

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Friday, May 1, 1981 10:00 a.m.

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF BILLS

Bill 210

The Environmental Bill of Rights

MR. R. CLARK: Mr. Speaker, I beg leave to introduce Bill 210, The Environmental Bill of Rights.

The intent of the Bill is to grant all Albertans the status of public protectors of the environment. The Bill provides individuals the capacity of initiating legal action against polluters, regardless of whether or not the individual has title to the land affected by pollution.

[Leave granted; Bill 210 read a first time]

head: TABLING RETURNS AND REPORTS

MR. COOKSON: Mr. Speaker, I'd like to table Motion for a Return No. 114, as earlier requested by the Member for Little Bow.

DR. WEBBER: Mr. Speaker, I'd like to table the 1980 annual report of Alberta Government Telephones, as required by statute.

head: INTRODUCTION OF SPECIAL GUESTS

MR. HYLAND: Mr. Speaker, this morning it's indeed a pleasure for me to introduce some guests from my constituency, the first class of school children I've been able to introduce since March 1975. Unlike the first try at it of my colleague and friend the member from Fort Macleod, I do know they are in the gallery. It is indeed a pleasure to introduce 24 grade 10 students from the Irvine school, accompanied by their teachers George Hamilton, Barry Charleton, and bus drivers and chaperones George and Tina Lentz. I would ask this group to rise, please, and receive the welcome of the Assembly.

MR. KING: Mr. Speaker, I would like to introduce to you, and through you to all members of the Assembly, the winners or, in three cases, the representatives of winning classes in the Education Week province-wide crafts competition. Each of these students is accompanied by a teacher, and when I have introduced them, I would ask that the entire group rise to receive the welcome of the Assembly.

This year's crafts competition was in three classes: for the elementary grades, a model-building competition; for the junior high grades, a graphic arts competition; and for the senior high grades, a photography competition. As you will have noticed, Mr. Speaker, the award-

winning entries are displayed outside my office. I would once again invite all members, if they have not yet had an opportunity to do so, to visit the displays, because they are excellent examples of the work of the students of Alberta.

For grade 1, William Minty of the Carmangay school in Carmangay, Alberta; grade 2, Denise Lewis from Midway school — that was a grade or class award; grade 3, Scott Peterson from the Caroline school; grade 4, Carrie Johnston from the Central elementary school in Red Deer; grade 5, Brad Bogisch from Blueberry elementary school in Stony Plain; grade 6, from River Heights school in Medicine Hat, Alberta . . . Mr. Speaker, I'm embarrassed to say that I do not have the name, but I'd like to get it and read it into the record of *Hansard*. My apologies to the hon. gentleman and to my hon. colleague.

Grade 7, Michael Schouten from North Edmonton Christian school in Edmonton; grade 8, Derrick Gaede from H.J. Cody school in Sylvan Lake; grade 9, Janet Visser from the North Edmonton Christian school; grade 10, Dennis Fimrite from the Lethbridge Collegiate Institute. Just in passing, I would note that for a number of years his great-uncle was a minister of the Crown in this Assembly. Grade 11, Ken Charlton from the Innisfail high school in Innisfail; grade 12, Audrey McClellan from the Grande Prairie Composite high school; Miss Mindy Gietz from the junior wing class project, the Alberta School for the Deaf; and Ronnie Eleniak from Lamont junior high school in Lamont.

Mr. Speaker, I would ask our guests to rise and receive the welcome of the Assembly.

DR. BUCK: If anybody can see if the Ardrossan group is up there — I had my picture taken, so I know at least they're here. Mr. Speaker, to you and through you to the members of the Assembly, I would like to introduce 30 junior high students from Ardrossan. Accompanied by their teachers Judy Axelson and Vic Chmelyk, I would like them to rise and receive the welcome of the Legislature.

head: MINISTERIAL STATEMENTS

Department of Transportation

MR. KROEGER: Mr. Speaker, all members are aware of the pressure being placed on our transportation system through the constant growth of Alberta industries in recent years. Coupled with a steady population growth, this has resulted in increased demands for a wide variety of road improvements to provide an acceptable level of service.

The Department of Transportation has made a concerted effort to stay ahead of Alberta's increasing transportation demands, and our budget for this year, as in past years, has clearly shown this government's view of transportation as a high priority for all Albertans. With this in mind, I am pleased to announce today that we are developing a plan which will see highways 1 and 16 — the Trans-Canada and the Yellowhead — twinned from border to border by the target year 1991. This project will be undertaken in addition to our normal but ambitious highway development and maintenance programs.

The work on these highways involves a wide variety of programs including pavement rehabilitation, climbing lanes, bridge structures, channelization, signalization,

lighting, and access control measures designed to improve traffic flow and increase safety. It should be realized that twinning projects, and in particular those adjacent to Calgary and Edmonton, are complex engineering works which require extensive effort at the planning stages. Mr. Speaker, I wish to point out that the engineers and planners in my department are working at capacity to ensure that our twinning deadline is met and that other transportation projects throughout Alberta receive the attention and effort they also require.

Taking highways 1, 16, and 16X as a package, Mr. Speaker, our total projected expenditure for this fiscal year will be \$37.4 million. Of this amount, \$13.1 million will be spent on Highway 1, and \$24.3 million will be spent on Highway 16 and Highway 16X. The details of these disbursements are as follows:

Highway No. 1 Twinning: Twinning projects during 1981 will comprise the completion of a 3.2 kilometre section between Medicine Hat and Redcliff, including construction of a major interchange and railroad overpass. Four-laning for a distance of 16.1 kilometres in the Strathmore area will extend the existing four-lane highway east of Calgary to the junction of Highway 21. It is anticipated that this project will take two years to complete. In addition, steps will be taken to advance the twinning of sections east of Medicine Hat and west of Brooks. The scope of this work will take in field engineering, design, and land acquisition, which will get under way during the current construction season. The work east of Medicine Hat will be integrated with the highway corridor program now under construction within the city limits.

In conjunction with this, I would like to point out that the Department of Transportation has just completed four-laning 8.4 kilometres of the Trans-Canada in the Brooks area. This major work encompassed an interchange with the main access to the town of Brooks. At the same time, in 1980 a start was made toward twinning between Redcliff and Medicine Hat, which I previously referred to.

Highway No. 1 Pavement Rehabilitation: The department will also continue extensive rehabilitation of other sections of Highway 1. The existing two-lane standard from Calgary to the Saskatchewan border was built in the early '50s, and a program to recondition this entire section of highway has been undertaken in the past few years. The section from Highway 41 to the Saskatchewan border will be finished in 1981.

Highway No. 16 Twinning: Mr. Speaker, similar endeavors are intended for highways 16 and 16X. Twinning projects comprise the extension of the existing system from Wabamun to Gainford, a span of 18 kilometres. We also have just completed expansion of the existing four-lane section from Stony Plain to Spruce Grove to six lanes west of Edmonton. This project included channelization, signalization, and access control measures designed to improve traffic flow and increase safety.

Another immediate requirement for Highway 16 is reflected in our 1981-82 construction program. This section of highway between Vegreville and Mannville wasn't designed to handle current traffic volumes. This project involves major realignment of the existing two-lane system to begin this year. The 16 kilometres from Lavoy to Innisfree is the first stage of four-lane development in this area.

Future priorities on Highway 16 include: extension of the twin highway from Gainford to Entwistle; four-lane construction from Edson west to the junction of Highway

47; continuation of the two-lane reconstruction between Vegreville and Mannville; four-lane construction from Kitscoty east to Lloydminster. Steps to get this work under way have already begun.

Highway 16 Rehabilitation: Many sections of Highway 16 will be refurbished in 1981, and these include: Jasper Park boundary to east of Hinton, for a distance of 29 kilometres, which embodies construction of required climbing lanes; 10 kilometre section of selected overlay from Edson to east of Wolf Creek; 5 kilometres of selected overlay from Wildwood east; and 29 kilometres of selected overlay of the westbound lanes from the junction of Highway 21 to east of Elk Island Park.

Highway 16X: The planning and construction for the Highway 16X four-lane artery have been closely co-ordinated with the city of Edmonton. The completion of this major project will provide a continuous high-standard route from Lake Eden corner to the Edmonton city limits, a distance of 34 kilometres. Coupled with the corridor project through Edmonton, it is anticipated this facility will be finished to a multi-lane standard by 1984.

Mr. Speaker, the progressive twinning of these two heavily-travelled major highways will provide added convenience and cost savings to thousands of Albertans in both rural and urban areas in the years ahead.

MR. R. SPEAKER: Mr. Speaker, I would like to make some general comments on the minister's announcement, of which I haven't got a copy.

One, I think it's rather unique to think that a — and a Conservative government — is optimistic enough to think they're going to be in power for another 10 years. Secondly, I think the polls are finally showing this government that transportation, in this province is important, that we're 10 years behind. It seems it's going to take 10 years to catch up. I think that's the admission of this ministerial announcement this morning: it's going to take 10 years to build the two highways, No. 1 specifically, that have been neglected for 10 years.

Let's talk about the Brooks intersection built with millions of dollars. When a large truck comes into Brooks, they can't make the turn. They drive in, have to back up, move around, and then they can make the turn into Brooks. Well, after all these years we have an inlet into Brooks in which major transportation facilities, trucks on our highways, can't get into the town without creating a traffic holdup. Mr. Speaker, if we're going to take 10 years to plan that kind of progress, I think we should maybe be a little more pessimistic than optimistic.

One, we support highway building in this province. No question about that. That's one of our top priorities as a Socred Party, one of six we have indicated we want to place special focus on in this Legislature and to Albertans. But we think that we can do better. We say that in five years that same type of program can be put in place and meet the needs of Albertans.

Mr. Speaker, we would do something else besides just announcing that we will do it in 10 years. We would also put projected cost figures with this type of announcement so the taxpayers of Alberta know the commitment we're making today, not for 10 years. But we would say, in the next five years we as your government in the province would place this kind of responsibility on the taxpayers.

This government doesn't budget that way. We've found we can't really rely on the credibility of budgeting that goes on. So we have an announcement. We don't know what it's going to cost. We'll go along and see how the political system responds from year to year. Mr. Speaker,

that's not good enough. We think that this government can certainly do better than that, not only in cost projections but in accelerating a program that's necessary.

I've said in this Legislature, at this point in our history, because of the extra moneys available to us, we have the opportunity to build the infrastructure. The transportation system is the best example where people can do their own thing, where private initiative can build the economy of this country so we quit relying on government intervention, and individuals can intervene in their own affairs and direct the economy of this province. But, Mr. Speaker, that's not the priority of this government.

Today we have an announcement: 10 years before development will take place. We've waited 10 years for development on No. 16. We've waited 10 years for the Fort McMurray highway to be completed. Mr. Speaker, I've said it before: Albertans right across this province really do not know where this government is building highways. It's impossible for them to find conclusive, tangible evidence that there is a priority on highway building. That's one downfall of this government. They finally realized it; their polls have shown it. Albertans are starting to speak up and say, there are too many potholes in Alberta, and it's time to do something.

A 10-year announcement. But the question is, how credible is that announcement? Ten years of past performance has been poor, not good. How can we judge that it's going to be better in the next 10 years?

head: ORAL QUESTION PERIOD

Western Premiers' Conference

MR. R. SPEAKER: Mr. Speaker, in line with my comments, I'd like to continue about the accountability of this government. My questions are to the Premier. I certainly appreciate that the Premier was able to return to the Legislature this morning and be with us. I understand a very important meeting was being held somewhere, and we'll get to that a little later.

Mr. Premier, I'd like to raise a very basic question with regard to accountability, and it's with regard to reporting back to the Legislature. This past week we've had a very important meeting of western premiers. Also yesterday, today, and over the weekend, a very important meeting is being carried on with regard to discussion of policy. In the last week or two the Minister of Energy returned from a very important meeting.

Mr. Speaker, my question to the Premier is: what type of policy has the government with regard to reporting back to the Legislature? As the Leader of the Opposition, I can raise the question, but I feel there is some obligation upon the Premier and ministers to be accountable to the Legislature and report back. Whether or not there are successes, we would appreciate a statement of some kind. Could the Premier indicate policy with regard to reporting back after significant meetings are held by the leaders of our province?

MR. LOUGHEED: Mr. Speaker, the only way I could respond to that question with any meaningful reaction to the Leader of the Opposition is to say that I think the western premiers had a very effective meeting in Thompson, Manitoba. My understanding is that the communiques were tabled in the Legislature yesterday. If the Leader of the Opposition would like to ask me any

questions about it, I'd be quite pleased to attempt to respond.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. I have reviewed the communiques the Premier is referring to. I find the communiques are very general and do not specifically relate to the position of the Alberta government. What did the Alberta government present? What types of successes did the Alberta government reach? What were the failures of the Alberta government?

I feel that in this Legislature we represent Albertans. The communique is very general, and I don't really want to say this, but I felt that about 90 per cent of it could have been written before the meeting actually occurred. So, on a point of principle, my question to the Premier is: what successes did Alberta feel were attained through the Premier? Secondly, were there failures? Sometimes those things happen too. I think that's the kind of accountability I'm asking the Premier for here at this time.

MR. LOUGHEED: Mr. Speaker, it's rather difficult to respond to a question framed in such a general way, but let me attempt to do so by going through the various communiques.

