to remind the minister that some of these megaprograms do have a considerable effect on the social situation in an area.

It's unique right now in this province that Red Deer has a rental vacancy rate in excess of 14 per cent. While this is possibly a blessing in disguise for people in rental accommodation, because there have been very few rental increases since last January, the deleterious effect is that with 30 and 50 per cent vacancies in some of those apartments and with the unfortunate situation of the high interest rates, many of the entrepreneurs and so on who built those structures — albeit not without view of the fact they wanted to make profits — are now in danger of losing those apartment buildings.

So I would like to ask a question of the minister. By regional areas, to what degree can his department influence secondary industry, whether it be the development of agricultural based industries or new companies coming to this province? After all, we're operating in a free-enterprise system. I can see a businessman contemplating coming from Ontario or Quebec and deciding to settle in Alberta, taking a long look at the available labor market in Calgary and Edmonton and the market for products, and saying, those are the two locations in which I wish to locate. But what about some of these other major centres? At the moment Red Deer, with its bedroom communities, with the other communities established in all those small towns and villages, represents the third largest market area in central Alberta.

A few years ago the entrepreneurs established a very major mall marketing retail centre in the north of Red Deer, some 87 stores. Construction of a second one, with some 84 stores, is now being launched in the southern part of the city. While one cannot stop individual entrepreneurs from individual enterprise, I wonder what the Department of Economic Development can do to divert local businesses that might want to come to this province when people start to gravitate to certain areas. I'm not suggesting that these people be diversified or removed from their present locations to other areas. But what can be done, Mr. Chairman, to stimulate major companies to establish in cities such as Red Deer, Lethbridge, Medicine Hat, Grande Prairie, and so on, other than those of course that are there by the natural growth of the oil and gas industries?

Another factor bothers me. In one city of this province, considerable tension and foresight on the part of the citizens and probably the MLAs and others back through the years, made a decision to relocate the railroad in Lethbridge. For a number of years a movement has been afoot in Red Deer to move the railroad so that it does not wind through the centre of the city. In the centre of Red Deer and on its outskirts, there are seven level crossings. That particular railroad that runs through Red Deer handles in excess of 1,200 cars a day. The bulk of them are tank cars containing chemicals of all sorts. I would like to suggest that having chemicals transported in cars over seven level crossings within the city perimeter is a hazardous situation. It was conceived some time ago — and I certainly appreciate the fact that time must go by

and a lot of planning must take place. But I would like to ask the minister what progress is being made to look after it, because it's really holding up the growth of an industrial park, and residential growth into areas of the city which are easily serviced from trunk lines in the sewer systems and the road structures and things of this nature that would easily run into that area if the railroad were moved. Of course, there's hesitancy on the part of city council to move residential growth into that area, because it will put more people on the other side of the tracks, if you will, and create even more level-crossing situations if up to 4,000 people are going to be located in the north-west centre of Red Deer in any case. Unless that railroad track is moved, it can create a great deal of social and safety problems for the citizens of Red Deer.

With those few concluding remarks, Mr. Chairman, I would appreciate if the minister would address himself to those two or three major problems.

MR. BORSTAD: I'm not sure where this question might fall, but I think it falls within Economic Development because I believe farming falls into that category.

AN HON. MEMBER: Sure it does. Sure it does.

MR. BORSTAD: Because of the acidity of soils in northern Alberta and the need to lime those soils, I wonder if the minister has anything within his department, or any studies under way, to procure and make lime available to the farmers in the north so they can treat those acidic soils?

DR. CARTER: Thank you, Mr. Chairman. One question to the Minister of Economic Development. Perhaps he would care to comment. I understand there is to be further development on the Joffre site through Alberta Gas Trunk Line or Alberta Gas Ethylene. Perhaps he'd like to comment about the plans there. In addition, I understand we will be hearing from him on the usage of the Bonnybrook inland terminal, within the riding of Calgary Millican.

However, Mr. Chairman, my other questions are to the Minister of State for Economic Development — International Trade. I know he has been travelling around the world with his usual zest and energy. Perhaps he would comment in particular with respect to his trips to Mexico and China.

Thank you.

MR. FJORDBOTTEN: Thank you, Mr. Chairman. I'd like to commend both ministers on the jobs they've done. In the short time the Minister of Economic Development has been in office, he's been very helpful to me and to the people in the Macleod constituency, and I want to extend that appreciation.

I also would appreciate if the minister would expand on how he sees his role and the role of his department in being of assistance to our communities. I think particularly of Claresholm, which lost its mobile-home manufacturing plant that had about 350 employees at one time, and the biscuit factory that was going to come into Claresholm and isn't at this point. Picture Butte lost its sugar factory and needs something to replace it. Mr. Chairman, I'd like the minister to expand on how he sees his responsibility and what role he can play in each of those. Also I'd be very interested to hear of the trip the Minister of State for Economic Development — International

Trade made to Italy.

Thank you.

MR. MACK: Mr. Chairman, I too wish to express my personal delight in the current minister's addressing the very large subject matter of the portfolio of Economic Development. I wonder if the minister might be able to comment with regard to some of the developments which have already taken place by the initiative of this government and on an ongoing basis as it would reflect on the quality of life. I'm thinking particularly of the Joffe plant, and whether a monitoring system is in place so the residents in the general area would have the kind of protection more major centres would have. As far as the residents are concerned, they are in a much smaller minority in terms of numbers; none the less, their life styles and the quality of life they have enjoyed over the years should not be disrupted to any degree. It would be of great interest and assurance that this is in fact in place, in terms of chemical pollutants that may be discharged from the massive development there, noise, and additional traffic — roadways that the plant is generating, additional traffic in the area, are the roads paved, and so on.

