

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, October 14, 1981 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. PLANCHE: Mr. Speaker, because of the special relationship Alberta has developed over the years with the province of Hokkaido, Japan, to encourage both cultural and commercial exchanges, today it's a very real pleasure for me to introduce to you, sir, some members of the junior chamber of commerce from the city of Obihiro, Japan, as well as from the Japanese junior chamber of commerce collectively. They're seated in the Speaker's gallery and in the members gallery, and I'd ask them to rise and receive a very special welcome from the House.

head: **NOTICES OF MOTIONS**

MR. R. SPEAKER: I would like to give oral notice of motion for the designated motion for Thursday that would read as follows:

Be it resolved that the Assembly has no confidence in the Honourable Member for Whitecourt because of his unethical participation in a Cabinet vote and decision establishing new boundaries for the City of Edmonton which caused property owned by the Honourable Member to become part of the City of Edmonton.

Mr. Speaker, in making this notice, I request unanimous consent of the Assembly to waive the provisions of Temporary Standing Order 8(3)(b), in order that this motion may be designated for Thursday, October 15, 1981.

MR. SPEAKER: Before putting the question to the Assembly as to whether there will be unanimous consent, may I express my great concern about the manner in which this motion was brought before the Assembly. Of course, it implies improper conduct on the part of a member of this House. Until the motion can be debated it is out there, you might say, with no opportunity to answer or deal with it. It would seem to me that, having regard to the motion perhaps not being of the most urgent type, notice might have been given in the ordinary way.

MR. CRAWFORD: Mr. Speaker, a word on the hon. leader's proposal, if I might. I could note that presumably it would have been within the capacities of his office to have provided me with a copy of that before now. I just now received one.

Mr. Speaker, I have noted what you have said in connection with the matter and would conclude only by saying that it seems to me a matter that in all respects can be dealt with in the ordinary way and requires no special status. Unanimous consent would therefore not be given.

MR. R. SPEAKER: Mr. Speaker, speaking to the comments of the hon. House Leader and to the point at hand. The opposition party has the right to designate a motion in the Assembly, and we would normally do that on Tuesday to give members the opportunity to see the resolution as such. Today the Legislature starts on a Wednesday and, under the circumstances, we felt this was the only way we could bring this matter to the attention of the Legislature at the earliest possible time. On that basis, we have done just that.

If you allow a time frame to elapse on an issue such as this, you are condoning whatever has happened and accepting those particular items.

SOME HON. MEMBERS: Oh, oh.

MR. R. SPEAKER: As leader on this side of the House, it is my feeling that the matter should be brought up at the earliest possible convenience.

MR. SPEAKER: There is some validity to what the hon. Leader of the Opposition has just said in support of the request for unanimous consent. My concern is simply that a member of this House has, by necessary implication, been accused of something which may or may not be fairly serious. Whenever possible, that sort of accusation should be made under circumstances where there is at least some possibility, whether it be inside or outside the House, for the person who has been accused to make some reply. I might say, with great emphasis and sincerity, that I would make the same plea on behalf of the hon. Leader of the Opposition if he were at the receiving end of a request of this kind.

Is there unanimous consent?

SOME HON. MEMBERS: No.

head: **TABLING RETURNS AND REPORTS**

MR. SCHMIDT: Mr. Speaker, I beg leave to table replies to motions for returns 121 and 123.

MR. DIACHUK: Mr. Speaker, I wish to table the 63rd annual report of the Workers' Compensation Board of the province of Alberta for the year ended December 31, 1980. Copies of this report were distributed to all members of the Assembly earlier in the summer.

At the same time, Mr. Speaker, I would like to correct a date in the 1979-80 *Hansard* report. When the report was tabled on May 22, 1980, a typographical error pointed out that that was the report for the year ended September 31, 1979. It should have read December 31, 1979.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. D. ANDERSON: Mr. Speaker, today it's my pleasure to introduce to you and to members of this Assembly five members of a political club in post-secondary institutions in Calgary who have come today to view the proceedings of the House. Before introducing them, I might just say that I've had a chance to discuss political issues with these students and feel that it might not be that long before they're sitting on the floor of the House rather than in the gallery. I'd like to ask Susan Reid, Jim Scott, Cynthia Moore, and Alice Hedges, from the Uni-

versity of Calgary, and Lars Leihman, from Mount Royal College in my constituency, to rise and receive the welcome of this Assembly.