With regard to Communique No. 1, which dealt with the state of federal/provincial relations, what developed there, as it did throughout, is a very effective meeting. Over the course of this decade since this government has been in office, the western premiers have evolved very good working relationships with the provincial governments in the three western provinces. It has been significant that we've had those good working relationships, because on a number of fundamental questions they permit us to speak in a united voice for western Canadians to the rest of Canada and to the Ottawa government, despite any philosophical or regional differences that may occur. The communique with regard to the state of federal/provincial relations dealt to a very large degree with the matter of the Confederation position we have taken and the view we have expressed in communicating to Canadians the united position on the constitutional question held by the four western governments.

The second communique, which dealt with the western premiers' task force on constitutional trends, is an initiative taken and led by the province of British Columbia, and we've been fully supportive of that. It's to avoid the duplication of government services and the need to assure that that continues.

Communique No. 3 is a very fundamental, important communique because, to a fairly large degree, it was initiated by the government of Alberta as part of our strategy for the occasion. I believe it is important, Mr. Speaker, to have members aware of the position being taken with regard to federal government moves to alter the fiscal arrangements that were negotiated after some considerable difficulty but with great skill, I think, led by this government back in 1976 when we developed the existing fiscal relationships on the shared-cost programs. What was important with regard to that communique was the statement by the four western governments to the effect that the existing system is the system we would prefer to see extended, with only minor modifications. We outline in detail the key principles we would have going into those negotiations.

I'm sorry to be so lengthy, Mr. Speaker, but I have to be by the nature of the question directed to me.

The nature of the 1976 negotiations was that the prov-

inces ended up with a very good arrangement, I believe. They did because the provinces, at that time led by the Treasurer from Alberta, were able to present to the federal government a combined position of 10 provinces in the first ministers' conference in December 1976, of which I was a part, that led to the five-year relationship. Mr. Speaker, if the hon. members have had an opportunity to consider it, they should be alarmed at some of the initial statements being made by the federal Minister of Finance with regard to alteration in this crucial area of federal/provincial fiscal arrangements and equalization. So from our point of view, Communique No. 3 was a very, very important communique. I could respond to any specific questions the hon. Leader of the Opposition or any other members may wish to respond to.

In our view Communique No. 4 required, as part of our strategy for the western premiers' conference, the need to confirm the solid position being taken by this government on energy with regard to the concern the national energy program or the Ottawa energy proposals are having on the economy of western Canada. We must keep in mind that the situation is that the various provinces have a different mix with regard to oil and natural gas, with British Columbia being involved in natural gas; Saskatchewan, heavy oil and normal conventional oil; and Manitoba, to a fair degree a consuming province but aware of their developing hydro-electric position, also some potential with regard to oil and gas in the southwest portion of their province. So Communique No. 4 couldn't have been stronger in terms of supporting the Alberta position on energy on a common western basis.

There were some important statements with regard to the general national economy, interest rates, agriculture, manpower, and regional co-operation, which were part of the process of the four western governments meeting over the course of the period of time in Thompson, Manitoba.

Communique No. 5 dealt with the western power grid. That does not involve the province of British Columbia but the negotiations that are being undertaken by our Minister of Utilities and Telephones with the provinces of Manitoba and Saskatchewan. We'd be prepared to answer any specific questions the hon. Leader of the Opposition or other members may have.

Communique No. 6 is Transportation and Grain Handling. What was extremely important there — and I don't want to read the documents, it would take too long to do that — merely to say that the recognition of the bulk commodity exports within western Canada indicate a 66 per cent increase in railway freight between 1978 and 1990. The decision was made by the western provinces to continue to take the leadership role that our government has taken on, shown by this province. I'm thinking about the port of Prince Rupert, the hopper cars, referring as well to the situation of the Neptune terminal in the port of Vancouver and a number of other aspects. I could elaborate on any questions the hon. Leader of the Opposition may specifically wish to make with regard to that matter.

Communique No. 7, Regional Co-operation, was the initiative taken by the province of Saskatchewan and responded to. They will be the host of the western premiers' conference next year. They'll be working with the western governments on western regional development, environment, rationalization of public services, and western heritage and culture.

So there were really no failures. There were some very significant successes. But the most important situation in our country at this time is: with a federal government

taking positions that are clearly attempting to weaken the provinces in the west, we have a united and strong position taken by the four western governments.

MR. R. SPEAKER: Mr. Speaker, I appreciate the expansion by the Premier. With regard to the specifics of the conference, could the Premier indicate the concern of Saskatchewan with regard to the power grid? I understand negotiations between Manitoba and Alberta are progressing; however, Saskatchewan has some concerns and it could potentially slow down this concept.

MR. LOUGHEED: Mr. Speaker, the Minister of Utilities and Telephones may wish to elaborate on the position. He was involved in detailed discussions.

I think the best way to describe the present status is that, looking at the question of the total economy of western Canada, the original concept appealed to the provinces of Manitoba, Saskatchewan, and Alberta, and involves the balancing of our hydro-electric and thermal coal mix of electric power generation in this province. That concept did appeal to our province, so feasibility studies were undertaken to determine the logic of such an approach. They have essentially been completed, although there's still some work to be done. Discussions are now under way between the three governments as to what precisely could be an arrangement that would be in the best interests of all three provinces. We would like to see this decision made relatively soon. I believe we're targeting for the summer. Therefore, negotiations are under way between the three governments, and will occur over the course of the next three or four months.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier with regard to the agricultural announcement. One of the concepts we've been exploring during this last week in the Legislature is the dual marketing system and, potentially, a move somewhat away from the Canadian Wheat Board. Could the Premier indicate whether that was one of the items of discussion, and was there any consensus of opinion with regard to that matter?

MR. LOUGHEED: Mr. Speaker, that matter was not specifically discussed at the conference.

MR. R. SPEAKER: Mr. Speaker, to conclude. My final supplementary in this area relates to my original question with regard to reporting back to the Legislature. In instances such as the one that just occurred, or in instances where ministers travel to important conferences, could the Premier indicate what type of directive goes to the ministers with regard to reporting back to the Legislature?

Mr. Speaker, as a comment to the Premier: as Leader of the Opposition, I know I can raise this in question period. However, I'd like to have a different format for my questions, rather than saying, it's a nice day today, and the minister or Premier says, we had a good time down there. That's an easy way. There is an item on the agenda for reporting to the Legislature through Ministerial Statements or statements of the Premier. I was wondering if the Premier could see a greater use on that item of the agenda?

MR. LOUGHEED: Mr. Speaker, certainly there are occasions when the approach of a Ministerial Statement may be worth while. There are others where I think the

tabling of the communique — in this case tabled yesterday's communiques — so the Leader of the Opposition and other members of the Legislature could have an opportunity to assess the communiques carefully and ask specific questions. Certainly it has been our practice, and will continue to be our practice when the Legislature is sitting, to be available to respond to any questions that may wish to be asked. That's the purpose of the question period. On occasions, communiques will be tabled; on occasions, Ministerial Statements will be made.

MR. NOTLEY: A supplementary question to the hon. Minister of Utilities and Telephones. In view of this whole question of accountability to the Legislature, is the minister in a position to advise the Assembly when the government will be able to table these feasibility studies in this Assembly? Is the minister also in a position to advise the Assembly whether the information obtained to date in fact demonstrates that power transferred from Manitoba through the grid would be competitive with other alternatives which we might explore in this province or, for that matter, in the province of Saskatchewan?

MR. SHABEN: Mr. Speaker, the first part of the hon. member's question dealt with tabling the studies. I think earlier I advised members of the Assembly that the studies were completed toward the end of December 1980. They're in three sections: the A portion of the study deals with the transmission line configuration; the B portion deals with the cost/benefit analysis of a western electric power grid; and the C study deals with possible pricing arrangements and options that the governments could consider in developing pricing arrangements, should we choose to go forward with the development of the grid. The tabling of the reports would be a matter that would be decided jointly by the three provinces, since the study was ordered jointly by the three governments. But I would expect that in due course they would be tabled.

With respect to pricing, the second part of the hon. member's question, that's really the portion of the C study that we're now involved in discussing and determining what sort of pricing arrangements would be suitable and acceptable to the three provinces. The B study indicated that there were net benefits to the region in developing a western electric grid. On that basis, we believe it's in the interest of Alberta to pursue, as quickly as we can, a conclusion as to whether suitable arrangements can be made. The particulars of pricing won't be known until we complete our negotiation.

MR. NOTLEY: A supplementary question to the hon. minister, again following through on the accountability question. The minister indicated that these studies won't be tabled for some time, and it will be as a result of agreement among the three provinces. However, my question to the minister is: have either of these studies, or any portions of these studies, been shared with the private power companies in terms of evaluating information for the government of Alberta?

MR. SHABEN: Mr. Speaker, for a number of years in Alberta we've had in place the Electric Utility Planning Council, which has worked very effectively in planning, jointly between the various utilities, Alberta's future needs, and making recommendations to the government or the Energy Resources Conservation Board. On a confidential basis, I have made the studies available to the chairman of the Electric Utility Planning Council.

MR. NOTLEY: A supplementary question to the minister. Was that information made available to the chairman with the concurrence of the other provinces? Is that information then being made available by the chairman to officials of the major private power companies throughout the province?

MR. SHABEN: Mr. Speaker, as I indicated, the information has been made available on a confidential basis to the chairman of the Electric Utility Planning Council. It has also been made available to the utilities in Saskatchewan and Manitoba.

MR. KNAAK: A supplementary to the Premier, Mr. Speaker. With respect to the important conference recently held in Manitoba, I wonder if the Premier could comment on the impression that existed among the four premiers on whether or not federal/provincial relations, other than on the constitution and energy, are improving at this point with respect to transportation, or whether in fact they continue to deteriorate.

My second question, if I may ask it now because these are supplementaries, is: it appears from the communiques that the growth of western Canada depends to a significant extent on improvements in transportation. I'm wondering if the Premier could comment on whether some impression of whether or not co-operation in this area with the federal government is improving.

MR. SPEAKER: I'm hearing some *sub rosa* or *sotto voce* comments about the hon. Member for Edmonton Whitemud asking for opinions because he's being asked for impressions. It seems to me that might be just a little excessive in the way of refining words to take exception to that, because one of the facts that arises from any conference is the impressions the people who attend get of what the other delegates are saying or thinking. Therefore, notwithstanding the comments, I would have to say that the question is in order.

However, I'm becoming a little concerned about supplementaries now coming in pairs. The hon. member is by no means the first one to do that; in fact, I think that's the only time he has done it. I'm hoping that eventually those who conceive these supplementaries won't be having triplets!

MR. LOUGHEED: Mr. Speaker, I'll try to respond briefly to the question from the hon. Member for Edmonton Whitemud. Communique No. 1 really has a statement I would quote:

Abandoning the spirit of co-operative federalism, Ottawa has adopted an approach of division and confrontation in its dealings with provincial governments.

I think that's a reality in Canada today. It's the very strong feeling of all four western provinces. That's the statement in Communique No. 1.

The supplementary question the hon. member asked was with regard to transportation. I'd have to say that there is a mixed situation there. There is some progress by the federal government, working with the provinces, on the port of Prince Rupert. There is some progress by the federal government with regard to Roberts Bank — and I'm referring to west coast ports, which are so important to us. There is still considerable concern about main line capacity on our railways with regard to bulk commodities moving west, for a multitude of particular projects are required. To respond to that, I would refer

members of the Legislature to the proposal on resource revenues, discussed recently in this Legislature, that we presented to the Prime Minister on July 25, a \$2 billion amount over the course of five years. The items listed there include some of the specific concerns all four western governments have with regard to transportation facilities in western Canada.

Former Alberta Energy Minister

MR. R. SPEAKER: Mr. Speaker, my question relates to a question I raised in the Legislature on Monday, April 27, to the hon. Minister of Energy and Natural Resources. The minister indicated that possibly I should ask the question when the Premier returned. I would like to quote from *Hansard* the area I wish to question. Mr. Leitch said this:

I do understand that the Premier met with Mr. Getty and others, I think, the day after the meeting of April 13. The purpose of that meeting was other than energy matters, but naturally the question of the Winnipeg meeting came up during the meeting.

Mr. Speaker, could the Premier confirm that there was a discussion with Mr. Getty following that Winnipeg meeting?

MR. LOUGHEED: Mr. Speaker, since April 13 I have had discussions with regard to energy matters with perhaps 200, maybe 300, Albertans. I anticipate I would continue to have them because, as we all know, it is a fundamental question affecting the economy of this province. The meeting I held that involved Mr. Getty was actually in the morning of April 15. It involved others. It was on other matters. I've read the transcript of *Hansard*, and Mr. Leitch is accurate. What I advised the others is precisely what Mr. Leitch has advised this Legislature with regard to the matter.

MR. R. SPEAKER: Mr. Speaker, I certainly appreciate that the Premier has met for advice with many Albertans. I think that's good in the democratic process.

Mr. Speaker, my question to the Premier relates to comments that Mr. Getty has made — and they may be personal comments — indicating the possibility of an energy agreement and that

8% petroleum . . . tax and raise of oil prices between four and six dollars a barrel. Alberta then would lift its oil production cutbacks and give the go-ahead for the oil sands plants. Alberta could give a bit on the timeframe in which oil would reach at least 75% of the world price.

Mr. Speaker, the former minister of energy, Mr. Getty, made those statements following the discussion with the Premier. Could the Premier confirm in this Legislature that any information provided by the Premier was not information that was not provided to this Legislature?