The other area on which I would certainly appreciate an expression from the hon. minister or the associate minister is an industry which I realize is probably not directly under his portfolio, but certainly it would interface; that is, the tourism industry as it would relate to major transportation facilities and also the encouragement of new industries from outlying areas coming into our area. For example, what impact have the transportation facilities we can provide in this province and in this general area to these people so that they might locate here, both in terms of providing a balance of head office locations in the major centres as well as centring them all in the one area. If the minister could reflect on some of these areas, it would certainly be appreciated.

MR. STROMBERG: Thank you, Mr. Chairman. Following up on the suggestion by the Member for Grande Prairie to the minister — the, perhaps, subsidizing of hauling lime. In our constituency there is a need for liming our soils. It's approximately \$110 to do it. But the problem is, it has to be hauled in a completely enclosed truck. They cannot use bulk carrier trucks. The Department of Environment will allow rape to be tarped and moved, but not lime from Exshaw. Perhaps if that regulation was changed — it seems a little ridiculous. If it's tarped well, there is no danger of lime blowing out.

MR. BATIUK: Mr. Chairman, I could not help but rise and express my appreciation to the new portfolio of Economic Development, as it had a real impact on the constituency I represent, particularly on the Two Hills chemical plant. For those who may not be aware, it operated in Two Hills for 27 years, and it was decided to close it because of economic reasons. That would have meant job losses for about 45 persons. Forty-five persons out of a community of 1,200 — anybody could see what effect it would have. I appreciate the present minister and the previous one, during his short time, doing everything they could to make sure that if a plant such as this had to close, something should replace it.

The Kinetic Contaminants disposal plant was very anxious to go into the Two Hills area to take over the plant and so forth. No doubt, waste disposal plants will have to be located in certain areas of the province. But seeing how Fort Saskatchewan opposed it, I guess Two Hills

felt, well, if the nice smelly things go to Fort Saskatchewan, why should the stinky ones go to Two Hills? So they opposed it very heavily.

I really appreciate the minister's contribution. We're assured already that another industry, Western Truck Body, is taking over. Almost immediately on its opening, it will employ maybe not quite 45, but it is hoped that it will reach and exceed that number.

Another area I must say I've got an interest and concern in is the grain terminals, particularly in Lethbridge. I toured that terminal just a couple of months ago. I don't totally agree with the Member for Cypress when he says it would help to bring in small amounts of grain for drying and storage. As far as the drying and cleaning, I think it's right. But I don't believe a plant such as that should be storing people's grain. I think it's far too important that grain be standing for any length of time.

I think the intention was that the grain move and go to market. It can be used for drying and cleaning. Just because of the practice in the past, that these terminals were used for storage, whereby they were not viable — maybe that's why the federal government wanted to get rid of them. When I was visiting there, there was a sign that said: If you do not believe that anything dead can live again, you should come here at closing time. No wonder it wasn't viable. I hope the minister will tell us exactly the intent and how those terminals will be operating. Are they going to be used exclusively for storage, or otherwise?

MR. BRADLEY: Mr. Chairman, I'd just like to make a few comments and ask the minister for a few comments. I certainly appreciate his efforts to date with regard to the situation of the economy in the Crowsnest Pass, with the pending closure of Coleman Collieries and the resulting fact that approximately 400 of their employees will lose their employment. Another emerging situation, in terms of the logging industry: with the depressed prices, it appears that some of the lumber mills in the area may also have to close because of the market situation.

The minister has been in the area, visited with the council and the economic development board there, and offered his advice and assistance to them. The community certainly appreciates his efforts to date, with regard to some of the requests the community made, particularly in bringing some industrial land on stream as quickly as possible. I might note that the minister has responded fairly quickly to that request. Given that, there's still our expectation in the area that the situation can be reversed quickly. I'd like the minister to comment on what he realistically feels will be the prospects and opportunities in the area down the road.

MR. L. CLARK: Thank you, Mr. Chairman. I'd just like to say to the minister how much I appreciated the time and effort he put in to help me and some of the people from our constituency. I don't think he'd been in office a week before we were knocking on his door. He really went all out for us, and I'd like to say thanks for that.

The question is just a short one: I'm wondering, Mr. Minister, if the negotiations with the federal government on abandoned rail lines are still going on, or if it's coming any closer. Is the province ever going to have ownership of these abandoned rail lines?

MRS. CRIPPS: Ask him what will be done with the land, too.

MR. L. CLARK: You ask him.

MR. DEPUTY CHAIRMAN: Would the hon. minister care to respond?

MR. PLANCHE: Mr. Chairman, we've developed a fairly good travelogue of Alberta. First of all I'd like to thank everyone for participating. It would seem to me that this particular portfolio transcends the politics we endure in the Legislature. I see that the problems coming from all members show real concern for a longer view and the solution of some very difficult, long-standing problems. I very much appreciate the contributions.

It might be appropriate to get the bad news out initially. The bad news is that this department is going to have to do some studies. I know how repugnant that is for everybody, but the kinds of decisions we're going to have to make can't be made summarily. We will use as best we can the ones we have in inventory, but it's going to be a requirement. The second thing is that I'm troubled a little bit with reporting to the House with complete candor, because I'm always suffering from the privacy of communications between people who are coming in to invest their own money and the caveats they put on the privacy of that particular thing. While I get very excited about plans and would like to respond to various members who are troubled with the problems they are having in their constituencies, I still have that constraint. But as time unfolds, you can depend on it: I'll be as forthright as it's possible for me to be within those constraints.

It's going to be necessary — and I'm sure you all appreciate the difficulty; I didn't arrive in the portfolio with a big sackful of jobs to distribute like Santa Claus. There's going to be an extended time while we try to unravel this. I was under the impression that the Minister of Tourism and Small Business and I kind of overlapped in that way, in that the more immediate things will probably develop through his portfolio and not through mine, and that I'm dealing more in concepts than he is. I'm not at all trying to lay that at his door. But the kind of things that will direct an economy are necessarily of some substance, so there will be an extended time. If you can bear with me, within those limitations, I'll go around the room and try to answer the questions as I got them; hopefully I can read my own writing.