MR. R. SPEAKER: Mr. Speaker, prior to moving to Orders of the Day, I'd like to raise a point of privilege in the Legislature, according to Section 14(2)(a): "Before the Orders of the Day are called . . . A member wishing to raise a question of privilege shall". I raise the matter under that section of our standing rules of the House.

Mr. Speaker, I would like to raise the question of privilege regarding what I feel is a clear contradiction between statements made to the Members of the Legislative Assembly last May 27 and 28 by the Attorney . . .

MR. SPEAKER: Order please. I regret interrupting the hon. leader. As he knows, if it is genuine a question of privilege always involves a breach of privilege. Of course, that means that someone is accused of breaching a privilege of this House or of the Assembly.

Now, our *Standing Orders* require one hour's notice to the Speaker, but I must say to the hon. leader that I have not received that notice. The notice which I did receive says that a question of privilege will be raised with regard to a statement made during debate on Vote 4 of the estimates of the Department of Housing and Public Works. It indicates the Attorney General in that regard. Now, that would indicate that for me to follow the spirit and intent of the rule with regard to notice, I would have to read the entire debate on Vote No. 4, because nothing is indicated here as to what the statement might have been, and I would have to try to guess to which of those statements in that entire debate the hon. Leader of the Opposition might be taking objection. There might be statements in there that might appear false to him, concerning which I might not know whether they were true or false.

This notice came to me a scant 65 minutes before the opening of the House, which is just 5 minutes over the required minimum under the *Standing Orders*. Even if I had been determined to do so, I would have liked the opportunity to read all the debate on Vote No. 4 of the estimates dealt with earlier this year. Therefore, I must say to the hon. leader that I have not received notice of this question of privilege and that if he wishes to provide me with proper notice, adequate notice, even today or tomorrow, I'll immediately take it under consideration. Then I'll be able to deal with it when he raises the point in the Assembly.

Again, we are dealing with a matter which makes an accusation against another member. That's perfectly in order. If a member commits a breach of privilege, then an accusation should be made against him, especially if it's something serious. But the practical operating of the rule would be frustrated if I were to accept this as a notice of this point of privilege. Consequently, under the *Standing Orders*, in the absence of proper notice, I must decline to deal with the topic and ask the hon. leader: if he wishes to pursue this indicated course, might he give me a notice which would give me some particulars.

MR. R. SPEAKER: Mr. Speaker, speaking to the comments you've made with regard to the point of privilege. In the *Standing Orders* of this Legislature, it's indicated: "a written notice containing a brief statement . . .". Rather than going into all the details of the statement,

that's why the statement you received was brief and to the point, relative to the time at which I felt a breach occurred.

Mr. Speaker, it is my intention to follow up this matter, and I will prepare for you what you feel is proper notice. Certainly, by discussion back and forth, I hope we can reach a conclusion to meet that end. It is my intention to raise this point of privilege again, if not later today, certainly first thing tomorrow.

head: ORAL QUESTION PERIOD

Alberta Economic Conditions

MR. R. SPEAKER: Mr. Speaker, my first question is to the Premier. It's in line with what we feel is a very important theme for this Legislature: that questions and concerns of the man on the street should be brought to the attention of this government. At present, we have high interest rates, young farmers . . .

SOME HON. MEMBERS: Question.

MR. R. SPEAKER: . . . young cattlemen, and businessmen in difficulty. My question to the Premier is: what has the Premier planned for this fall session in terms of a program or a thrust that will deal with some of the economic problems that face Albertans today?