MR. LOUGHEED: Mr. Speaker, I can so confirm.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. In light of that, does the Premier and the government — the Premier on behalf of the government — dissociate itself with the remarks made in public by Mr. Getty?

MR. LOUGHEED: Mr. Speaker, I wouldn't dissociate myself with remarks. I would merely say that Mr. Getty, as any other citizen, is entitled to make his observations

on a speculative basis, and the Minister of Energy and Natural Resource, myself, and others will respond on the same basis, that they are speculation by others, and citizens are entitled to do that.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the Premier. The concern I have is that this is the person who maybe had access to information — and the Premier indicates there are not — and has made pronouncements of potential policy or the end of policy determination. Could the Premier indicate that at this point in time those personal predictions are not the predictions of this government?

MR. LOUGHEED: Mr. Speaker, I would not do that. As I said, they are statements, comments, speculation, or predictions by citizens. They're entitled to make them. For our part, we do not intend to conduct these negotiations on a public basis.

Labor Legislation

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Labour. It concerns the delegation the hon. gentleman will be meeting shortly with respect to the concern of the Alberta Federation of Labour for a declaration of workers' rights, particularly with respect to the recommendation of full and complete collective bargaining. Is any consideration being given to the repeal of Bill 41, which makes second-class citizens of some 40,000 Albertans?

MR. YOUNG: Mr. Speaker, in responding to the hon. Member for Spirit River-Fairview, first of all I take some difference of view with the opinion he has advanced as to the position of citizens who have their collective bargaining conducted under that piece of legislation. I should point out that the conventions of the International Labour Organization clearly anticipate and provide for the possibility that there are services which must be provided by governments to the well-being and welfare of a nation and of the citizens of the nation which, the conventions indicate, may well preclude the possibility of the capacity to have a work stoppage.

As the International Labour Organization desires in those instances, Bill 41 provides that there be a fair and objective method for resolution of differences of opinion between the bargainers and, in this instance, the public service. Bill 41 has been reviewed by the International Labour Organization with respect to the objectivity, fairness, and adequacy of the arbitration provisions, and has been found to be quite adequate. Mr. Speaker, given the situation, I find it very difficult to accept the innuendo and assertion the hon. Member for Spirit River-Fairview makes.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the government prepared to contemplate sitting down with the Alberta Federation of Labour to review the provisions of Bill 41, particularly with respect to restricting the non-strike ability to only those people who are providing essential services, a more clear-cut definition of essential services, as opposed to people who work in liquor stores, for example, who I would not think are providing an essential service?

AN HON. MEMBER: That's a matter of opinion.

MR. YOUNG: Mr. Speaker, the last and most recent occasion I had discussion with the president of the Alberta Federation of Labour was about two and a half weeks ago, if I recall correctly. In that discussion I do not believe Bill 41 was raised. Some other matters were the burden of our discussions at that time. I await with interest the presentation, which I am told will occur today, inasmuch as the items which are part of that presentation appear to be 49 in number. Many of them would appear to be provided at present by legislation which applies to all citizens of the province.

If I may, Mr. Speaker, I think there's a very important matter that members must recognize, and I hope all citizens do; that is, all members of society contribute to our society in some way or another. Often when we think of workers we force the connotation to a very narrow context. I don't believe that is an appropriate way to look upon society. I find it very difficult to conceive of a fully functioning citizen in harmony with society and himself, if he's not in fact contributing to society in a very effective way. Therefore I think the nature of the suggestions here are those sorts of things which, in many instances, are covered by the Bill of Rights and The Individual's Rights Protection Act, which is paramount legislation and applies to all citizens.

Construction Safety

MR. NOTLEY: Notwithstanding the minister's impression of the declaration, one specific request is with respect to strong occupational health and safety legislation. Mr. Speaker, my question directly to the Minister of Labour is, in light of the judge's statement in the Lethbridge Plaza inquiry recommending that contractors be licensed, what steps does the Minister of Labour propose to take with respect to that specific suggestion?

MR. YOUNG: Mr. Speaker, my colleague the Minister of Workers' Health, Safety and Compensation has, as we in the Assembly all know or should know, since he made a ministerial statement to that effect, established a commission to look into safety in construction. That commission was established following a preliminary report which indicated some difficulties. The recommendation which the process of The Fatality Inquiries Act produced is in fact very much a duplication of a very general recommendation which we as government had already received; that is, the licensing of general contractors.

I've had meetings with a combination of architects, engineers, and construction company associations to examine this concept because, in and of itself, while we would all like to do those things which can be effective on the worksite, there is quite a gap to be completed between the suggestion of licensing and assuring that it's going to produce safety on the worksite. I've asked the question, for instance, and it's being addressed: how and what form and what criteria would a licence have to have which would preclude the very large construction company which was involved in a large project in Vancouver where three workers were killed? Would it have been possible, through a licence procedure, to have denied a licence to that company and, if so, would we have any construction ongoing? Or do we have to have a much more sophisticated approach to it?

So we are examining that in the industry and in our respective departments. But it's a very difficult recommendation to respond to and, in doing that, be sure that we will achieve effective safety at the worksite. That's

what we're all interested in, as I'm sure is the hon. member.

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

MR. NOTLEY: A supplementary question to the colleague of the Minister of Labour, the hon. Minister of Workers' Health, Safety and Compensation, following through on the comments of the Minister of Labour about sophistication. What steps is the minister proposing to take to act upon the submission of the Alberta Federation of Labour to the Construction Safety Task Force a few days ago, particularly with respect to amendments to The Occupational Health and Safety Act to clarify the definition section which, in the submission of the Federation of Labour, is so badly worded at this stage that it really is almost impossible to prosecute and win for violations of the Act?

MR. DIACHUK: Mr. Speaker, I am presently reviewing the submission the hon. member is referring to, and will also be sharing it with Dr. Gordon Wynn and the members of the task force, with the expectation that when the report is presented to me by the end of June or middle of summer, I will then be able to respond more fully on it.

Highway Twinning Project

MR. L. CLARK: Mr. Speaker, my question is to the Minister of Transportation. I would like to thank him for a very positive program. It will be well accepted in my constituency.

My question is: I thought I understood him to say that there would be a separate program. Just for the record, could you inform the Assembly whether this program to twin No. 16 and No. 1 highways will be over and above the regular budget set down in the areas?

MR. KROEGER: Mr. Speaker, if we're talking about this year's portion, it's part of the regular budget.

MR. L. CLARK: Mr. Speaker, a supplementary. In view of the fact that the majority of the route is going through the Eastern and Western Irrigation Districts and due to the dry conditions in the farming areas — they're putting in a lot of high-cost pivots and need lead time for engineering and design — could the minister inform the Assembly how much lead time will the landowners on this road who will be affected by the route have?

MR. KROEGER: Mr. Speaker, the lead time is a very major factor for both the landowners and the department. We used to look at a lead-time factor of about a year to two years. We've now moved up to having to look seriously at four years. So in the initial stages of accelerating, the lead time will of necessity not be as long as we'd like it to be, but we'll project to the degree that is possible.

MR. PURDY: A supplementary question, Mr. Speaker, to the Minister of Transportation. In view of the fact that no real work took place in the Stony Plain constituency for overpass construction until 1972, I'd like to ask the minister if his announcement today also includes further interchange work along Highway 16.

MR. KROEGER: Again, Mr. Speaker, if we're talking about the long-term projection, and that's planning we're talking about, it would. But I have spelled out in detail what we will doing this year, and it does not include that specific.

MR. SINDLINGER: Mr. Speaker, a supplementary to the minister. Could the minister please indicate what the total estimated cost of twinning highways nos. 1, 16 and 16A will be during the period 1981 to 1991?

MR. KROEGER: Mr. Speaker, it would be an estimate, but in constant 1981 dollars, about \$470 million.

MR. SPEAKER: The hon. Member for Olds-Didsbury, followed by the hon. Minister of Social Services and Community Health, who wishes to deal further with a question raised in a previous question period.

Crowsnest Pass Freight Rates

MR. R. CLARK: Mr. Speaker, my question is to the Minister of Agriculture. While we're assessing impressions of the meeting of the four western premiers, the impression the media had was that the group didn't have time to deal with the question of the Crowsnest rate matter. Having regard for the importance of the Crowsnest rate question, why wasn't sufficient time available for the Crowsnest rate discussion at the meeting of the four western premiers?

MR. SCHMIDT: Mr. Speaker, of course many items were dealt with in a general way. Transportation was touched on a commodity base, on a much broader base rather than the individual problems that exist — the Crow being one of those individuals, although certainly one of the great factors in the future of the transportation system for western Canada.

MR. R. CLARK: Mr. Speaker, to the hon. minister. Having regard for the fact that the federal government is really saying that until the three prairie provinces can agree on what should happen with regard to the future of the Crow, they're going to continue to twiddle their thumbs, my supplementary question to the minister is: was any effort made at the meeting in Manitoba to develop a consensus on this matter as far as the three prairie provinces are concerned, and get our act together as the three prairie provinces?

MR. SCHMIDT: Mr. Speaker, the discussion in regard to the Crow has been ongoing with all the western provinces and is so at present, although it was not specifically discussed as part of the total package to the degree I'm sure the hon. member is questioning.

MR. R. CLARK: Mr. Speaker, to the minister. If the discussions of the Crow in fact were important at the meeting, as the minister indicates, why was there no reference in the announcement dealing with agriculture as to specific steps being taken to follow up specifically on the Crow question itself?

MR. SCHMIDT: Mr. Speaker, the communique also does not specifically mention stabilization as it affects the hog industry. It mentions assurance, stabilization across the board, and drought and drought assistance. It does not mention specific programs.

The Crow itself, and the Crow benefit, not being mentioned in the communique itself, does not indicate that its degree of importance to western Canada is not there in the total transportation package.

Social Workers — Standards of Conduct

MR. BOGLE: Mr. Speaker, on Tuesday, April 28, I was asked certain questions by the hon. Member for Spirit River-Fairview. I would now like to respond to those questions.

The Edmonton regional manager of social services did meet with office administrators and institutional managers on Friday, March 13, the same day the Ombudsman released his special report on foster care in the province. The primary purpose of that meeting was to share with senior staff the contents of the Ombudsman's report so the information would be received from within the department rather than through the media.

Among items discussed at that meeting were recommendations No. 28(d) and No. 39 of the Ombudsman's report. Those recommendations dealt with other potential transfer of staff performing child welfare duties, and that social workers must be accountable for their actions and recommendations in the court.

Mr. Speaker, I might mention that similar meetings took place in the five other regions of the province between the social services regional managers and other members of management within the department.

Disciplinary action can be taken for one or more of the following, in one or more of the following forms: supervisory review and discussion, with concerns and actions documented; formal letter of reprimand; suspension, varying lengths of time without pay; and dismissal. All of these forms of disciplinary action are subsequently grievable under the terms of the collective agreement, which is the master agreement between the government of Alberta and the Alberta Union of Provincial Employees. I might further mention that the same disciplinary policy exists for social workers does for other members of staff.

ORDERS OF THE DAY

MR. SPEAKER: May the hon. Minister of Education, if he still wishes to, and the hon. Member for Stony Plain, revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. KING: Actually, Mr. Speaker, it has now become a point of personal privilege. I would simply like to correct in *Hansard* my omission of earlier this morning. The representative of the grade 6 class from River Heights elementary school is Mr. Kevin Fischer. Unfortunately, because of an appointment with the Lieutenant-Governor, he is not able to be in the gallery at this time, but I would like *Hansard* to record his presence in the House.

MR. PURDY: Mr. Speaker, it's my pleasure this morning to introduce to you and members of this Assembly 53 grade 8 students with their teachers from the Stony Plain

junior high school. The students are very excited to be here today, and they were more excited last week, regarding the announcement made by the Minister of Advanced Education and Manpower, because in four years a number of these students will be looking for a technical institute to go to. They won't have to look at NAIT or SAIT; they can go right across the street and attend school in their own home town. I would ask the teachers and the students to rise and receive the welcome of this Assembly.

head: **GOVERNMENT MOTIONS**

10. Moved by Mr. Crawford:

Be it resolved that the select special committee of this Assembly, appointed on November 17, 1980, to explore constitutional and related issues with members of other provincial legislatures, and to carry out other responsibilities as described in the motion appointing the said committee, be granted leave to sit during hours that the Assembly is sitting.

MR. CRAWFORD: I might just say in connection with Motion No. 10 that the committee, charged with the responsibility of expressing the views of this Assembly in other parts of Canada in respect to the constitution — at the time that committee was formed, it wasn't clear that it might have to sit at a time when the House was also sitting. Therefore there was no reference to that in the original motion. This is a necessary motion. It makes clear that although the House is now in session the committee can nevertheless complete its duties.

MR. SPEAKER: The hon. Government House Leader is of course totally correct in the motion's being necessary because of our *Standing Orders*. However, I have a difficulty with whether the text of the motion will achieve what the intent of the Assembly might be, if it passes the motion, because in the second last line it refers to the committee being "granted leave to sit during hours that the Assembly is sitting".

Unless there is an extended meaning to that word that I am not aware of, I would rather question whether that would achieve the purposes of the committee. I would respectfully suggest consideration of inserting after the words "to sit" the words "and function".

MR. CRAWFORD: Mr. Speaker, if I might just comment on that. It appears that way because the standing order itself does not make reference to anything other than the question of sitting. But I have in mind sort of a picture of this committee, Mr. Speaker, that they will probably do more than merely sit. So if it's agreed, I would adopt your suggestion and ask that the motion be amended accordingly.