Firstly, from Lethbridge West, I appreciate your remarks on the difficulties of subsidization. We haven't any intention of subsidizing industry. What we would like to do here is dwell on our good fortune in terms of continuity of energy supply, the infrastructure we'll put in place, the enthusiasm and imagination of people, and the traditional support of communities where industry will locate. So you can depend on it: we don't have any intention of doing that, and we don't have any intention of encouraging something that, in our view, doesn't have a natural advantage for being where it is, and every possible opportunity of approaching economies of scale and giving an opportunity to have economies of scale in what they sell, provided to local people to upgrade it and still have a market for the balance to leave the province in order to get to those economies of scale. I just wanted to clarify that.

Lethbridge is a kind of tricky problem. The southwest corner has been out of the mainstream of activity because it has never been in the oil and gas area that the rest of the province in general terms has had exposure to. I appreciate and understand that. Right now we're looking at a couple of very attractive possibilities that aren't

associated with that. Hopefully they'll come to fruition. We respect the fact that Lethbridge has a water problem that will probably continue. So whatever moves in won't be water intensive. Somehow or other, we'd like to marry it to the university community and get a third university coming into the magnitude of the other two major universities in the province. So we're trying to marry that, and I think what we have in mind will accomplish that end.

As people from Lethbridge, I think you should be troubled with your marketing area. The discussion revolved around Claresholm, Picture Butte, Macleod, the Crownsnest Pass, and some other areas. We probably would try to develop an employer concept that would allow those communities to participate maybe in a central industry in Lethbridge which would hopefully accomplish all those ends. What we have in mind may not locate in Lethbridge; it may locate adjacent to it. It's down the road a little bit, but we are thinking about the whole market area for Lethbridge.

To discuss the inland terminals with the Member for Clover Bar: as I tried to point out before, we would use the inland terminals as part of a system, Walter. Are you paying attention?

DR. BUCK: Mr. Chairman, to the hon. minister. I am the Member for Clover Bar, and I am listening.

MR. DEPUTY CHAIRMAN: I was just about to correct the hon. minister.

MR. PLANCHE: Mr. Chairman, it wasn't necessarily that Walter I was talking to. [laughter]

DR. BUCK: Mr. Chairman, can he name the Walter then?

MR. PLANCHE: The inland terminals will be developed as part of a total system. The problem we've always had with the railroads is that there has never been a competitive factor to cause them to respond. The inland terminals are an opportunity, if they're properly upgraded, to have block or unit trains developed here and competitive rates on that basis.

I'm not handicapped by any knowledge of agriculture. So whenever I say things, you have to understand that. One of the things that can be done here, if the Prince Rupert facility will in fact accept clean grain, is that we can clean the grain and enlarge our cleaning capability here. There seems to be some merit in accepting the screenings here for poultry feed and a variety of other things we've previously lost.

In the medium term, a lot of work will probably have to be done with grains in a competitive way, in terms of selling by protein content, and the grade problem. It may be possible to exclude some of the grain grown only in Alberta from the Wheat Board and ship it en bloc with block trains through that system maybe four times a year, right on to some Pacific Rim destination. Those are areas we would use these for.

The Prince Rupert progress. First of all, the negotiation going on at Prince Rupert now is between the consortium and the Minister of Transport. We are funders. And we're funders in order to facilitate that thing happening. We are involved to the extent that we are only going to contribute money. We are very enthusiastic and hopeful that the thing will go on. But you must remember it's on National Harbours Board land, and that simply

nothing can be done without the blessing of the federal government. To update you on where that is: one or two stumbling blocks are still left, and more meetings are to be held. One of them is the rentals the National Harbours Board has in mind for that facility when it's finished. We're not fascinated with those numbers, and we'll make that abundantly clear to the Minister of Transport at an appropriate time.

The only other thing I could mention that might be useful is that we will have to have clarification of the detail on getting that facility under way pretty shortly, or we're going to miss a full year of construction. So we're racing to a time line. There are going to be some cost overruns on the elevator facility itself. Construction is continuing on the road into the causeway, that B.C. is responsible for. So nothing is holding anything up, but we're coming to a time problem with our negotiation conclusion.

If you don't mind, I'd like to discuss trackage when I talk about the full gamut of railroad operation, which the Member for Spirit River-Fairview brought up. In terms of the hopper car painting, I don't like to have to say this again, but it wasn't my idea. It was the idea of your leader. In view of his enthusiasm on the subject, we felt we would defer to him and do it — reluctantly. And I agree ...

DR. BUCK: Have you read the Premier's speech?

MR. PLANCHE: I'm just pointing out where the idea originated. We're grateful for the ingenuity he displayed at that time.

To get into the Spirit River-Fairview issue, I'd like to take the rail thing from there. I know how concerned you are, and I share your views in a lot of areas.

MR. DEPUTY CHAIRMAN: Would the hon. Minister of Economic Development use the ordinary parliamentary language?

MR. PLANCHE: Thank you, Mr. Chairman. I share the views of the Member for Spirit River-Fairview in rationalizing the whole northern freight system. Some things come to light as you get into it that are almost prehistoric in concept, in terms of what we're trying to get done. Within the limits of ability of a province to direct inter-provincial rail rationalization, we are doing it. I'd be delighted at any input you could give me in that area. As you may know from conversations we've had earlier, we are taking some initiatives in areas I'm just not free to discuss at this time. But I'd appreciate anything you could give me in that area, Mr. Chairman.