MR. LOUGHEED: Mr. Speaker, I'd be delighted to respond at considerable length to that important subject, would do so in the course of my remarks on Motion No. 11 today, then would welcome the rebuttal comments of the hon. Leader of the Opposition in due course.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Municipal Affairs, hopefully getting a more specific answer than that. It's with regard to the 8 per cent gas tax that the government is planning to apply to all municipalities and consumers across this province. Could the minister indicate when that gas tax will go into effect and if the government is still going to proceed in that manner?

MR. MOORE: Mr. Speaker, perhaps I should explain to the hon. member that at the request of the Alberta Urban Municipalities Association, several months ago we implemented a committee comprised of two members of the AUMA and two members of the Association of MDs and Counties, together with two resource people — one from the Treasury Department and one from the Department of Municipal Affairs — who undertook the task of reviewing the fiscal relationships between the government of Alberta and its municipalities.

Early in September, that committee made an interim report to me relative to the committee's views of whether or not it would be reasonable to have a municipal gasoline tax to finance transportation costs. Without comment as to the government's view on such a tax. I forwarded copies of that report to the president of the AUMA and the president of the Association of MDs and Counties and asked if they might reproduce that committee report which had been provided to me and have their members consider the validity of such a proposal. That was done by the AUMA at their recent annual convention in Calgary.

As the member would know, the matter was considered

and, after some debate, a majority of AUMA members voted not to support the introduction of a municipal gasoline tax. The matter had not previously been, nor is it anticipated that I would ask for the support of either the cabinet or the government caucus. In view of the lack of support by the AUMA, I would now consider the matter to be a dead issue as far as implementing it is concerned.

MR. NOTLEY: A supplementary question, if I may, to the hon. minister. When the minister appointed the committee representing the AUMA and the representatives of government, was any suggestion made to that minister's advisory committee that a system of revenue sharing relating to resources or income tax would not be considered by the government? In other words, what was the mandate given to the committee? Was there any suggestion at all, any limitation of that mandate in reviewing the fiscal arrangements between the government of Alberta and the municipalities in this province?

MR. MOORE: Yes, Mr. Speaker, there was. On a number of occasions, the government of Alberta has had discussions with municipal governments relative to a proposal that there might be some form of sharing of the natural resource revenue or the income tax revenue. Indeed, that matter has been debated in this House and responded to by the Premier, the Provincial Treasurer, and others. The government's position is that the sharing, on some kind of formula basis, of natural resource revenue or income tax revenue is not a matter that's open for discussion. For that reason, I instructed the committee that it would be most useful for them to pursue the route of looking at other sources of revenue the province was presently receiving that might be shared with municipal governments, or new sources of revenue. But I did specifically say to the committee that it would not be useful for them to pursue any proposals for the sharing of either income tax revenue or natural resource revenue.

MR. NOTLEY: Mr. Speaker, a further supplementary question to either the hon. Minister of Municipal Affairs or the Provincial Treasurer. Given the best estimates of the provincial share as a result of the energy agreement, has there been any review of the revenues expected by the province as well as expenditures to allow the government to reassess its position in light now of, I believe, a proposal made by the AUMA that 8 per cent of the resource revenue be shared with the municipalities?

MR. HYNDMAN: Mr. Speaker, a review of the impact with respect to revenues of the energy agreement is ongoing, which will be very helpful to the province. I think we should remember, though, that over the course of years, in order to maintain Alberta as the province with the lowest taxes — no sales tax, the lowest general property taxes, and no gasoline tax — and in order to expand where necessary and appropriate the highest level of quality public services in education, health, and social services, which we now have, those revenues will certainly be needed. As hon. members know as well, the heritage fund is in a position where it cannot meet all the various requests of it by the various Crown corporations, so it will still have to have realistic expectations with respect to budgeting in the years ahead.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In light of the government's position, which I take it is still one of opposition to sharing

even 8 per cent with the municipalities, will the Provincial Treasurer indicate when we might expect a tabling of the government's revenue and expenditure projections so that Albertans may judge whether or not sufficient money is coming over the next five years to allow revenue sharing?

MR. HYNDMAN: Mr. Speaker, that matter will be addressed in the forthcoming budget next spring.