[Motion as amended carried]

MR. SPEAKER: As an afterthought I must agree with the hon. Government House Leader again that possibly the amendment wasn't essential.

MR. CRAWFORD: Mr. Speaker, all it does is call to mind a reference in *Hansard* in the last century on the occasion when Sitting Bull found it necessary, for reasons related to the enforcement of the law in the United States, to depart in some haste for Canada. The question came up as to whether or not he was entitled to be in Canada.

One of the questions Sir John Macdonald raised was whether or not someone who, by every description, is sitting, can get up and move across the border at all.

MR. R. CLARK: A good thing it's Friday.

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

[Mr. Appleby in the Chair]

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

Department of Economic Development

MR. CHAIRMAN: Would the minister wish to make some preliminary comments?

MR. PLANCHE: Thank you, Mr. Chairman. In presenting the estimates for the Department of Economic Development, I thought it might be appropriate today to bring the members of the Legislature up to date on what our activities and areas of interests are and to comment on how fortunate I feel to have the responsibility for this very exciting department and how grateful I am that Alberta has the time to assess its opportunities and determine where we might be at some time in the future in terms of meaningful employment and industrial and economic activity.

Mr. Chairman, we've made it our bywords that the framework we're going to operate within will be that corporations and activities we encourage to site here will have a natural advantage for being here in the longer term. We do that so that Albertans who build around these key industries or activities will have some security in terms of their investment. We do that also by encouraging a tax atmosphere that's conducive to profit for risk, and we do that where every attempt is made to have consistency of policy.

If I may, I'd just like to take a minute to walk you through the things that we're interested in, sector by sector, and the activities we're involved in in an ongoing way. The first would be transportation and commodity movements over the future, concerning ourselves with other modes that might move commodities. We concern ourselves with port facilities, particularly the future of Churchill; with third-level aircraft, third-level air services for the province; with inter-urban transportation as it may be practical in the future; and with rail relocation.

In terms of agriculture, we are concerning ourselves with secondary processing of agricultural products. That includes meat packing, getting to market specialty crops like canola, alfalfa de-hy pellets. We concern ourselves with the percentage of the grain fleet dedicated to non-Board grains, with the grain transportation system, particularly those parts of the total system that revolve around storage: the difficulty of selling by grades instead of protein, where to clean, and a continual review of second marketing opportunities. Also in agriculture, Mr. Chairman, we concern ourselves with elevator design and, finally, activities on the west coast including Neptune, Prince Rupert, Roberts Bank, perhaps a slurry port at Kitimat, those kind of things.

In terms of forestry, we're concerned with the future of harvesting hardwoods. We concern ourselves with the dependency we've had in the past on dimensional lumber,

which is often in difficulty because of interest rates and mortgages. We're concerning ourselves with the future of pulp in a worldwide sense and the forecast for pulp consumption. We are determined to encourage a newsprint facility here and to have a callback on that newsprint so that our smaller publishers and printers will have access to newsprint.

We look in a very aggressive way to the research and development potential of Alberta. Living next to the United States where their defence industry has created a critical mass around which R and D is built, we have to determine the best way, in the longer term, to develop that critical mass here. To that extent we are encouraging our universities. We're involved in the future planning of the Alberta Research Council. We are interested in the heritage fund medical research trust as it may affect R and D opportunities. We are examining very closely the usefulness of an ion accelerator. We're encouraging research parks. Because of federal law in terms of human pharmaceuticals, we are researching very carefully the future as it may exist for veterinary pharmaceuticals and biochemicals, and finally, a wide range of health care products.

In the financial area, we're continuing to assess what kind of impediment the lack of adequate venture pools is to future activity. We're concerned with the computer industry, particularly in the Ottawa energy policy's causing some of our geophysical computer industry to leave. We are continually speaking to foreign investment groups and banks to encourage them to invest in Alberta.

In the coal sector, we're interested in assessing the BTU value of our various coals to determine whether or not they can be moved or should be upgraded at their source. So that revolves around the effects on transportation, the generation of power with coal, the production of methanol from coal, the liquefaction and gasification of coal.

In petrochemicals, we've taken the view that there is a window in time of opportunity for Alberta. We're concerning ourselves with water use, siting, and synergism. We want to have not only a maximum upgrading of raw material before it leaves Alberta but also a maximum upgrading in such a way as it's developing a maximum desirability for Albertans to invest in further upgrading. We're anxious to have associated with our petrochemical activities a very serious R and D base, and again we want to know the effect of an accelerating petrochemical presence on our transportation system.

Finally, Mr. Chairman, I'd like to thank what I consider to be a very effective and dedicated staff. One thing on that issue is that in our budget we have a fairly sizable sum for consultants. We'd like to keep our personnel complement as lean and thin as we can, at the same time recognizing that we do need an ongoing inventory of talent for consistency in decision-making and of course that's not available from consultants.

Now I'm going to give the floor to my colleague in International Trade. When he's done I'd welcome any questions or comments.

MR. SCHMID: Mr. Chairman, first of all I would like to thank my colleague very much for his outstanding co-operation and support given me in International Trade the past fiscal year. At this point I want to say I just received the latest statistics yesterday and found that the export of manufactured goods from Alberta in 1980 as compared to 1979 increased by 45 per cent. I think it's a major landmark and am delighted to be able to say so. The actual increases of exports from Alberta are now 30

per cent, namely from \$6,000,150,000 to \$7,000,982,000; again an achievement, but somewhat tempered by the fact that our major exports, of course, are still going to the United States. We still have to try our best to diversify our exports to other nations as well. The largest components are still natural gas, crude petroleum, coal, and sulphur. There's no question in my mind that with the extra effort, Alberta companies finally realizing what they have in markets in other areas and other nations, we are going toward a much greater potential in export sales than ever before.

In saying so, I don't want to fail to thank and congratulate especially our Deputy Minister Dallas Gendall because we are fortunate to have a businessman, someone who knows the business community of Alberta, and at the same time understands what the business community requires to promote those export sales. He knows how to talk to them, he knows what to do, and he also understands what has to be done within the confines of our administration.

In saying that, it was with very much regret that I lost the good services of Mr. Ken Broadfoot. He is now assigned to do the best he can to find out what we can do in Alberta with the serious importance of coal: transportation, export, liquefaction, gasification. I'm sure all Albertans would want to join me in wishing him every success in what he is trying to do. Then the appointment that had to be made because Mr. Broadfoot was transferred; that responsibility was given to Mr. Erv Lack, and I'm quite sure this tireless supporter of trade development will make his mark in that area as well.

Every time I go on a trade mission accompanied by Dr. Adorjany, I have to admire this multilingual gentleman because in every sense of the word he seems to know every member of the financial community, especially in Europe and even South America. Here again, we have a most valuable employee. Last year we stole, I would have to say, or got transferred from Government Services, Mr. Jim Perret, director of our exhibition services. While it is their loss, it is our gain. Someday I want to find out how people on his staff work day and night, for instance, to tear down the display stand in one exhibition to make sure it is on time for some other area in some other part of the world. Again, we can be very proud of someone like him.

When we found that additional equipment was needed in the United States, I requested our international trade director Larry Lang to maybe set up some mini-missions that would possibly sell additional equipment available in the market area in Alberta. He has done so very successfully, and I would like to congratulate him.

Without any question, I think our greatest potential is definitely in the countries of Mexico, Argentina, Venezuela, and countries like Trinidad and Ecuador, because they are awakening giants and because we have found an international trade director, namely Greg Whyte, who speaks the languages of the countries. We are very fortunate to have him on our staff.

If someone ever needs someone for organizational ability and strong follow-up methods — since I had the questions of the hon. Member for Olds-Didsbury last week — I would say that Paul King is doing an excellent job, and we look forward to great developments in the Pacific Rim area.

[Mr. Purdy in the Chair]

In the past, Mr. Chairman, we have found that we were not as strong as we should be in having contacts, for instance, in the Export Development Corporation, the Asian development bank, and other development banks around the world, specifically helping countries like Africa and developing countries to reach their potential. I have to say that the excellent co-operation we have received from CIDA, from the president down to individual area directors, especially in the past half year or so, should be specifically commended. All that of course has to be correlated as well. Mr. Aki Nawata is taking it to these ends, and I'm sure it will be successful.

Mr. Chairman, if you would ask what the plans are for this year, as I mentioned last week during question period, definitely to contact nations involved in the production and transportation end of hydrocarbon exploration. Also, I think we can proudly point to the fact that we now also have expertise in petrochemical development. These nations look to us to help them in development because we have already experienced the mistakes being made and the successes we have had.

We also plan to hold Alberta days in a number of European countries, inviting investors to participate here in joint ventures and also help in our diversification and manufacturing, especially in the high technology and processing areas. We also hope to go to the Middle East and Pacific Rim areas, as well as Europe, on follow-up missions to broaden the established bases we have been successfully, I would say, invading there.

Mr. Chairman, it might be of interest that the missions, exhibitions, and sales visits we had last year alone identified over \$1 billion in marketable Alberta-manufactured and our products. The incoming missions which came here identified another \$20 million. Maybe I should take a couple of countries as examples. Our Australia mission in engineering, pipeline, petroleum equipment manufacturing, oil and gas exploration amounts to at least \$40 million in potential sales. We were in New Zealand, and there again by discussing with the ministers the potential of the Alberta Gas Ethylene Company building a plant there, we found they now have closed the deal to build a plant in Australia for \$140 million for the manufacture of methanol. We were in Thailand, India, and Pakistan. There again we're looking into the manufacture of power generators, pipeline servicing, well-stimulation engineering, and reservoir engineering. A contract was signed for \$2.5 million, and we have there at least about \$30 million in potential sales.

Our mission to Mexico last year resulted in about \$31.7 million in potential sales. Having just returned from Bahrain, maybe I should add that we have established there potential sales of \$45,957,000 within 12 months. Not only that, Mr. Chairman, in meeting with the ministers there we found their oil reserves were also declining. We were asked if we knew of anyone in the world who knew anything about exploration for and exploitation of heavy oil. Because of our Lloydminster area and others, we have this expertise here. He was delighted to hear that and is now coming to Alberta to study it further.

What more can I say, Mr. Chairman. The year has been a successful one. Again, I would like to thank the staff for their great support and my colleague for his as well. I would be delighted to answer any questions you may have regarding our budget.

Thank you, Mr. Chairman.

MR. R. CLARK: Mr. Chairman, just some very general comments. As we go into the particular votes, I'll ask

both ministers some specific questions.

With regard to the Minister of State for Economic Development — International Trade, I want my remarks to be properly interpreted. I'm not in any way critical of the work the minister does in the various countries or states he visits. In fact, I hear very good comments from people in the business community, that the minister puts in tremendously long hours, is very approachable, very much available, and I think much appreciated by Alberta business people.

But my very real concern — and I say this to both the hon. minister Mr. Planche and the hon. minister Mr. Schmid. Whether through the Department of Economic Development, the Department of Agriculture, or wherever, I think there's a very real danger that we're not sufficiently following up the leads which Mr. Schmid and his people develop. It seems to me that it's unrealistic to expect the people of the Minister of State to follow those up.

I rather visualize the thing working this way. I say this charitably. The Minister of State is virtually on a scouting expedition, if I can use the term, almost like the drafts some of the major athletic teams are involved in. There has to be a great deal of assessment and follow-up before the actual drafting is done. My very real fear is — and it isn't something I just observe from my seat here in the Assembly but from speaking to people in the business community — that once Alberta's presence is there and leads are not properly followed up, not just once but on a continuing basis, that this doesn't really augur well for Alberta's opportunity to be successful in that area on a continuing basis. Very specifically, gentlemen, whoever chooses to deal with the question, I would like to know the mechanism and the individuals who are responsible in the various departments for that kind of follow-up.

Might I say secondly that I'm very interested in knowing the kind of co-operation there is between the tandem that we have here in Economic Development and the people who do the globetrotting in Agriculture and how that kind of situation is worked out. I don't have it with me this morning, but I can very quickly get from my office, the return that I ask for yearly which deals with the trips that are made outside Canada by public servants and elected representatives. I see people in Agriculture doing a tremendous amount of travelling. I'm not suggesting to the Minister of Agriculture that it isn't warranted, but I have very real questions once again as to how this is being focused, how what we're learning as a result of this travelling is being transmitted in a meaningful manner to the business sector, and what kind of follow-up takes place after that? That's my first concern.

The second matter I'd like to draw to the attention, specifically on this occasion, of the Minister of Economic Development: Mr. Minister, I could feel much more comfortable if I could have, in some very simple terms, what our priorities are for diversification. This morning we talked about inter-urban travel, meat processing, specialty crops, grain storage, west coast terminals, the forestry industry, finance research, and other areas that I didn't jot down. In very simple, layman's language, what are our three or four priorities in this department? I'd like to get something that members of the Assembly can come back to in two, three, or four years and say, how did the minister shape up? Because if I determine a new sense that's developing across Alberta at this time, it would be that, from the standpoint of economic diversification outside the areas related to non-renewable natural resources, our diversification plans are hazy at best.

MR. NOTLEY: That's being kind.

MR. R. CLARK: My colleague says that's being kind, and that may very well be the case. I'd like some very, very specific objectives, not a lot of airy-fairy stuff. Perhaps, Mr. Chairman, I'll leave the matter there, and then as we get to the various votes I'll ask a number of questions dealing with the increases, deletions, and so on in the various departments.