In terms of the railroad over Dunvegan, I've taken note of that with some interest. I've already written a memo to the Minister of Utilities and Telephones. He's written me a memo back, and I've written him a memo back. So it's in the back-and-forth memo stage. But we haven't overlooked it. We'll have a cost/benefit estimate that will allow us to see where it works. Certainly there is something to be said for that. Curiously, railroad rates aren't necessarily a function of distance, as you know. But in the grain thing they're useful for turnaround times. We're very aware of that. That's part of the reason the NAR's structured economic profit split between the two controlling railroads concerns us too.

In terms of the Crow rates, this department is coming to a position that isn't necessarily shared by the agricultural members of the caucus, and a lot of deliberation is

going on. Essentially, we are persuaded that it is only logical and a matter of time before the Crow rate will have to be adjusted upwards, to reflect energy if nothing else. We are satisfied, though, that the Crow benefit should stay with the agricultural producer. I don't think I could say a lot more on that subject, other than it's something you can expect as a position from us in due course. When you start talking about secondary agricultural processing, the ability to do that is of course a function of the Crow statutory rate problem. One reason it has to be rationalized is so you can ship product at the same price as raw material, and have product come back. We're watching for that.

I don't have a very good handle on the meat-packing thing yet. Our trade into the northwest U.S. is impaired by a lack of bilateral trading agreements. I don't think our participation in the U.S. is as good as it should be. Hopefully we will be developing a solution to our meat packing problem here, at least to the extent that I understand what's causing it to be like it is. I appreciate your comments on that.

The Member for Clover Bar indicated that PWA and Time are going to be running to Lethbridge concurrently. That was news to me. Perhaps when your colleague returns, Mr. Chairman, he could rationalize or at least explain to me, because that's something I wasn't aware of.

The inland terminals was the question from Cypress. I've tried to answer that as best I can. I note with some interest that use of corn sugar for confections is starting to show on the horizon. We're watching that with some interest. That came to light because of the concerns we had over gas pricing for the sugar processors at Taber. I don't think we would intend to look at small quantities of anything going into these inland terminals in the longer pull. We would see the major advantage of these inland terminals as a competitive force for bulk shipping. So I wouldn't look very optimistically at that. Unless I'm badly informed, we aren't going to take that direction.

In terms of the Nutritive Processing Agreement, we got a six-month extension. I can't remember just when it was, but it was very recently. So that will expire some time around the middle of 1980. We've had some difficulties with the federal government in the way they've approached us with their granting through DREE. We haven't yet decided whether it's worth while fooling with them for all the constraints they put on for the little money they provide, but that's something to be considered in an ongoing way. The Nutritive Processing Agreement has been really good for small agriculture-oriented operations. But because of the constraints of it being in large urban centres, we haven't had economies of scale to get anything going in a very big way. So we're a little troubled with that.

Red Deer asked about the railroad relocation. If memory serves me correctly, we left Red Deer telling them we would be glad to participate in one way or another on a shared-cost basis in a study of the practicality of it, and that Red Deer in turn would respond to us with a proposal, which we would be happy to consider. I don't believe we've had that proposal yet. So as I understand it, the ball's in Red Deer's court. The onus was on the Red Deer city council, where it properly belongs, to show that the economies would justify the relocation.

In terms of directing siting, my responsibility is to get industry into Alberta, not to direct siting. Normally, if it's a government operation that's going to be moved to a town, a committee gives recommendations to appropriate

ministers for that. The exception is that if an industry comes into Alberta and we judge that it is coming because it has to be here, rather than in a competitive sense, we certainly discourage them from being in the environs of Edmonton or Calgary.

Grande Prairie asked about the lime supply. The Minister of Agriculture has a proposal now from a B.C. source that looks pretty attractively priced in the Peace River area. There's some question as to whether we're going to contribute in a debt way to some terminal and trucking facilities so this stuff can be properly delivered and spread over the land over an extended three- or four-year period, and that's very recent. In order to do that, we want to check the credentials of the proposer and be certain his deposit is adequate to do what he says it will do, and is the kind of product we want. Then we would be consulting the recipients, through some means or another, as to the priorities, timing, and all the rest of it for effectively delivering the lime. So I think that could be appropriately addressed to the Minister of Agriculture, because he's on top of that. I think that would apply also in Camrose. Although this particular proposal wasn't designed for Camrose, I see no reason why it couldn't apply. It would be somewhat more expensive because it is coming from the Pouce Coupe-Dawson Creek area.

The Member for Calgary Millican asked about the Joffre site. There is a great demand for ethylene and, without talking out of turn, I think there is every reason to be optimistic about the future of the Joffre expansion. There is a limitation in Joffre, however. This is a fairly intensive water user. We don't have a handle on what kind of restriction that would be in an ongoing development of ethylene production, but it's certainly there. At last count, I think the demand for ethylene was in the order of 4 to 5 billion pounds a year, proposed. That's been a very effective tool for drawing petrochemicals into the province, and we will jealously guard to see that that's an ongoing profit centre for the people who've invested money there.

The question from Macleod was: what role can be played in providing industry to towns that have lost employment? That's a tough one. I guess the best way to do that is to get a feeling from the MLAs as to the kind of industry they might like and the facilities that have been vacated. Without establishing a precedent that would cause us to move into an area where whatever came in didn't have a natural advantage, we would respond as best we could, both through the committee the Member for Pincher Creek-Crowsnest is chairing, and through the face-to-face contact we have with people who are coming in to see where to invest their money in Alberta. The Minister of Tourism and Small Business is aware, and certainly is responsive to that also. I think I can speak for him and say we would both be delighted to offer the services of whatever appropriate officials to help with that problem. He is also developing some initiatives to help the townspeople help themselves in looking for industry. But I don't want to get into a position where we have someone come to locate in Alberta and we tell them where they're going to go. I don't really think that is my function, other than being aware of where the shortfall of opportunity exists.