MR. MANDEVILLE: Mr. Speaker, I would like to direct a supplementary question to the hon. Minister of Agriculture with regard to the serious financial situation being faced by feedlot operators and cow-calf operators. Is the minister monitoring the situation they're facing, and has the government or any officials had any recent meetings with the officials of the organizations of the industry?

MR. SCHMIDT: Mr. Speaker, we've had the opportunity to spend considerable time with each of the organizations that represent the various segments of the livestock industry in the province and, as recently as last week, had the opportunity to receive an update on the views of the industry itself; also, the opportunity to confer, with the information gathered on behalf of the industry by the department itself. We have constant touch with the markets that exist throughout the province, particularly the auction marts at this time, and have tied five of the majors directly to the department by computer, giving us a fair cross section, starting with Lethbridge, Fort Macleod, Calgary, Ponoka, and Clyde, to give us a daily report on daily sales by both quality and quantity, recognizing that perhaps the key and the peak of marketing for replacement cattle takes place about mid-October.

MR. MANDEVILLE: One further supplementary question, Mr. Speaker. Could the minister indicate whether the department is coming up with any concrete plan to assist feedlot operators and cow-calf operators in the province?

MR. SCHMIDT: Mr. Speaker, the latter part of 1980 showed a decline in prices for fat cattle. Of course, the federal government announced that under the federal stabilization Act, no stabilization would be paid to fat-cattle producers throughout Canada for the year 1980, recognizing that the five-year average cut the low price in 1980 from being recognized as being a part of a financial problem to the industry. After that announcement, Ontario made a move towards some of the problems that existed in their feedlot industry, and of course that was picked up in some degree by the producers within the province. The submissions came on behalf of fat cattle, recognizing that concerns were varied at that time, and are still varied in regard to the opinions as to what direction one should go.

The move by the Ontario government, as expressed by producers in the province of Alberta, would do two things for the industry . . .

MR. SPEAKER: Order please. I regret interrupting the hon. minister. My recollection of the question was that it related to the Alberta government.

MR. SCHMIDT: Mr. Speaker, it's a complex industry and one has to look at the history, I suppose, before we can get down to the Alberta approach.

MR. NOTLEY: No approach.

MR. SCHMIDT: The comments as to what would happen within the province in regard to a loss, a depressed market for the feeder industry, and a movement outside the province of Alberta to other parts, mainly eastern Canada and the United States, if a move was not made to recognize the problems that existed for fat-cattle people within this province: that has not taken place and, to use the words of the industry, that whatever moves were to be made by this province should be in the best interests of the industry for the long term, a retroactive payment for 1980 has not, to our knowledge, given us any indication that it would solve the problems that exist for the future of the industry either. At the present time, that has been set aside as being any move that we would make in that direction, recognizing, of course, that one must keep in constant touch with the market to see that those fears do not materialize in the future, and that at this particular time of the season the cow-calf operator, of course, is front and centre.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister telling the Legislature that no short-term emergency action will be taken? I gather the minister has ruled out the \$40-a-head request that we get from a number of farmers at various meetings throughout the province. Are we as members of the Assembly to understand that no action will be taken until all the beef producers agree on a program and that the government, in fact, will wait until we get total agreement, while the cow-calf operators go broke?

MR. SCHMIDT: Mr. Speaker, I think if one were to recall, the request made was for a retroactive payment to fat-cattle people comparable to the move made for 1980, and a retroactive payment for 1980 at this particular time is not a move that would be in the best interests of the industry.

MR. NOTLEY: Mr. Speaker, a supplementary . . .

MR. SPEAKER: Order please. The hon. Member for Calgary North Hill has been trying to be recognized for some time.

MR. OMAN: Thank you, Mr. Speaker. I would like to return with a supplementary to the Minister of Municipal Affairs on the proposed gas tax made by his fiscal relations committee. I think all of us have had the experience whereby some influential people stampeded a meeting into making a wrong decision, which I think happened. Mr. Speaker, I know that the city of Calgary is considering a resolution of this motion, and if others had so done — the city of Edmonton, for instance, and the executive — would the minister then reconsider his position with regard to the imposition of a gas tax?