But just to very quickly recap this question of follow-up once the exploratory work's been done in other countries of the world: how's that being done and co-ordinated, who has the responsibility, and how's it co-ordinated with Agriculture? Secondly, in very simple, down-to-earth, back-home language, what are the three or four priorities we have in diversification? At least for the sake of this morning, let's not play the game, saying that petrochemicals are diversification and so on. Because in the long run, they are part of the non-renewable resource industry.

MR. DEPUTY CHAIRMAN: Does the minister wish to answer participants individually or as a group?

MR. PLANCHE: Let's try to answer them individually for a minute or two, because those are fairly extensive. Then if they get a little shorter, we may be able to handle them in . . .

Part of what the member asked will be responded to by my colleague. The opportunity to follow up our export missions is an interesting question that deserves a well-considered answer. Last year we had 76 incoming missions as a result of those export missions. In other words, the interest stirred by those missions caused that many people to come here. The difficulty that we have is trying not to select specifically who those people should be involved with when they get here, but more sectorally. We have talked many times in this Assembly about having a trade centre sort of atmosphere in more places than just Edmonton. As it presently exists, they largely come to Edmonton because my colleague is the host of outgoing missions. He gives a governmental presence in countries that need a governmental presence as a catalyst to get trade going. Naturally they then return to this centre.

The problem is always who should be invited from Alberta, in addition to who was on the mission, to be exposed to the opportunities of joint venturing and participation in projects and so on. That one stays with us. As you might guess, we don't want to be in a position of selecting. At the same time we try to advertise that they are coming by word of mouth and through industry generally. That's an ongoing difficulty for us to capitalize. However, I think it's also fair to say that a great many of those individually come to my office when my colleague is out of the country. We direct them to associations and chambers to discuss further. It's not always, when they get here, the same as their perception of it when you talk to them, because we have such enormous distances here. It isn't uncommon for people from Europe to come and say, you don't measure things in miles here, you measure them in time zones. Their perception is that we're a great deal closer to markets or tidewater than we are. When they're here they see opportunities that they hadn't understood, and also some they thought were here that aren't. So that goes on.

But I will take as constructive criticism the area of how to continue to follow it up, because we also address

ourselves to it. If the member could give me some more specific things that he thinks we might follow, I'd be happy to use those as constructive criticism, because it's a difficult area.

On the priorities for diversification, I guess the way I'd have to respond to that is twofold. First of all, things are like they are because there's a reason for them not being different. If you take industries that aren't here, they're not here for a very good reason. Because all kinds of people are out there with investment to make a profit who would be here if it weren't for a difficulty. We isolate those difficulties as best we can. Generally they're transportation. We work our way back to see if somehow or another they can be ameliorated so that that investment possibility is now present here. So I would classify one of our priorities as problems to be solved. The main heading there would be transportation.

Second would be opportunities to be seized. That again is a different way of approaching things, because those are things that we haven't yet done here that we have the capability of doing. Now if you want to come off oil and gas, I think you have to come off it gently, because oil is one thing and gas another, both in terms of their availability here and their projected life. Synthetic crude is different from conventional crude in terms of being able to amortize an investment. So we don't preclude oil and gas altogether, but we recognize that there are things to be done outside of the oil and gas industry that need to be aggressively pursued. Among those would number forestry, which we have made a beginning in. You will see much more in that area in the very near future. Secondly, we've identified manufacturing, and I think 14,000 jobs were created here last year. We've identified secondary agricultural processing. If you'd like to take a minute and listen, I can read for you a fairly astonishing document on that area. Thirdly, we're working fairly significantly trying to assemble a critical mass so that high technology can be begun here, rather than bought here as a "me too" technology.

In the issue of secondary agricultural processing, I'll quickly read through a list of people in Alberta who are exporting. By that I mean shipping outside of Alberta. If you like, I can break it down into export outside of Canada, but although some are western Canada exporters, most of these will be exporters from Alberta. Under pasta products there are two — do you want to know just the numbers of them, or the names? Numbers? Under the pasta there are two; under oils and margarines there are two; under dairy products processing there are nine.

MR. SINDLINGER: What are these?

MR. R. CLARK: These are companies that are selling outside Alberta.

MR. PLANCHE: Companies that are selling secondary processed agricultural products outside Alberta.

The list of vegetable processors is one, two, three, four, five, six, seven, eight, nine, 10; meat processors, 25; and sugar-based food processors, 20. So that's the list. I think that's pretty significant. As a matter of fact, having just received this yesterday, the list is much more extensive than we had anticipated. So there is considerable activity in that area, understanding that we still have that freight anomaly that needs correcting, because that will be an encouragement to that area.

[Mr. Appleby in the Chair]

So we're working diligently at trying to ameliorate the anomalies that are causing things not to be here. Of course you can't do anything about the distance to market, other than try to get low freight, high value added commodities. We also look at things that would lend themselves well to low BTU coal that can't be moved, that are energy intensive and that will perhaps move off the Pacific Rim as the energy trading patterns change.

Finally, in the R and D area, the ability to assemble a critical mass around which to build takes time because we want our investments and encouragement to be appropriate. Yesterday we discussed the Lear aircraft thing. I think it needs saying again that there is no particular skill or difficulty in simply buying industries to move them here. The trick is to assess industries that, in our view, best have a future, that have a natural advantage and around which Alberta investors can build and participate. Those are criteria that we generally use. I hope that answers that.

MR. R. CLARK: Just before the hon. Minister of State responds, I'd like to make four very quick comments in response to the Minister of Economic Development. The first point made by you, sir, was this question of the problem we're having with transportation.

To be very candid with you, here is part of my hang-up. Within the last week we had the four western premiers meeting in Thompson, Manitoba. One of the greatest problems we have is this question of transportation. One of the priorities the minister has outlined is agricultural processing, and certainly the area of agriculture itself. Yet we have the federal government basically saying they're not going to a darn thing about this Crowsnest rate thing — and I regret very much I missed the debate yesterday sponsored by the Member for Calgary Buffalo. My apologies. What is really getting at me is that we have the federal government saying, until the three prairie provinces can get our act together . . . Yet when the premiers get together, the reports, the impressions — we had that discussion this morning — are that in fact we didn't have time to discuss an issue like that.

I'm not belittling the efforts of the minister's department. There's no difference between the minister and me on the problem we have with transportation. I recognize what we're doing as far as buying grain terminals in Alberta is concerned and that we're supporting the port in Vancouver and what we're doing in Prince Rupert. All right; great. I don't have great philosophical problems with that. But it just seems to me that this whole Crow rate thing is something we've had on the burner for — well, it's something the former minister Mr. Taylor used to lament about. It seems to me that we haven't made very much progress at all on the thing. It completely befuddles me to hear the reports out of Thompson, Manitoba, that we didn't have time to get down to the question when the four western premiers met, given the fact that the federal government had really thrown the ball in the three prairie provinces' court and said, until you people can come up with some sort of agreement as to what's going to happen, we're going to sit back. The great loser there isn't the federal government or Ontario; it's the three prairie provinces.

The second point I want to make is on the question of research. At least six years ago there was a commitment in the Speech from the Throne that a science and research

policy would be developed in Alberta. I may have missed something — some members will say, more than something. I may have missed this science and research policy coming forward, but from my perception, once again I don't see any co-ordinated effort in that area. It's great to say we don't want to rush into the area but, frankly, from where I sit, five or six or seven years to get our act together in that area isn't rushing into something. I think it's appropriate to say that we have to attempt to develop here from our strengths, that we should be involved in high technology industry in the province, and that we should attempt to really have the ideas developed here as opposed to importing the ideas from elsewhere. No problem with that at all, but I have grave difficulty understanding why we haven't been able to get that policy in place and move on it. I refer the minister to the past speech from the throne.

The last area I would mention is this question of missions that the Minister of State is involved in, and the groups that come to Alberta. I'm aware of the committee of business people the Minister of State meets with from time to time to try to follow things up. Therein lies some of my concern. After those meetings are held, what happens? How in fact is that followed up? I would very much like to get down to the nitty-gritty of knowing even the names of people in the department who are responsible for that kind of follow-up. I think that will do two things. With great respect to the people from the department who are in the gallery, I think it will make them somewhat sharper in following up these areas. On the other hand, if there are people in the private sector who are not doing a good job in following up themselves, some pressure should be put on those people too. I'm not saying it's a one-sided thing; in fact, I know of people in the private sector who have done a pretty lousy job when they follow up. They should not be exempt from a certain amount of recognition also. But in that area the buck stops at the minister's office.

Mr. Minister, I take from the comments that we have four priorities: forestry, manufacturing, agricultural processing, and high technology. Those are the four priorities on which we can judge the success of this portfolio three or four years down the road.

MR. PLANCHE: If I may respond, Mr. Chairman, those are four priorities outside of oil and gas. They're not necessarily in order of priority. The research and development, high technology thing may very well come slower than forestry, in terms of dollars generated in the shorter term, and in the longer term might be considerably bigger. If that's understood, then I agree with the four priorities.

I'd like to come back to the issue of Crow rates. Our perception of the transportation difficulty is that it's so severe that it may very well have passed the Crow rate issue altogether. To get things in perspective, we talk about hopper cars, freight terminals, and Rupert. I don't mean to be cavalier about dollars, but we put \$50 million into hopper cars; we will have put about \$200 million into Prince Rupert, a \$13.5 million guarantee into Neptune, and \$7 million or \$8 million into the Alberta Terminals elevators. All that totals something in the order of \$300 million or \$350 million. The freight difficulty is between \$10 billion and \$14 billion.

As I perceive it now, the difficulty with the Crow rate is that as this rapidly approaching shortfall in supply of transportation facilities comes, because of the non-compensatory rates associated with agriculture that

product won't be moved. The prioritization of product movement is always a function of rates. If we don't have our rates in order, it's simply going to be a following axiom that that stuff will not move. On the other hand, you have to understand that interprovincial trade is a federal matter. That isn't a question of fed-bashing or whatever else. So if you take those givens, it's now incumbent on us to investigate very thoroughly what commodities might come off the rail, or how the rail might be run differently to accomplish commodities.

Our forecasting is based on a certain number of rail cars travelling in unit trains, with a certain maximum travelling at certain speeds with certain distances apart, train by train. So the forecasting isn't precise. No matter how you do it, we find a shortfall beginning in 1985. If we haven't moved by September this year, our judgment is that the 1985 difficulty is a fact. Okay?

So now we also have to address ourselves to the difficulties in the eastern evacuation of product around the Welland Canal and around the activity generated in the U.S. now becoming predominant through the St. Lawrence Seaway system. That leaves us with Churchill, and the federal government has all but abandoned Churchill this year in terms of their grain prescription. We find that offensive. We're also going to investigate Churchill for other commodities, understanding that we live in an area of the country where we move very high volumes of very low-priced commodities long distances. The economics are realities, because our competitors are often close to tidewater. So those are the sort of constraints we're within.

Within our ability to move those things and to circumvent the facts, we intend to do that. Each of those things takes some careful deliberation. You simply can't throw dollars at an issue like that, where we can't control it. We were prepared to put in \$2 billion as part of that energy package of July 25 and, in our view, that was a good beginning, allowing people to prioritize what issues should be addressed first.

I come back to WEOC, and the Member for Calgary Buffalo knows very well that out of that came the prospect of nationalizing the rail beds, not the railroads. If you explore that possibility, it runs something like this. All other modes of transportation are subsidized by the government. The best energy-efficient mode for moving commodities is the railroad, and they are expected to return one hundred per cent of their fixed and variable costs. If it were possible for the government to become involved in subsidizing the rail beds the same as they do the highways, and there were some kind of ton/mile charge levy, and each train could run on whatever track it liked, and you could get competitive bids from the carriers and, if you didn't like it, put your own train on, then you have a whole different thought sequence.

Unfortunately, that kind of approach isn't going to be solved before 1985. In the longer term it may very well be the best way. We still have to rationalize our railroads, and we still have to address the fact that the things we want to move most are cross-subsidizing our agricultural products. Things other than agriculture that we want to move most are cross-subsidizing it.

It's very interesting to me that the railways consistently tell us that 28 per cent of the freight, I think, generates 14 per cent of the revenue. And you know very well that where they have a competitive mode on water, they respond to the competitive mode with rates. Where they have a competitive mode with trucks in the golden triangle in the east, they respond to that. Notwithstanding

all of that, they make a profit. In my view the only way they can make a profit is to cross-subsidize other than agricultural commodities in the long haul, and they're doing that. So if you back off the Crow from that point of view, it's hurting us in the long term also.

I think it's fair to say that all the producers, with the exception of the National Farmers Union — which in my understanding represents hardly anybody — are agreed that it's time for a change and that the Crow benefit must stay with the farmers. I think it's incumbent on the federal government to respond now to that by saying, we will undertake our responsibility to fill the Crow gap. Once that position is taken so that's clear, you'll quickly see these people come to the table to negotiate other issues like, should the benefit be paid to the carrier or the producer. Those are other issues. They're important, but they're other issues to the bigger issue, which is 1985.