The Edmonton Belmont question about quality of life: it should be clearly understood that industrial development permits are subsequent to environmental permits. An environmental permit would be the overriding permit. The Minister of Environment is diligently seeing to it that that's in place and operative, so I wouldn't be so troubled

with that. But that brings up one area that's causing us some difficulty; that is, the presumption of grandfather rights by people who are in place, in terms of expansion of things that are perhaps not as desirable as we'd like them to be in view of approaching population trends. It will be our intention to address ourselves to that problem publicly here very shortly.

The tourism question largely belongs with that minister, and I couldn't respond. The question Camrose asked was appropriately answered.

The Pincher Creek-Crowsnest employment problem is a bit trickier. First of all, we would see a fair number of people from the coal mining industry being employed subsequent to B.C. contracting across the border. I think that Sentinel Park project is in place. We would hope you could take advantage of that and, through Alberta's lower tax system, develop service industries for the whole Crowsnest coal mining activity. My remarks for Pincher Creek would be not unlike those for Lethbridge. We view the whole southwest area with some concern, and we're working as diligently as we can within our ability to alleviate that problem.

Finally, Drumheller and the rail line abandonment thing. If memory serves me correctly, we had an understanding with the minister in the recent Conservative federal government that that would be in place and would revert to the provinces with the exception of mineral rights. I think the present Minister of Transport has no difficulty with that, and we expect it to be formalized pretty quickly. At this time, I don't have any information that leads me to believe it isn't going to be. Hopefully, that answers it.

I think that's the whole travelogue, Mr. Chairman. Thank you very much.

MR. SCHMID: Mr. Chairman, just a few remarks regarding the questions placed by different members of this Assembly. I would first of all like to state that I would probably have more up-to-date statistics and results during the fall reply to the address on the state of the province, since last year's statistics, ending December 31, are not as yet available. I should say this though: in 1978, 88.7 per cent of our total exports of \$4.5 billion were to the United States; 6.2 per cent to Japan; 1 per cent to the European common market; and the balance to the other countries of the world — a rather pitiful picture, if one considers the possibilities Alberta has in the overall total export by Canada to the rest of the world.

In reply to the members for Lethbridge West and Calgary Millican, I can only say this: our 1978 trade with the Pacific Rim was \$86 million and to Europe it was \$52 million. I think that alone shows the potential we would have there if we only get out and get after it.

Let me explain to you, for instance, what happened to us in Europe when we tried to sell packaged meat to Germany. Because the negotiations of the Tokyo round seemed promising and successful, we asked certain purchasers whether they would be interested in Alberta packaged meat. We found out: only if an inspector from there comes to Alberta and watches the actual killing of the beef. I think this kind of non-tariff barrier helps to have our total sales to West Germany at about \$5.5 million which, as I said before, is not only pitiful but, I would say, regrettable, considering the amount of purchases we are making from that country.

I should also say that if you take some of the Pacific Rim countries — not all, because, as I think somebody said, I could take a week for that — Korea, without

question, is interested in our coal and in our expertise in liquid natural gas and liquid petroleum gases, because of our experience, the plants we have built, and the pipelines we of course have in the gathering system in Alberta.

Let's take Singapore: right now they are deciding whether there should be a power plant fired by natural gas or coal. We have invited the chairman of the Singapore public utilities board to come to Alberta and see for himself the type of, should I say, emission occurring from coal-fired power plants, because he understood that there's heavy pollution, and that it couldn't possibly be used anywhere because of air pollution problems in the area where a plant would be placed. I should also say that during our recent exhibition there, we had actual sales of about \$4 million and conservatively estimated potential sales of about \$40 million. This is just one result of the missions we have taken during the past year.

What about China? When we left we said it would be a long-term plan to develop our Chinese market. The best I can state is this: one of the lady ministers asked us why we didn't come earlier. She said, better late than never. We found out from her that last year the United States sold China \$500 million worth of petroleum industry equipment. And she said, if you expected us to come to Canada and look for your equipment, you're mistaken. We expect people, just like everybody else, to come to us, show us what they have, and then we make our decisions.

I'm pleased to say that as a result of that mission, we've had several delegations here from China looking at our sour gas expertise and the high technology we have, and our heavy oil expertise and the technology we have. Again, I think, while it is a rather long-term development, without any question, we should have possibilities in China, specifically because out of about 4 million square kilometres of oil reservoirs that they have, only 10 to 15 per cent are really explored and/or developed.

Let's take Latin America: we sold a total of \$32.5 million worth to Latin America in '78; most of it was sulphur. When we take Mexico, again they asked us: why not earlier, why not before; we want to trade with you — not because they don't like trading with the United States, but because they feel strongly that a nation should never depend entirely on one other nation for export or import. So they told us that only 25 Canadian companies are registered with Pemex, the oil company of Mexico, and only two are from Alberta.

In the meantime, that has been rectified. As I think you'll gather from press reports, it was a most successful mission. And there again, of course, I understand the potential is not only tremendous but also very promising. We have a delegation coming here, looking at our sour gas expertise, since they just recently discovered a sour gas well with rather large potential, they told us, and they would like to use our expertise in developing that field.

On our mission to Saudi Arabia, I would like to repeat that within two weeks after we returned, an agent from that country came here and in fact negotiated a contract with a Calgary company for their enhanced recovery chemicals. That in itself, I'm sure, will amount to millions of dollars of sales. And the very same statement for enhanced recovery goes for Qatar. I should mention that the average recovery from Alberta oil fields is about 32 per cent, whereas in Qatar it is only 22 per cent. So you can imagine how interested they were in that program of enhanced recovery alone. What about Bahrain and the show we had there last year. The sales literally run into the tens of millions of dollars, whereas total sales to the Middle East in '78 were only \$18 million.