MR. SPEAKER: Order please. During the summer adjournment, the hon. member may perhaps have lost the significance of hypothetical questions.

DR. BUCK: Mr. Speaker, I'd like to direct a supplementary question to the Minister of Agriculture. Is the minister in a position to indicate the effect the high interest rates have on direct loans for farmers and what that interest rate is at present? Is the minister considering a shielding program for farmers who have direct loans with

the Agricultural Development Corporation? At the same time, maybe the minister can indicate if many farmers at this time are in a position where they may have to default on their payments.

MR. SCHMIDT: Mr. Speaker, the Agricultural Development Corporation has always met a commitment to agriculture, starting first of all as a lender of last resort. It has now divided its role between the beginning-farmer approach — and is the sole lender for beginning farmers — and continues as a lender of last resort for the balance of the programs.

The corporation started the year with a preferred rate of 12 per cent with the programs that have an earned interest rebate and, recognizing that high interest affects not only farmers but all Albertans, that interest rate has stayed constant and at the present time is still at 12 per cent, as it has been all year. The earned rebates are still as high as 6 per cent for the beginning farmer and reduced to 3 per cent for some of the other programs.

DR. BUCK: Mr. Speaker, then can the minister indicate at what position the indirect loans, the guaranteed loans, are? What interest rates are Alberta farmers paying for those?

MR. SCHMIDT: Mr. Speaker, the direct loans deal directly, some with agribusiness and some with farmers. All direct loans, other than agribusiness, are still at the basic preferred rate of 12. I think perhaps the hon. member is thinking about the guaranteed loans, which are prime plus 1 as usual, recognizing of course that the treasury branches recognize agriculture and give a 1 per cent reduction on the interest rate to those involved in agriculture throughout the province.

DR. BUCK: Mr. Speaker, a supplementary. The hon. minister didn't answer my question when I asked how many foreclosures there are at this time. Is the minister in a position to indicate if . . .

MR. SPEAKER: With great respect, I don't recall the word foreclosure having been used. In any event, we've had a very large number of supplementaries on the first question by the hon. Leader of the Opposition. I would suggest that we conclude with the supplementary by the hon. Member for Clover Bar, followed by one by the hon. Member for Olds-Didsbury, then go on to the next question and come back to this one if there's time.

DR. BUCK: Mr. Speaker, really the hon. minister has answered the question. They're doing nothing for agriculture.

MR. SPEAKER: Order please. The hon. member has said the question is answered. There's no need for . . .

DR. BUCK: As long as the record indicates they're doing nothing for agriculture, we'll be happy, Mr. Speaker.

MR. R. CLARK: Mr. Speaker, I'd like to direct a supplementary question to the Minister of Agriculture, and ask very specifically: has a commitment of any immediate assistance from the Alberta government been given to the cattle industry in this province?

MR. SCHMIDT: Mr. Speaker, I think we made it clear that the original approach for a retroactive payment for

1980 for fat cattle was the original and only approach that has been made. At the present time, we have agreed that a retroactive payment would not be the answer to the livestock industry. But we have had ongoing negotiations with the industry and have agreed to watch the market itself, recognizing that this is the particular time that the cow-calf industry comes into play in the total picture. If there is any change in that picture, we would certainly consider the industry and the plight it would be in at that particular time.

Constitution

MR. R. SPEAKER: Mr. Speaker, I'd like to ask my second question as well of the Premier. I hope it's on a subject that doesn't become the focus of this legislative session, the matter of the constitution. I'd like to ask the Premier whether Alberta's position still holds with regard to a meeting with the Prime Minister as of October 20.