I'm thick-skinned enough to take an avalanche of comment on the fact that we aren't moving on this and we aren't moving on that. On that particular issue, I think we're exhaustively researching all the alternatives. Each one takes time. Again, we would hope the investment would yield results. We're not about to put taxpayers' money into something that's just going to do nothing. Remember it is a total system. It isn't just the railroad, and it isn't just the ports; it's the rail, the infrastructure at the ports, the storage capacity, the National Harbours Board's reluctance to become involved aggressively on the west coast, the Churchill port, the St. Lawrence Seaway: it's all those things.

Only three provinces in Canada are land-locked: Alberta, Saskatchewan, and Ontario. The federal government didn't have any trouble springing to the aid of Ontario to get the seaway in. I don't see any user-pay there. All we want is to have the same opportunity for our producers as everybody else in the country.

So hopefully that answers the question on the Crow rate and whether or not it was discussed.

MR. R. CLARK: Mr. Chairman, with great respect to the minister, it doesn't address the question of why this question of the Crow rate wasn't seen as an issue important enough to have some time of the four ministers at all. I enjoyed the minister's comments, but unless I totally missed something, I still haven't heard why that question of the Crow rate, or at least dealing with the Crow gap, was not dealt with at Thompson, Manitoba.

I just make the point again. I think the minister's assessment of the position of the various producer groups in Alberta is accurate. I don't have any problem there. But, Mr. Minister, both of us have been involved in the political business long enough to understand — and let me be very candid like the minister was about the NFU — that until the Saskatchewan Pool gets to the point where they can be made to see some light on this question of the Crow gap, the Saskatchewan government doesn't appear to move and, from my assessment, that's about where the fly in the ointment is. Either of the ministers or the Minister of Agriculture: I'd frankly be very interested in an assessment there, perhaps on some other more appropriate occasion.

But I just make the point to the minister that the Crow gap thing isn't something Alberta can cope with itself; it's something the two other provinces have to be a part of. Are we making any progress there?

MR. PLANCHE: Mr. Chairman, there is more than just the discussion about how Saskatchewan fits in this. We

have a non-elected senator who sits on the cabinet and is in charge of the Wheat Board and who is stumping Saskatchewan and saying, the Crow rate must stay. Not a very useful comment. I read the April 9 paper, where he says:

I think the railways need to have all the money necessary to do the job. I don't want to forecast how that money might be obtained by the railways.

That's a very counter-productive comment on an issue as basic as this, from someone who doesn't even have to face the electorate. In my judgment it's irresponsible. Unfortunately, in Alberta we have a colleague of his who is not doing a lot better.

So you know very well what the difficulties are and, to the best of our efforts, we are trying to get a unified comment from the governments representing the growers in the three provinces in order to take it to the federal government. I can assure you that our efforts are a long way from being terminated.

On the issue of R and D, you say we aren't making much progress. My numbers here are not precise, so forgive me. AOSTRA is about a \$300 million involvement in R and D. The Heritage Savings Trust Fund medical research increased Canada's total medical research by 50 per cent, one shot. The Alberta Research Council is rebuilding not only their facilities but their staff. Finally, we're looking at something that would be a desirable employer whose fallback would be health, to gather that all together. We would expect to have more to say on that very soon.

MR. R. CLARK: Mr. Chairman, two very brief comments to the minister. Mr. Minister, apparently I didn't get my comments on research across well, or something. I'm saying that there is a need for this government to have an overall research policy. That was promised to us six or seven years ago. When are we going to have that?

My second comment, without attempting to be unnecessarily offensive on a Friday morning at almost noon — and I know this will not be well received by the minister or members on the government side of the House — I frankly think the federal Minister of State for Economic Development, Senator Bud Olson, is far more effective than he's sometimes given credit for by the present minister. It's a personal point of view. I frankly think Alberta doesn't make the kind of use of him it should, despite some very major political differences I can appreciate.

MR. PLANCHE: I'd only want to respond by saying that obviously others in the cabinet share your view.

MR. R. CLARK: The provincial cabinet, I hope.

MR. PLANCHE: The federal cabinet.

MR. CHAIRMAN: Perhaps we could hear from the Minister of State.

MR. SCHMID: Mr. Chairman, I would be delighted to comment on the follow-up work we do. I have mentioned numerous times to the members in the trade development division that a mission itself is only 10 per cent of the entire work for a successful mission. The rest is follow-up. One of the requirements I have is that every two months I get a follow-up sheet on the mission we happen to be on, for which the international trade director for that area is responsible. For instance we had meetings with the members of the export association. Since I came

into office, they have been successful. Hopefully, as they develop that, we will get more leads from these people for additional support we can give them.

Among the 76 incoming missions of last year were missions from India, Romania, Hungary, Pakistan, Italy, Trinidad, Saudi Arabia, Qatar, Zaire, and many, many others. In fact, I recall a memo which I sent not very long ago, in which I indicated that despite my overseas missions I was personally able to receive more than 300 individuals and/or missions in Alberta while I was here last year. Tonight, for instance, I will be having dinner with the deputy minister of industry of Hungary. We expect the president of the Moroccan phosphate corporation at the end of this month, who was at one time, in fact, the Prime Minister of Morocco. On the 8th I will be returning from Houston, Texas, with 25 industrialists, members of the Chamber of Commerce of Perth, Australia, as a result of a follow-up mission of our visit there. Only last week as a follow-up on our mission to Australia, Paul King, the international trade director, returned from there with a pipeline mission.

I could go on, as far as individual follow-ups are concerned, but let me mention agriculture. We have had the pleasure of having Jim O'Donoghue as the Deputy Minister of Agriculture, along with us to Hungary and Czechoslovakia. As I think I mentioned before, we were there negotiating for a sale of about 400 head of cattle as a base for their cattle improvement program. Then we successfully attended the agricultural fair in Budapest, Hungary, and Alberta bulls were successfully sold. There again, of course, it was a co-operative effort, and a most authentic one at that. We had Lou Normand from Agriculture along on our mission to Morocco and Nigeria, and identified sales potential there for our canola and in Nigeria, potential sales for livestock. I have not followed up that last item, livestock, because I have not been able to receive any notification whether the sale negotiated at the time has been concluded or not.

Let me take one other example, Pakistan. When we were there, we were discussing among other requirements, a workover rig. When we returned, we found out that a local manufacturing company is trying to construct that rig, but does not have all the components. As a follow-up, the international trade director, on my request, contacted some Alberta companies. We think we found one in Grande Prairie. I personally flew to Ottawa to get the final figure, if at all possible, from CIDA. I have that follow-up communicated to me every second day, so we make sure that Pakistan gets that workover rig. After all it would be a sale for the value of about \$2.5 million to \$3 million.

Mr. Chairman, anything we can do to ensure the success of a mission — a mission can only be a success if follow-up work is done. I agree with my hon. colleague the Member for Olds-Didsbury, that unless follow-up is done, we would lose face, as they would say in the Far East. Because they would say, well met and good-bye, and we haven't heard from them since. As soon as I return, I personally thank the people who received us, no matter who they were. We even thank the personnel in the hotels and so on, because someday we may return and want good service. But all I'm saying is that the letters alone don't do it. We have to follow-up with commitments we made. We have found that when we show them what it is all about, incoming missions especially are then a success.

Maybe I should tell my hon. colleague the Minister of Economic Development that, in fact, the Perth mission is

going to Calgary, staying in Calgary, and is not coming to Edmonton. There is some balance there. It has happened a couple of times before, that we had meetings in Calgary. Therefore I would say there's definitely a requirement of not only having a trade centre, in Calgary and in Edmonton, which we haven't got in Edmonton either. For instance, we took one of the groups to Lethbridge because of the irrigation program they're presently looking at. Of course the usual mission which comes here because of the oil sands, the petrochemical plants around here, because of the heavy oil development in Lloydminster, that's where they would like to go to see what we have done, and then because of the financial centre situation in Calgary, that's where some of them go.

All I can say, Mr. Chairman, is that I very much appreciate the questions regarding follow-up, because having questions from members of the opposition emphasizes how important follow-up really is. As far as I'm concerned, that in itself is the meat at the heart of any mission we go on. I hope we will be more successful in the future, as we have been in the past.

MR. CHAIRMAN: A number of members have expressed a desire to make some remarks. I trust that all the hon. members will keep in this in mind as I call for you to speak. The Member for Vermilion-Viking.

MR. LYSONS: Thanks, Mr. Chairman. I'd like to address a couple of points to the Minister of Economic Development related to the port of Churchill. I hope the hon. members here can really appreciate how important Churchill is to the future of the prairies, Alberta in particular.

Churchill is in the tundra on Hudson Bay, so it has some cold weather problems. But as an alternative port for Alberta I think it's probably as important as any of the others we may have discussed. For instance, in order to get to Churchill by rail, it's generally fairly level terrain; we don't have to go through mountains and things like that. I would hope that the minister would take a good look at expanding our interests up there, pressuring the federal government, and convincing the prairie governments that the actual dockage should perhaps be moved into Hudson Bay rather than being on the Churchill River. In the Churchill River you get slush ice conditions. It's fresh water, so it freezes faster, and you don't have the depth. Several million dollars would be required to extend the port and take it out into deep water. It would be some 60 feet deep, which would be equivalent to the port at Vancouver.

The other thing about Churchill that's so difficult to solve is the political implications it has relative to the federal government. The seaway and Vancouver have all the voters. The vast majority of our population lives along those two corridors, and of course, if there's going to be any development done it will be along those sides. I think you can probably appreciate that the problems we're having at Prince Rupert are more political than physical. If we were to think of buying a railway roadbed, I think the CN roadbed up to Churchill would be a good one, although in all fairness, I don't believe the CN is the major troublemaker in that play; it's got to be the politics.

I think the main commodities Alberta should look at shipping out of Churchill would be coal, sulphur, agricultural products, and hazardous materials. I don't think any place in Canada could provide a better rail system than Churchill for all our chemicals, either coming in or

going out. We're shipping some very potent material through the St. Lawrence and the Vancouver system, up through the mountains or across the prairies, by and large going through some pretty heavy traffic as far as people are concerned. Mr. Minister, I would sincerely like you to address yourself to that one very, very important consideration.

The argument that the port at Churchill is icebound for most of the year could be and is being used. But that's largely a solvable thing. They run the icebreakers into Montreal and up the seaway for some time of the year, where at Churchill it's very, very difficult to get any sort of icebreaker service or large tug service.

The other problem we face with grain transportation in all our ports, not just Churchill, is that we don't have surge capacity for grain at our ports. Our ports should have millions and millions of bushels of surge capacity. I find it very, very difficult to understand why I as a farmer any other farmer, or the elevator companies for that matter, should be expected to have grain storage here on the prairies to the extent that we do, where we're carrying over grain from year to year. A farmer has to expect to carry his initial crop and his seed, but this business of carrying grain from one crop year into another is simply wrong. If you fly across the prairies and see all these new steel granaries — they're relatively new, in the last 10 or 15 years. Mr. Minister, if you could use your good office to discuss with the Canadian Wheat Board, the federal government, or us for that matter, to bring in surge capacity, I think we would help ourselves a great deal.

As well we find it a little difficult to understand why the potash out of Saskatchewan — actually Churchill is as important to Saskatchewan as it is to us, particularly in grain. As mentioned, the Saskatchewan Wheat Pool is very reluctant to change the Crow rate. I don't think I can sense the same degree of resentment to change with the Alberta Wheat Pool and the Alberta elevator people in general. It's mainly a Saskatchewan hang-up there. When we get the Prince Rupert port going, I would suggest that we look at perhaps 100 million into the Churchill rail, surge, and port facilities.

MR. PLANCHE: Just a couple of comments, Mr. Chairman, to thank the member for his constructive remarks. The four western ministers have asked the federal government to see to it that 3 per cent of western Canada's grain, about 25 million bushels I think, does in fact go through Churchill. If we could keep it at that level while we are endeavoring to upgrade the port, I think that would be helpful. We're also looking at marine insurance to try to open the port longer at either end of its present term, because that's a difficulty that may be handleable. The minister of Agriculture and I are going to Churchill in early June. So I appreciate your comments on dockage — we'll look into that — and also on sulphur and hazardous goods.

MRS. CHICHAK: Mr. Chairman, I just wanted to make a few remarks this morning, perhaps as a result of one or two remarks made by the hon. Member for Olds-Didsbury, not in a negative vein, on the value of elected members being included in international missions. As well I wanted to make a few remarks in support, and to communicate the impact the hon. Minister of State is making in the international field, not only from the reports coming from our own business community here in Alberta or in Canada, but with other governments at the international level.

Perhaps relating a few experiences I had, along with my two colleagues from Cypress and Vegreville, on the irrigation mission to Israel, Italy, and Hungary, may best demonstrate that. In Hungary and Italy particularly, I recall the kind of recognition given to government members travelling abroad to further communication.

As the hon. Member for Olds-Didsbury attributed, the impact of the hon. Minister of State as a catalyst in starting, in moving directions, ideas, and communication, we found that a very important kind of approach as well. Of course the Minister of State is extremely exuberant, very capable. I think that Alberta is fortunate in having a gentleman, a representative, an ambassador of his capability and recognition. In meeting with government representatives in Israel, Hungary, and Italy, the fact that other government people — not employees of government but other elected people — were coming within a very short period of time signified to these governments that indeed Alberta as a province in Canada was genuinely interested in what these countries had to offer and that we in Alberta did have something to offer to their development.

Remarks had been made that they had regular visits from the federal government, in some cases for periods of time, on a weekly or almost daily basis. However, they seemed to attach more significance to the fact that elected members were coming from Alberta, not necessarily from Executive Council, but elected members. This communicated to these foreign governments a message that the Alberta government was in fact interested beyond simply communicating or making known to them that we exist, and please talk with us.