Speaking of what the department has done in promoting investment, joint ventures, and/or job-creating opportunities in Alberta by investors from Europe or other countries, I can say only this: we have even helped Ontario create another hundred jobs just recently, when [inaudible] was awarded a \$10 million contract for, I think, a conveyor-belt system in the oil sands here. One could of course mention numerous companies that have settled in Alberta — on the south side, in Calgary, and all over the province — which are employing their kind of expertise not only to create Alberta job opportunities but also, I think, to diversify our industrial and commercial make-up.

I would like to express my appreciation to the Member for Spirit River-Fairview. He well expressed that support for Canadian export should not only come from government but from opposition members as well. I say that because if you go to any other country, no matter where you go, it seems that export is the number one concern. They know export is the lifeblood of the economy. But for some reason or other, in Canada a businessman, a government, has to be apologetic because they're exporting.

I'm delighted that the media especially do not use the kind of words used by the Member for Clover Bar in referring to our export efforts. I think they as well appreciate that unless even the word "export" itself gets the kind of support it needs — being as comfortable as we sometimes are in being able to sell to the United States — I don't think there's a chance for Alberta, or for that matter Canadians, to go out more.

I should give you one example. I had in my office the person who is responsible for the Canada desk of the European Economic Community in Brussels. We were discussing why Canada wasn't selling as much to Europe as it should. She said: it's very simple; I can explain it to you. An average Canadian exporter knocks on the door, comes into my office, and says, I'm here from Canada; I have an item for \$5, and I would like to sell it to the European common market community. Do you have any prospects for me? Then the officer in charge would say, well, I'm aware that the same item is being sold to Europe by a Japanese industry for \$4.50. The Canadian customer would then say, I'm very, very sorry I have bothered you, and returns to Canada. In other words, aggressiveness is not one of the outstanding potentials of our Canadian exporters. In addition to that, I'm afraid that even governments across Canada, provincial or federal, could and should do more in financing the export opportunities some of our Canadian manufacturers have, and are penalized if they bid against countries like France, Germany, or Japan because they have better arrangements as far as export financing is concerned. I can only say that much to the Member for Clover Bar. In the fall I will be reporting more on the results.

If he expected it would be overnight, of course it would show again that he is rather concerned with things that cannot happen overnight. But I can say this much: the personnel from private industry and government who were along with me, literally worked day and night. To give you an idea: I just came back from Italy. We had meetings literally until an hour before we departed from there. And right after this meeting today, I'm departing for Alaska for more discussions on our potential in petroleum industry equipment supply to other countries. Let's face it, Mr. Chairman: outside of our agricultural products, that's really one of the few things we have to sell. We have to realize that 52 per cent of the manufacturing

industry of Canada is in Ontario, and only 4 per cent is in Alberta. I could say what comes first, the chicken or the egg. But I'm afraid that unless we go out there and sell, nobody's going to do it for us, and no one can establish an industry unless their goods are sold. I think anything sold internationally in the export market is extra profit for our manufacturers, and extra jobs for our people here in Alberta.

To the Member for Macleod, I could say that the mission to Italy was beyond our expectations, inasmuch as we had meetings lined up for us that we weren't even aware of. For instance, we found out that Italy was purchasing 12 million tons of metallurgical coal a year, and I think we might be able successfully to conclude some negotiations for the purchase of Alberta metallurgical coal. We discussed the establishment of petrochemical industries in Alberta with [inaudible] which is the largest company of that type in Italy, in fact one of the largest in the world. I also had the privilege to address a board conference on energy alternatives, to discuss our development of the oil sands and give a paper on that. I can assure you, Mr. Chairman and hon. members, that interest was great in countries where oil sands exist, outside Venezuela, and where they asked us to supply our expertise so they can look at theirs as well.

Also in Italy we found out about a development they have where irrigation is a major concern and where they already have irrigation villages. I think that probably the chairman or some members of our irrigation committee should go there and inspect that very successful enterprise. We also looked at agriculture, again a successful undertaking in Italy. Again, I think that at the time these members are there, they should look at that as well.

One thing was very interesting. In a small place about the size of a small town in Alberta, they had a consortium of 250 exporters. Mr. Chairman, that's 125 more than we have in Alberta. That is why I think very seriously that, without any question, we have to do even more for our export potential than we have done in the past. All I can say is that I appreciate the remarks made by the members of the Legislature, and I appreciate their support.

Maybe I should now make some remarks that I would have otherwise made at the conclusion of my estimates. I am very proud and delighted to have a colleague like the Hon. Hugh Planche working in this ministry. No one is better for this type of business than [someone] from private enterprise, knowing the hardships and challenges for private enterprise to be able to compete, not only here in Alberta, not only here in Canada, but with the rest of the world. I was especially delighted when Mr. Dallas Gendall was appointed our Deputy Minister. I remember going to his business many, many years ago; in fact I think it was as many as 21 years ago, when he had a business on 101st Avenue here in Edmonton. An outstanding Alberta businessman, and we couldn't have done better than having him. Already we have noticed his new drive and enthusiasm for this department and also, I should say, his sincere interest for that. As far as I'm concerned, the professionals we have working in this department are the best we can possibly get in all Canada, whether it's Mr. Ken Broadfoot, who's an excellent and tireless worker not only for international trade, but also in marketing; or Mr. Erv Lack for that matter, who has accompanied me on several missions, and I don't think we could have a more dedicated civil servant.

Since I happened to mention some names, may I just mention a couple of others. We regret the passing of Mr. Sid Laverty, whose dedication, untiring service, and hard

work — in fact to the last, even while he was sick, on his deathbed so to speak, he was worrying about what he could do when he recovered, because his doctor had told him he would have to take it easy for a while. I should mention George Adorjany, who was with me in Italy. I told him he was the best aristocracy Europe could ever have offered, a gentleman well received wherever he goes, whether it's in the Middle East or in Europe.