MR. LOUGHEED: Mr. Speaker, on Monday, in Montreal, there is going to be a meeting of the provincial governments that are interested in a made-in-Canada constitution. At that time, those of us who are interested in responding affirmatively to the judgment of the Supreme Court of Canada, which I wish to describe in some detail during the course of this Legislature, will be discussing the question of meetings with the Prime Minister. That's in Montreal, Monday, October 19.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Premier for further clarification of the answer. At this point, the government of Alberta is still open to looking at a meeting with the Prime Minister, and the door has not been closed at this point in time.

MR. LOUGHEED: Mr. Speaker, certainly the door has not been closed to any negotiations. It's always been the position of the government of Alberta, as it is with the other seven provinces who want a made-in-Canada constitution, that the matter should be resolved in the Canadian way, by way of negotiation.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier with regard to the possibility of a referendum on this issue of the constitution. Is the government considering any legislation to that effect for this session?

MR. LOUGHEED: Mr. Speaker, I doubt that for the fall session there would be any consideration of referendum legislation.

MR. D. ANDERSON: Mr. Speaker, a supplementary question on this topic. Is the Premier in a position to indicate whether or not he has received any information which might enlighten us as to the compromises the Prime Minister is willing to make in order to gain an agreement on the constitutional issue?

MR. LOUGHEED: Mr. Speaker, no, I have nothing that I could constructively advise the House on that news report.

MR. R. SPEAKER: Mr. Speaker, a final supplementary. Could the Premier indicate whether a conversation has taken place between the Premier of Alberta and the

Premier of B.C., Mr. Bennett, the chairman of the premiers' committee?

MR. LOUGHEED: Yes, Mr. Speaker, I had a lengthy telephone conversation last evening with the chairman of the premiers' conference, Mr. Bennett.

MR. D. ANDERSON: Mr. Speaker, another supplementary on this topic. Is the Premier able to indicate that in any negotiations with the federal government, this government will maintain the position that any changes must guarantee the original rights of the provinces in forthcoming constitutional changes?

MR. LOUGHEED: Mr. Speaker, with the possible amendment of the use of the words existing rights, the answer to that is definitely in the affirmative.

Cattle Industry

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture. It concerns the process by which government policy on the problems facing the cattle industry is being developed. Can the minister advise the Assembly what specific meetings the government has had, either by the minister or by other members of the government, with respect to all the farm organizations? Is the input for policy the Alberta Cattle Commission, or has there been formal discussion with the Christian Farmers Federation, the National Farmers Union, Unifarm, and other organizations which represent farm people in this province?

MR. SCHMIDT: Mr. Speaker, over the last six months, we've had the opportunity to sit down and discuss the industry with every recognized group that represents segments of the industry, from western stock growers', the Alberta feeders' association, and the Alberta Cattle Commission. We've had input from Unifarm. We've had individual replies, some on behalf of small groups that belong to much larger groups and disagree with some of the directions and submissions.

We had the opportunity to meet with a select committee set up from a large meeting of fat-cattle feeders in Lethbridge that made representation to government, then disbanded as a recognized group after that approach. We've had formal submissions from each meeting held, starting with the meeting at Clyde representing some of the concerns of the cow-calf operators. I'm sure we'll continue to receive reports, recognizing that we make sure we have people at each meeting held throughout the province so that if questions are asked, they would have the background material that would be required for those groups to arrive at some decisions. So we've had the opportunity to discuss the industry with everyone, from individuals to all the recognized organized groups in the province.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister has ruled out retroactive payment for last year. What specific assessment is being made by the government of Alberta with respect to the problems faced by Alberta cattle producers, particularly cow-calf cattle producers, who find themselves totally at the mercy of the market place in Alberta, while their brethren in Saskatchewan, Quebec, Ontario, and other provinces are being assisted of late by their respective provincial govern-

merits? What specific review has been undertaken of other programs of assistance provided elsewhere in the country?

MR. SCHMIDT: Mr. Speaker, if one were to look at some of the programs available in neighboring provinces, the support is down the road and ahead. We have had the opportunity to look at and be close to the markets that exist within the province of Saskatchewan, which is the second-largest producer of cattle for Canada. Alberta being the key in the livestock industry in Canada, the price trend is of course established here within our province.