Just to demonstrate briefly, when we met with the minister of international trade in Budapest, although our meeting was arranged on very short notice, we found that a mission from Japan had been previously booked, not elected people but representatives sent by the Japanese government. These people were held waiting for an hour and a half while our delegation was given priority, even though the arrangements were made subsequent to the booking with Japan. So I think that had to reflect to some degree the significance that that government, and I know others, have placed on the kind of impact our Minister of State has made and the manner in which we have carried the follow-up relationship.

As a result the hon. Minister of State has indicated, with respect to irrigation, that representatives from Italy, Hungary, and Israel have recently been to Alberta. I was pleased again to have the opportunity, with my colleagues, to meet with one such delegation from Italy that we had met with while on our mission to Italy. So I think the impact and the impression of sending elected members on these missions, in addition to members of Executive Council, endorses government interest and support for extended and continued dialogue in consideration between countries.

It was interesting to note in our exchange of comments at our meeting in Budapest that the information or kind of communication being brought by our federal people didn't leave the representatives of the Hungarian government with the impression that Alberta really had a great deal to offer. They really didn't provide them with the kind of information that should create some impact. I think that is unfortunate because when representatives of the federal government travel to various nations, we would presume that they would do so with full knowledge and a package of information relating and communicating the various contributions and availability of opportu-

nities for all parts of the country, not simply for one particular region.

I wanted to make these few remarks. There are very effective results and support when the missions include other members in addition to Executive Council.

MR. FJORDBOTTEN: Mr. Chairman, it's a privilege today for me to make a few remarks about a department that I think is out there being very aggressive and doing a great job. When companies are out in the world trying to get plugged in to different markets, they quite often run into a closed door, and the Minister of State for Economic Development — International Trade has been excellent in going out and opening up those doors.

I'd like to say one thing about high technology. I know that it probably crosses a little with the associate minister of telephones and utilities. However, I think high technology is an area that we really have to get active in and probably plug it in in some way like AOSTRA, something that's going to get some preferential treatment and get segregated in an area where we can really go to work.

In discussions about petrochemicals, in the province of Alberta we're certainly doing a lot in petrochemicals. However, if you take the total petrochemical chart and look at the feedstock that goes in and the multiplier factor to the end of that chart, we have a long way to go. There's certainly going to be a lot of environmental problems when we start doing that because people don't think petrochemical plants can be squeaky clean. I think there's a possibility they can be. We have a lot to do, and if we don't do it we're going to get behind.

When we talk about coal and the number of countries in the world that want to buy coal from us — and we certainly have the coal — transportation always becomes a problem because that's one thing the countries say: we know you have the coal, but how do you get it from where you are to tidewater? As I mentioned in the speech I made on April 7, I have some real concerns that if we ship all the coal by rail, there'll be no room left on that system for agricultural products. So a slurry pipeline is important. Of course, I know there are going to be problems in developing that, with our climatic conditions and the terrain we have to cover, but that's something we have to work on.

The total transportation problem we have in shipping our products — yesterday the hon. Member for Calgary Buffalo said he didn't like a dual system because he thought we'd be in competition with each other. There might be an element of truth to that. However, when I was in Bahrain last March, they would like to buy from us white wheat, barley, pre-mixed poultry feed, and a number of other things, but the Wheat Board hasn't been there for 17 years. That market is there, and no one is serving it. I'd rather have a dual system out there providing a little competition and maybe having the down-side factor in some areas and get a plus side in others, rather than not having a market for the products we're producing.

I'd like to make one other remark. In March I was in Essen, Germany, with Dallas Gendall at the Aquitaine show, and I have to say something about the people who work in the Department of Economic Development. We talk about the quality of people within those departments who work for the people of Alberta. I don't think there can be a department anywhere that functions better than Economic Development because the people in that department are from private industry. They're out there, they're aggressive, and they're up to speed on what's

happening in the world today. I was very impressed with Deputy Minister Dallas Gendall, because if there was a door somewhere, he looked behind it to see what was there, to read the mood of what was happening so we can get up to speed in Alberta and be ready to meet the challenges before us. There were 600 to 800 exhibits in that show in Essen, and we went to every one of them.

Two people from my constituency were showing horses there. Here we come to the transportation system again. They had to ship those horses by ground to Ontario, and then air-freight them from there. The horses weren't in great shape when they got there. I think there's a lot we can do in the area of transportation. Also, I think the horse industry — if we look at 600 to 800 exhibits at one show in Germany, the role the horse industry plays in Europe, and what we can do here, we could make a lot of new moves in some of those directions.

If we sit in this Legislature we often say that people don't even know where we are. When I go home they ask me, how's everything in Ottawa? They don't really understand where we are and what we're doing. We can create within ourselves a tunnel vision, where we don't see the broad picture. I think one of the factors that really doesn't make people understand what Economic Development really does is that when most departments are aggressively doing something, it translates into programs. Some program is brought forward that we're going to spend some money to do some thing. However, in Economic Development it doesn't translate into programs. They're out there working.

The hon. Member for Olds-Didsbury brought up follow-up. In a slim department — and I think Economic Development should stay a slim department, with good people who are up to speed on what's happening. The total follow-up can't be done by the Department of Economic Development. It plugs in private industry. They have a responsibility to follow up also.

I'd like to commend both ministers for the jobs they're doing, for their vision. They sometimes have to take a blue-sky approach in things, that maybe a lot of people don't understand, to get out there and aggressively do things so Alberta can play the role in Canada and in the future that we have all the natural advantages in which to play.

MR. L. CLARK: Mr. Chairman, I would like to compliment both ministers on their enthusiasm and dedication to their department. In speaking of dedication, the Minister of Economic Development came to my area. He was very busy and had to come on a Sunday. He not only impressed me; he also impressed my constituents.

I have a couple of quick questions. With the development of industry across Alberta, I know it's going to take a great deal of power. I would like to Minister of Economic Development to tell me where he believes the majority of this power will come from, whether it will be from coal or water, and how many of these plants we will need in the future if we are to develop it the way he sees Alberta developing.

One other quick question. We have been doing research on the coal slurry pipeline. A few years ago I was reading some type of scientific magazine. I don't know whether it was fiction or truth, but at that time some research was being done on shipping wheat and grain by pipeline through a liquid carrier, in capsules. I wonder if any research is being done on that. It seems to me that our transportation system, not only in this province but in western Canada, is really going to cause us a lot of

difficulty. The minister gave us a rather gloomy forecast. I wonder if there is any way, if we're looking at the three prairie provinces, the four provinces getting together and devising a way for the shipment of agricultural products on their own without having to rely on the federal government.

MR. PLANCHE: Just quickly, Mr. Chairman. On the last issue. The interprovincial movement of commodities is federal under the transportation Act. There is nothing we can do that doesn't have a federal sanction. I'm not sure that the simple relief of a federal sanction would cure it. We are working together, and I feel comfortable that if we could come up with a solution the federal government, in its wisdom, would have no trouble endorsing it. The trick is to come up with a solution the debt of which can be serviced by the amount of freight at the present rates it's being carried. That's part of the problem.

On the issue of power, if my memory serves me correctly, we now have in place in Alberta the equivalent of 14 350-megawatt plants. We're going to need 28 more by the year 2005, plus six of those will have to be replaced, which means we've got to build the equivalent of 34 350-megawatt plants in the next 25 years to hit the surge power we require. I think only two hydro sites are available to us within the province, one at Slave River and the other at Dunvegan. The Dunvegan one is troubled with unstable banks for dam construction. It's imperative that we address the issue of converting coal to electricity, and also the grid system that my colleague the Minister of Utilities and Telephones is trying so hard to put together.

On the pipeline for grain issue, the Alberta Research Council is in fact continuing bench-scale experiments with moving grain by encapsulating it. In addition to the technology of moving capsules that far, I think the problem has always been a medium to move it in. I'm not sure at what degree of development that is, but I know it isn't yet ready for commercial use.

MR. BORSTAD: Yesterday in the House we debated the prime land that's being taken up in the province. I know there's a feeling in northern Alberta that a lot of the feedstock is being sent down south through a tube and creating jobs in the southern part of the province, in the golden corridor. This seems to be the same problem that Alberta has had with eastern Canada. I was wondering if the minister might look at some decentralization to the northern part of the province of some of the chemical plants that use the feedstock. I might also mention that I think if this could be done, you would probably be getting away from some of the environmental problems that you're having in the southern part of the province.

Another thing I was wondering about, Mr. Minister. It seems to me there was a study or something done on the equalization of freight rates across the north. I'm not sure whether it was in 50-mile circles of some regional centres. But I wonder if you could give me any update on what has happened in that regard? Since the takeover of the CN, you only end up with one rail authority. I appreciate the work that you've done on bringing that about.

MR. PLANCHE: If I may, Mr. Chairman, I'd like just to get them as they come. They're fairly complex, and my notes aren't that complete.

Feedstock export is a tricky issue. In the first ethylene chain, part of the contract read that ethylene and ethane would be permitted to be exported down to a certain level with no callback. In the second and third proposed ethy-

lene chains, there won't be any need to export, because all of that will be upgraded here, at least the primary upgrading. In order to get economies of scale for world economics, it's essential that the throughput is adequate to achieve those scales. In order to do that, some must be exported out of the province. But it all has a callback on it.

To move plants north is something that we're continually trying to do. We haven't had a policy of positive siting; rather we've done negative siting, where we don't want them in certain places and they can go anywhere else. One of the reasons they haven't elected the north so far is that they want to be on the pipeline from Joffre to Fort Saskatchewan, because some of the quantities they need don't allow pipeline economics, and they don't want to be on surface with them. Secondly, there's always the problem of being close to a fairly sophisticated technical infrastructure, and so they tend to gravitate toward those major centres as close as we'll let them.

On the issue of agricultural soil use, not very long ago our department did two very interesting exercises. One indicated that the projected petrochemicals will only cover 0.008 per cent of arable ag. soil in the province. The other indicated that to move a plant that was proposed north of here, 30 miles from a site on No. 1 soil to a site on No. 4 soil would have taken more No. 1 soil for pipeline and road corridors than it would have consumed had it been in its original location.

On the issue of equalization of freight rates, that 50-mile circle rate my predecessor got concession from for the railroad, I believe groupings are valid for all of Alberta. But I'd prefer to give you a more formal response on that.

MR. STROMBERG: Mr. Chairman, as other members have indicated, the two ministers are doing a quite outstanding job. But I was a little disappointed when the B.C. government recently announced the funding of a feasibility into a Japanese proposal for the conversion of 900 million tons of coal into liquid oil in British Columbia. According to the Japanese, this plant is going to cost \$5 billion and produce 50,000 barrels of synthetic oil per day at the Hat Creek Valley coal field near Kamloops. The B.C. government has also indicated that the Japanese taking part in this project at the Hat Creek deposit would bring expertise as well as capital to Kamloops and would put the city in the forefront of coal liquefaction in North America.

Now not only do we try to sell our goods out of the province, but we try to attract industry. I thought that in Alberta we have a situation, quite unique probably in North America, in our coal research facilities that will be going in next year at Devon. We've had the experimentation done at Forestburg on coal gasification, and quite an undertaking in liquefaction, according to the annual report of the Alberta Research Council:

Coal Research An ambitious new program began in coal conversion, via gasification ... and liquefaction.

This goes on to explain the amount of funding and how it's going to be done. My question to the minister is: what efforts, if any, were made to attract this Japanese firm to set up here in Alberta?

MR. PLANCHE: Mr. Chairman, for clarification, did the member have Dodds-Round Hill in mind?

MR. STROMBERG: No, I had some of the fields in the mountains. The Hat Creek field outside of Kamloops is a very soft coal. I understand it's a brown soft coal. Now we have the brown soft coal field in the constituency of Barrhead near Fox Creek. That coal field was originally going to be developed for the Imperial Oil project at Cold Lake. Now that's been put on hold. That's the coal field I was thinking of.

MR. PLANCHE: Mr. Chairman, one of the tragedies of our energy policy is that, all over the world people who are paying rational prices for energy are leaping ahead in alternative fuel source, and as we dither at \$17.75, and eventually arrive at where it's supposed to be, we will buy that technology. Technology for coal liquefaction is now available in South Africa, and I presume that the Sasol type liquefaction is what the Japanese proposal will be at Kamloops. At this stage, our best information is that it's not efficient, and it may be environmentally offensive. There is also a Lurgi process that's being undertaken in Germany, but the economics are not satisfactory at the present world-scale oil levels.

As I understand it, Japan is interested in security of supply and longer term economics. Of course, at Kamloops they're closer to tidewater than we are. However, we are initiating a study on both the suitability of a variety of coals in Alberta to methanol, and a variety of coals in Alberta to liquefaction. We do that in conjunction with the slurry proposal we're recommending. The Judy Creek-Fox Creek coal was not going to be converted. It was simply going to be moved and converted to heat, it was my understanding, at Cold Lake.

MR. STROMBERG: The minister stated that it wasn't feasible, but the same Japanese firm that's going to Hat Creek, B.C., is also heavily involved in liquefaction projects in Australia and the United States.

MR. PLANCHE: The member knows very well that the prices for oil and gas in Australia and the United States are considerably different than they are here.

MR. STROMBERG: One last question, Mr. Chairman. The price of oil in British Columbia is the same, though, as it is here.