Aki Nawata: his background is obvious, but I had to laugh when he was told in China that he couldn't go into a certain building because he looked Chinese to them. It was forbidden for certain foreigners to go into that establishment, and he had to show his passport in order to get in. I would like to congratulate Paul King on his recent appointment as international trade director for the Far East. The co-operation we received from Allan Vanterpool and Jack Relf in the area of investment here and joint ventures was outstanding. I think this area would be of special benefit to Alberta because of the sharing of expertise and co-operation that we can expect from the rest of the world because of the interest in this province.

Whether it was Ed Shaske in statistics, or for that matter Tom McCaffrey in international exhibitions, or Jim Perrot in displays, all of these people have done an outstanding job in helping us do the things we want to in export business, and I would like to thank them publicly for their continuous efforts on behalf of the Alberta government, the department and, for that matter, Alberta and Canada.

Mr. Chairman, these are my remarks. I would again like to thank everyone for bearing with me.

Agreed to:

11 — Program Support	\$1,475,640
12 — Planning and Services	\$2,840,640
13 — Development and Trade	\$5,449,000
14 — Financial Assistance — Rapeseed	\$1,200,000
Total Vote 1 — Economic Development and International Trade	\$10,965,280

Vote 2 — Financing of Alberta

Grain Terminals	\$2,500,000
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Department Total

MR. GOGO: Mr. Chairman, just before we call the final vote, I'd like to make a comment to both ministers. I appreciate very much the response the Minister of Economic Development has made to the members for Macleod, Pincher Creek-Crowsnest, Cypress, and myself, with the recognition that southern Alberta is indeed off the main street of economic activity. Perhaps contrary to what the Member for Edmonton Whitemud says, the role of government is essentially to create the economic climate. We're not asking anybody to subsidize anything, but we do recognize that somehow all parts of Alberta should be recognized equally.

I would like to comment, Mr. Chairman, that I had the good fortune, along with the Minister of Federal and Intergovernmental Affairs and the Minister of Economic Development, to attend the western premiers' conference. I'm very proud of the role the Minister of Economic Development played in that conference, and it's indicated in the communiqués that came out of there. He made reference to the University of Lethbridge, and perhaps that's where a lot of the future lies. Certainly the recent increase in funding for programs is not only appreciated, but the emphasis the minister appeared to put on devel-

oping some marketing techniques, perhaps tied to irrigation, is exciting.

I have a question to the Minister of State for Economic Development — International Trade. It concerns a matter that we have in Lethbridge. Dresser Clark is in the business of manufacturing and assembling compressors for world markets, because the market's so limited here. I am led to believe that other provinces, namely Ontario, have a system whereby they can either provide attractive interest rates so that Canadian companies, in this case an Alberta company, can compete in international markets. I understand their major competition comes from places like France and West Germany, that have a policy of subsidizing in some way, ameliorating anyway, the interest rates so they can compete.

Mr. Chairman, I'd like to ask the Minister of State for Economic Development — International Trade if he would consider making representation to the government of Canada in such a way that an industry, such as Dresser Clark, could compete when dealing on the international market with their product, such as compressors.

MR. SCHMID: Mr. Chairman, if I could reply to this question. Again, this is what I referred to when I said financing of exports. I'm delighted with the results of the Hatch report, because again, even this report addresses itself to that very question. Presently I'm not really in a position to state whether it's going to be the federal government, whether it has to be with our support of the Hatch report to the federal government, or if there's something we can do here in Alberta. But with the excellent co-operation we've had in the past, and that I'm sure we'll have in the future, from my hon. colleague, Dick Johnston of Federal and Intergovernmental Affairs, I'm sure we'll be able to accomplish something.

While I'm on my feet, Mr. Chairman, I would not like to forget Clarence Roth, who gave me such an excellent summary of why there should or should not be a grain or coal terminal in Singapore and, of course, Herman Young, who does such an excellent job in our administrative offices.

Thank you, Mr. Chairman.

DR. BUCK: Mr. Chairman, just one very brief point. I would like to say to the Minister of State for Economic Development — International Trade that I welcome his appointment of Mr. Gendall as deputy minister. He's got the qualifications as a businessman, and is a good friend of mine and of Mr. Planche. Also he's a good Tory. But above that, I know Mr. Gendall is capable of doing the job. But there's just one point that does bother me, Mr. Chairman, and this seems to be the practice of this government. If I was a civil servant in this government, I would be very, very unsure of climbing up the ladder of the civil service, because it seems to be the practice of this government to bring so many of their friends in and put them in at high management levels. That concerns me, regardless of the abilities of the people who are brought in. That's the only point I'd like to make. In spite of that, I wish the deputy minister well because I know he's capable and will do a good job. I'm glad to vote the budget.

MR. TOPOLNISKY: Mr. Chairman, I have a question for the Minister of Economic Development. As one involved with the legislative committee on fisheries, my understanding is that nylon fishing nets are not manufactured in Canada. Nylon is a by-product of petroleum. It

seems to me that anything nylon could be manufactured in Alberta. My question is: why not manufacture fishing nets in Alberta?

MR. PLANCHE: Mr. Chairman, I appreciate that interesting idea. I'd like to have an opportunity to consider it and report back to my colleague.

Agreed to:

Department Total	\$13,465,280
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MR. KNAAK: I wanted to speak, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. member should have been in his place in the House if he wanted to speak.

MR. KNAAK: Mr. Chairman, I want to respond to a point raised by the Member for Clover Bar. The point was — and I take exception to that kind of innuendo in this House — that a person is appointed because he's a Conservative. It so happens, Mr. Chairman, that there are a lot of Conservatives living in Alberta. We don't discriminate against them; if they have the qualities, they get the job.

DR. BUCK: It's time you admitted it, Peter.

MR. DEPUTY CHAIRMAN: Would the minister report the vote, please.