In being close to the market throughout the province, we find that numberwise, the normal movement of cattle for replacements that go to eastern Canada and into the United States is really no different to date this year than in the past. The market has been steady, although it is down somewhat from last year. But recognizing that the cyclic nature of the beef industry placed the fat-cattle people at the lower end, and the cow-calf operator going into really the first year of reduced prices, and recognizing that the prices are although somewhat lower in 1980 than in '79 — '79 being a record year for calf prices — if there is any move to a lowering trend further than what exists today, it should show up in the cow-calf price in the very near future.

MR. NOTLEY: Mr. Speaker, it's an interesting market forecast. My supplementary question to the hon. minister: in view of the fact that many producers are now facing the prospect of actually going out of the business, going broke, and other provinces have programs in place, is the government of Alberta now giving any consideration to any form of emergency, bridging-type assistance at this stage?

MR. SCHMIDT: Mr. Speaker, the opportunity and the offer to the livestock industry in this province is that if the organized groups, on behalf of whatever segment of the livestock industry they represent, and the market conditions show that some move should be made on behalf of the industry within this province, we would certainly welcome their suggestions on what direction one could go in providing whatever support they felt necessary for, basically, the short term and the long term. One has to recognize that some of the existing programs are on a voluntary base, they're on a shared program, and amongst the producers in this province there are still differences of opinion on which is the best route to go to provide any support whatsoever to our total industry.

MR. NOTLEY: Mr. Speaker, a supplementary question.

MR. SPEAKER: Followed by a final supplementary by the hon. Member for Bow Valley.

MR. NOTLEY: Is the minister telling the Assembly that this government is not going to move until we have total agreement from all the groups representing cattlemen in this province? In fact, we won't be moving very quickly, I can assure you. Is any consideration being given at this stage to developing a program of stabilization, making it voluntary as is proposed to start on January 1 in Saskatchewan, or putting it directly to the producers in the form of a plebiscite?

MR. SCHMIDT: Mr. Speaker, I thought that question was answered, inasmuch as the opportunity for a pro-

gram exists on two conditions: first of all, that the program meets the short- and long-term requirements for the industry, as recognized by the industry; secondly, the indication from a market point of view certainly has to be the indicator in what direction one would go, and at the present time that indicator isn't there.

MR. MANDEVILLE: A supplementary question to the hon. minister, Mr. Speaker. I appreciate that the minister indicates that not many cattle are moving out of the province of Alberta as of today, because not many feeder cattle are moving as yet. Does the minister have a concern that when the cow-calf operator starts to market his calves, we'll be drawing the industry out of Alberta into the provinces which have the subsidized programs?

MR. SCHMIDT: Mr. Speaker, we're as deeply concerned in regard to the industry and the role it plays in this province and that they stay. At the present time, there is no indication that any of those conditions exist.

School Bus Regulations

DR. BUCK: Mr. Speaker, I'd like to address my question to the Minister of Transportation. This has to do with people issues that we're going to concentrate on this fall.

AN HON. MEMBER: Question.

DR. BUCK: Just relax there, team. They may be able to control that side, but they can't control this side, Mr. Speaker.

My question to the Minister of Transportation has to do with the use of flashing lights on school buses within municipalities, towns, and villages in Alberta. Can the minister indicate to this Legislature the criteria the minister's department has established as to when flashing lights are used and when they are not used in this province?

MR. SPEAKER: Is the hon. member asking for particulars of a regulation which is now in place?

DR. BUCK: No, Mr. Speaker. It's very simple. If you will wait, I'm sure the question can be answered in just one second.

SOME HON. MEMBERS: Order.

MR. SPEAKER: Order, please. I still want to know whether the hon. member is asking for legal advice.

DR. BUCK: No, I'm not, Mr. Speaker; the policy of the government as to the use of flashing lights on school buses in the municipalities.

MR. SPEAKER: With great respect to the hon. member, that is not determined by government policy but rather by regulation.

DR. BUCK: Mr. Speaker, you mean to say the government will not answer in this Assembly regulations that are ... [interjections] Is that what you're trying to tell me, Mr. Speaker?