MR. PLANCHE: That's very true. Kamloops is a great deal closer to tidewater than Fox Creek.

MR. SINDLINGER: Mr. Chairman, first of all I'd like to compliment the minister on the progress he's made over the last year in assuming his new portfolio responsibilities. Obviously it has taken a lot of hard work, and he has put his shoulder to the wheel and done a very good job. It didn't happen by osmosis. I'm sure a lot of ministers in the cabinet admire what you've done and wish they could emulate the progress you've made in such a short time.

Mr. Minister, I was encouraged today to sense what I think is a change in direction in terms of the Alberta government. The key word in terms of economics in this province throughout the last 10 years has been diversification. Going through the throne speeches since 1972 until this year, "economic diversification" occurs over and over again. If I may, I'd like to suggest that perhaps a more suitable word for what the Alberta government is doing is not so much economic diversification but more economic development, as the member from Fort Mac-

leod pointed out.

Your opening comments about your attempts to encourage firms to locate here and engage in activities that would take advantage of the natural advantages we have in Alberta for the long term, make a great deal of sense from my point of view. On the other hand, diversification brings to mind such things as, for example, shoe manufacturing plants or something like that; something for which we don't really have a natural advantage and something, although it may be initiated in the first stage by government subsidy or assistance, couldn't exist over the long term. Yesterday the Member for Vegreville pointed out very well that it would be best for us to divert our attention to those things in which we have a natural advantage and not depend upon subsidies over the long run.

The second comment I would like to make is in regard to what I think amounts almost to 1984 plus one Orwellian comments about the rail capacity through the mountains. I can't recall offhand the tonnages you mentioned, and the Premier referred to this morning as well, but the implication was that if by 1985 there hadn't been massive investment in the railway network, in the order of \$10 billion to \$14 billion, it would collapse. I've been involved in that industry for a long time, and so has the Minister of State for Economic Development — International Trade. I'm sure he recalls the late 1960s and 1970s when those in the sulphur industry were saying that if the railway capacity didn't increase by 1975, we would certainly have economic calamity as far as export from Alberta was concerned. In 1965 to '70, the expert opinion was that if we didn't increase capacity from 10 million tons per year to the west coast, that in fact would occur. The sulphur industry at the time was exporting somewhere around 2 million to 3 million tons, up and down. Their greatest concern was not markets but whether or not they could ultimately get 4 million to 5 million tons through to the west coast.

I'm saying that what the minister is saying about 1985 has a sense of *deja vu*, since the same thing occurred in the late 1960s and early '70s. At that time the tonnage through to the west coast was about 10 million tons, and by 1980 had gotten up to about 50 million tons, a fivefold increase. I expect that something similar could happen over the 1980s as well.

The implication is — perhaps not the implication, but it would be easy for one to infer that there is a great responsibility upon this government or the federal government to resolve that \$10 billion to \$14 billion investment in railway infrastructure to the west coast. I think we should also bear in mind that it's partly the responsibility of the railways as well to bear that cost. I understand the implications for industry in Alberta and western Canada and the responsibility the governments have, but I don't think we should leave people with the impression that it's entirely up to us to resolve. We must have the co-operation of the railways as well.

Mr. Minister, you also said that you had two points of view in approaching your work. One was the problems to be solved, and the second was the opportunities to be seen. You did elaborate on the opportunities to be seen; that is, the ranking of industrial activities or the industrial sectors you would pursue. You indicated they would be forestry, manufacturing, secondary agricultural processing and, finally, critical mass so that high technology could become a meaningful industry in this province. My question is in regard to the opportunities, but perhaps just in passing you might elaborate on what you mean by

critical mass, so there is no misunderstanding on that. In regard to those two directions or approaches you take, I would be very interested in hearing what you see to be the major problems, if you could perhaps elaborate on that a little more specifically rather than in a general sense. What major problems have been identified, what approach are you taking to solve them, and what do you see as the time horizon for the resolution of those problems?

My fourth point is in regard to the two terminals. We touched on this yesterday when we had the estimates of the Minister of Agriculture before us. That is in regard to Neptune terminals and the inland terminals in Alberta. In regard to the inland terminals, I wonder if you could provide us the basis for the throughput charges on those. What charges will be assessed and what will be their basis? Will they be expected to cover total costs — that is, fixed and operating costs — or is there an inherent subsidy in there, or whatever? I might ask a similar question about Neptune terminals, but to be more specific perhaps you might elaborate on what you see as our long-term commitment or obligation in regard to the operation of Neptune terminals.

You also referred to the Western Economic Opportunities Conference in 1973 in a response to the Member for Grande Prairie in regard to freight rate groupings. I wasn't too sure what the exchange between the two of you was. In 1973 the federal government undertook a commitment to provide railway costs to the Alberta government, among other governments in Canada. My question would be what use, if any, is now being made of those railway costs, and can they be used somehow to support what we have identified over the last few days as the Crow gap?

The seventh point I'd like to make is in regard to Grande Prairie. Again I didn't really fully understand the exchange between you and the Member for Grande Prairie. I got the impression you were talking about petrochemical development. I would ask you if any representation has been made to you by either the Member for Grande Prairie or individuals or firms from Grande Prairie in regard to the development of a fertilizer plant in that area and, if so, what stage those investigations are at, if they have passed the exploratory stage or have yet to approach the preliminary stages.

Penultimately, to the Minister of State again. In your remarks you referred to CIDA. I wonder if you could perhaps elaborate a little on the working relationship your department has with CIDA in terms of your foreign missions.

The final point I'd like to bring up is in regard to the numbers you presented on power requirements in Alberta. You indicated there are 14 350-megawatt plants in the province, but because you spoke so quickly I couldn't understand what the following numbers were. I got the number 28 — more or in total? I'm not too certain. Then ultimately you indicated that there would be a need for — I'm not certain whether it's 34 in total or 34 more 350-megawatt plants in the next 25 years. How much of this development or expansion is required for residential use, how much for commercial, and how much for industrial. I don't want to get down to details, but the import of that question is what role the western power grid is expected to play in meeting those requirements. Is it a critical factor in meeting that requirement of the additional or total 34? Would that be a small percentage or a large, significant percentage? More importantly, would that percentage be more allocated to the commercial/industrial sector as opposed to the residential sector,

which is your particular area?

Again, let me close on a positive note by saying that you certainly have my respect and admiration for the progress and the work you've done in your portfolio.

MR. PLANCHE: Thank you to the Member for Calgary Buffalo for those kind remarks. Mr. Chairman, if I may, I'd like to go from the last question to the first. I indicated that there is the equivalent of 14 350-megawatt stations in place, including hydro, and that the peak load demand by the utilities planning council for the year 2005 would be 28 more 350-megawatt equivalents, plus six of the 14 would have to be replaced. To the best of my knowledge, the grid would represent something between 7 and 10 per cent of that demand. It wasn't specified as to residential or industrial, because it would go into a common grid system.

The fertilizer preliminaries for the north: the answer is yes, we have done a study on them. Fertilizer is delivered all over western Canada at the same prices to dealers. There isn't an indigenous fertilizer consumption in the north to justify a plant on its own, but it's coming. I am in negotiations on a fertilizer plant for the north.

The 1973 railway costs are extensively used by the department as a base for escalating the estimations of the Crow gap. The Neptune terminals is a \$13.5 million guarantee to a new consortium. That consortium was put together under the auspices of the Alberta government to include canola and de-hy shippers so that they would have access to tidewater in perpetuity, because of their small tonnages and their scattered trade relationships. The inland terminals, the throughput costs and the charge for storage and elevation: my knowledge is that those're both set by the Canadian Wheat Board.

When I was talking about critical mass, I was referring to the ability or the thing that would attract PhD-level people in sufficient volume for them to have an interchange of ideas, communication, and environment such as you would have at Berkeley or wherever there is a concentration of highly sophisticated defence installations in the U.S. It would be our hope that we would have such an industry here, along with our education and research facilities. That's why we're doing some work on an ion accelerator.

The three impediments to development that quickly come to mind are transportation, the availability of equity funding, and manpower, and there may be more. Of course we're attacking all three. I can't give you a time target on it, because those are largely responsibilities shared with other levels of government.

I didn't want to indicate that the \$10 billion to \$14 billion that we see as a capital requirement for the railroad should come from other than the railroad or just the government. I was hoping to imply that the railroads simply have to generate enough funds from revenue to service debt to put that \$10 billion to \$14 billion in place. If it weren't going to come from the railroads, it would have to come from the government.

In the doom and gloom scenario, it all isn't going to happen in 1985, but no matter what inputs we used for our forecasting, 1985 appears to be the beginning of the difficulty accelerating quickly into 1990, when it becomes very difficult. No matter what inputs we used, we came to that same conclusion. Forecasting is an imprecise science, but it clearly delineates your options. So the two differences perhaps between the sulphur scenario you painted and what we presently face are that there is going to be an enormous demand from third-world countries

that are oil sellers, for protein; the second is that coal is becoming much more desirable, and I think we see another 10 million tons of coal being superimposed on our system. So when you add those two things in that's what we see, presuming that energy costs are to continue to escalate. It must be clearly understood that you can't react to the problem in 1985. We react to it now and responsibly bring it to this table, because we see the planning necessary now.

I think I've answered everything you asked me as best I can.

MR. SINDLINGER: Yes, the minister has, but I'd like to ask some supplementary questions please, Mr. Chairman. Mr. Minister, you've indicated that you have done a fertilizer plant study for the north. I wonder if that could be made available to the Members of the Legislative Assembly. Secondly, in regard to the \$13.5 million guarantee to the Neptune consortium, I'd like to ask just for clarification if we have a further contingency commitment or obligation in the long run, in terms of the operation or financial integrity of the terminal.

You've indicated that the Canadian Wheat Board sets the inland terminal charges. I would like to ask you if those charges would be sufficient to enable the government of Alberta to recover its investment, and if it were expected to recover investment, when we could expect the payout period to end and what the anticipated rate of return would be on that investment.

In regard to the coal slurry pipeline, the question was brought up the other day in regard to what routes were under consideration. The response was along the lines that the routes would be determined by the availability of coal deposits, their location, and the ultimate destination of the coal. I would like to wonder out loud whether some consideration is being given to constructing slurry pipelines for existing coal exports, those coal shipments that are taking place today over existing rail lines, the object being not to develop new coal markets but to take off the rail the coal that is on the rail today so that there would now be more rail capacity for other commodities. And there are other commodities as well as coal which could go by pipeline, of course; that is, sulphur. If both sulphur and coal could be put in a slurry pipeline, it would free up more capacity today for other commodities.

Thank you.

MR. PLANCHE: Very quickly, the Alberta Terminals Ltd. investment study properly should come from my colleague the Minister of Agriculture, in those terms. The study for fertilizer would certainly be available, subject to the caveat that if there are letters where the forecasts have come from corporations to me as part of input, that would not be available. The Neptune terminal thing: no commitment or anything other than the \$13.5 million guarantee is implied. It should be understood that all of the participants in it have agreed to a cost of service throughput which may be somewhat different than their contracts were before they became part of the consortium. It may very well be that in the future we'll look to our government for surge capacity for de-hy pellets. That's a possibility, but there has been no commitment in that regard.

The slurry line for sulphur is being researched now. We haven't considered the ability of moving up the timing of the line, until we're certain we have a medium that's

effective for coal. There are some serious difficulties in using water, for a variety of reasons.

MR. SINDLINGER: Mr. Chairman, another supplementary question. Last night when we were dealing with the estimates of the Department of Agriculture, I posed the question in regard to the throughput charges on the inland terminals. I thought the response I got then was that the question was better directed to the Minister of Economic Development. Where do I go to get the answer?

MR. PLANCHE: The question asked of me was: will this satisfy the investment in the terminals? That's not the same as what the throughput charges — I don't have the throughput charge in front of me, but it is set by regulation. The economics of that as it affects the purchase price properly belongs to Alberta Terminals Ltd.

MR. SINDLINGER: Just for clarification, so we establish what I am asking for. It is the basis for the throughput charges on the inland terminals. I'd like to know if the users are expected to cover those costs, when those costs will be recovered by this government, and what the rate of return on investment is intended to be. I don't mind who gives me the answer, so long as you just bear with me and direct me to the proper place.

MR. PLANCHE: I appreciate that. I don't want to prolong it, other than to say that they are set by regulation, so it isn't necessarily a function of the economics of the purchase. But how that will affect the return on investment properly belongs to Alberta Terminals Ltd. It may not, but my colleague would respond.

MR. CRAWFORD: Mr. Chairman, I move that the committee rise, report progress, and ask leave to sit again.

MR. SINDLINGER: Mr. Chairman, before we do that, there's some difficulty that there's one more outstanding question that I've asked the Minister of State for Economic Development — International Trade.

MR. CHAIRMAN: For the hon. member's benefit, we have not completed discussion on these estimates yet. Next time we'll be continuing where we left off.

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, 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. CRAWFORD: Mr. Speaker, while it's still 1 o'clock and before it's later than 1 o'clock, I'd just indicate that Monday evening is the time we would propose to call the Department of Education estimates. The afternoon will be devoted to what I might describe as other departments that are ready. Tourism and Small Business would be one, and possibly either Consumer and Corporate Affairs or Government Services. I mention that because it won't be possible on Monday afternoon to continue with the department the Committee of Supply has had under consideration this morning because of the absence of one minister.

[At 1 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]