MR. PLANCHE: Thanks, Mr. Chairman. I move the vote be reported.

[Motion carried]

Department of Environment

MR. DEPUTY CHAIRMAN: Has the minister any opening comments?

MR. COOKSON: Mr. Chairman, I thought it might be an opportune time to give my yearly state of the union address. Since I don't monopolize too much time in the House, perhaps in the time we have today I'll just sort of give an overview of a department of which I'm very proud. Then we'll go from there.

First of all I'd like to say that I've enjoyed working with the people in the department this past year. I'm quite proud and happy to say that they've executed their responsibility in a very responsible manner. I'm quite impressed with the speed at which things get done in that department. Mind you, I have to shove a little on occasion, but we still have to deal with a lot of issues. I'm quite proud of the people I work with.

Our department involves an expenditure — I hope the Assembly will approve it — of approximately \$121 million this year. That's a lot of money to administer. It's administered by upwards of 1,000 employees across the province. Through me, they have the responsibility to administer about 13 different pieces of legislation, all controversial, which lends itself to some problems on occasion. But generally speaking, we try to walk a balance. The Minister of Economic Development wants industry, and it's often said by others out there that Environment apparently doesn't want industry. I can assure you that we're going to encourage industry, and that industry is going to meet the stringent requirements laid down through Environment.

To give members of the Assembly an overview of what we're facing, and perhaps to project a little bit ahead before we get into the estimates, Mr. Chairman. We have a situation in the province now of approximately a million people, slightly more. We have influxes of 30,000 to 40,000 people a year, because they like the climate in Alberta. We're projecting that possibly by the turn of the century . . .

AN HON. MEMBER: [Inaudible] climate, Jack?

MR. COOKSON: Both.

We're projecting that perhaps by the turn of the century, we will be looking at least 2 million people here. Now just let me [digress] a little bit . . .

DR. BUCK: Would the hon. member permit a question? Does the minister mean over 2 million people? The population is almost 2 million now, isn't it?

AN HON. MEMBER: Over 2 million, Walt.

DR. BUCK: I want to straighten his thinking out.

MR. COOKSON: Sorry, you're right. I guess there's approximately a million in the two cities and another million out there. So we're projecting at least another million, or two.

AN HON. MEMBER: That doesn't include the Social Crediters. It'll be 2 million plus five.

MR. COOKSON: However, projecting ahead. . . [interjections] As soon as these hon. members get through with their dialogue, I'd like to continue. [laughter]

AN HON. MEMBER: And quit their politicking.

MR. COOKSON: Projecting and being a little bit serious about the position we're in, in Canada today, and looking at the hypothetical situation of Quebec opting out of Confederation somewhere along the way, and the impact that could have on the balance of government across Canada, I think one has to be alerted to the possibility, even though the centre of power in Canada is shifting at the rate of, I think, a quarter of a mile or so a year at the present time, that it could shift dramatically in the event of some serious events in the next few years. I think we should be aware of this. Certainly in my department, in terms of environment, we are involved. If we follow through on that theory, we could have a tremendous impetus in the shifting of the centre of government and of population. Because of our tremendous resources here in Alberta, and our good political climate — which I hope continues — we could have an escalation of the transfer of both people and industry to a degree which no one can really project at this time. If that happens, then I would suggest to members that environment becomes more and more important to the people of Alberta. If some of the decisions that are going to be made in the next few years are made with sufficient lead time, it will help solve some of the really serious problems that could occur later in the century.

By serious problems, I'm suggesting the kinds of things the United States is facing. We discussed a bit in question period the problem of acid rain in economics and the shift of government policy in the United States to expand production and use of coal for thermal energy, and the

impact that may have on the emission of sulphur dioxide and H₂S into the atmosphere and, because of air movements, the serious consequence it will have on both the United States and Canada. We don't need to think we're not going to be part of that serious problem. Even though a large amount of that industry is in the more easterly part of the United States, there's the possibility of large developments which, because of air movements, may result in heavy flows of SO₂ across some of our most productive lands.

I'm simply saying to members that we have to continually alert ourselves to that kind of problem. We see the Golden Triangle in Ontario, with heavy industrial development, now trying to roll back time and solve the problems of pollution of the Great Lakes and the problems of handling industrial wastes. We're pretty unique and fortunate yet, in a province with a sparse population, lots of capacity to grow, and a pretty good distribution of resources. For example, no one realizes how important it is that the tar sands are situated where they are. If the tar sands happened to be situated at Rimbey, in the constituency of the Member for Ponoka; in my constituency; in the constituency of the hon. Minister of Agriculture; or anywhere along the Eastern Slopes, which border the black and brown soil zones of this province, then we would have a serious conflict between the capacity to produce food in the province and the ability to accommodate development of energy resources. When I mention this, I simply want to alert members of the Assembly to the really important objectives of my department, with the support of elected people and the opposition — such as it is — to continue to lead, not trail, in terms of protecting the environment.

Mr. Chairman, I've had a signal from the House leader that perhaps at this time we could call it a day. If that's acceptable, I would like to adjourn and continue on Monday.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows:

Be it resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1981, sums not exceeding the following for the Department of Economic Development: \$10,965,280 for economic development and international trade; \$2,500,000 for financing of Alberta grain terminals.

The Committee of Supply has had under consideration a certain resolution, reports progress thereon, and begs leave to sit again.

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

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, by way of business for next Monday, we will continue in the afternoon in Committee of Supply with the Department of Environment. Should there be a night sitting, Committee of

Supply would continue during the evening.
Mr. Speaker, I move we call it 1 o'clock.

HON. MEMBERS: Agreed.

MR. SPEAKER: Does the Assembly agree?

[At 12:56 p.m., pursuant to Standing Order 5, the House
adjourned to Monday at 2:30 p.m.]