MR. SPEAKER: Order, please. It hasn't got that far.

DR. BUCK: Very simply, then, Mr. Speaker, can the minister indicate to the Assembly if the municipalities in

the province will have the opportunity to make regulations within their boundaries as to the use of flashing lights on school buses?

MR. KROEGER: Yes, Mr. Speaker. Municipalities — and I assume we're talking specifically about urban municipalities — can pass a by-law, if they wish, depending on speed limits they set and this sort of thing. The object, I think, of the regulation the Member for Clover Bar is referring to is the non-requirement of using flashing lights in certain situations in urban areas. That applies specifically on the speed limit designated. But if these criteria we have in regulation don't fit, municipalities can pass their own by-law.

DR. BUCK: Mr. Speaker, a supplementary question. Is the minister in a position to indicate if legislation will be brought forward at this fall sitting of the Legislature that will enable them to do it? As far as I can ascertain in the regulation in the traffic Act before me, there is no provision at this time for municipalities to regulate the usage of flashing lights on school buses.

MR. KROEGER: Well, Mr. Speaker, unfortunately I don't have the Act in front of me. I will check out the comments being made and see if I can get that information. My opinion is that they do have the right to do that, but I'd be glad to clarify it for the member.

DR. BUCK: A supplementary question to the Solicitor General. If he can give us the information, can the Solicitor General indicate to the Assembly if there are significant prosecutions for people violating, passing school buses that have flashing lights on, coming and going?

MR. HARLE: Mr. Speaker, I would have to ask the officials in the department for some statistical information.

RCMP Contract

MR. LITTLE: Thank you, Mr. Speaker. I would address my question to the hon. Solicitor General. I understand that a long-term contract was recently completed between the Royal Canadian Mounted Police and the province of Alberta for the purpose of policing this province. Could the Solicitor General advise the Legislature whether this contract determines to whom members of that force shall be answerable in cases of citizen complaint?

MR. SPEAKER: With great respect to the hon. member, if the contract is a public document, then he would be asking for legal advice concerning the significance of a public document. If it's a private document or there are schedules that are private, then of course it would be the minister's decision as to whether or not that information ought to be made public.

MR. HARLE: Mr. Speaker, perhaps I could shed some light on the matter. The document itself has not been signed. When it is, it will be filed in this Assembly, as was done with the previous contract. I might say that I'm sure the hon. member is aware of the decision of the Supreme Court of Canada with regard to the applicability of The Police Act in this province to the RCMP.

The federal Solicitor General has introduced into the federal Parliament a Bill to amend the RCMP Act which provides for a citizen complaint procedure. He has asked

all the provinces for some response to that proposed Bill. At the present time, the department is preparing a submission to me, to be made to the federal Solicitor General. I might say that the matter is also to be discussed at a meeting being called by the Justice Minister of Canada in the early part of November.

Municipal Taxation

MR. OMAN: Mr. Speaker, the question I was going to ask has been discussed. It concerned the gasoline tax, but I understand the minister's position. I'll try the other one once more in a different form. Under what conditions would the minister think of imposing the tax if it could be done?

MR. NOTLEY: If he can get away with it.

MR. MOORE: Mr. Speaker, the matter has been discussed by the Urban Municipalities Association. That is a decision that association made, and I don't want to pursue the issue any further.

Cattle Industry

(continued)

MR. R. CLARK: Mr. Speaker, I have a very straightforward question to the Minister of Agriculture. It goes back to the question I asked earlier about a commitment by the minister as far as a program to assist beef and cow-calf operators is concerned. My question to the minister now would be: can the minister give a commitment to this Assembly that the Alberta government will take whatever steps are necessary to guarantee that Alberta beef producers will be able to retain that 43 per cent of the slaughter market they presently have in Canada? Will the minister give to the Assembly that kind of commitment, that the government will take whatever steps are necessary so Alberta producers will at least be able to hold the 43 per cent of Canadian slaughter that we presently have?

MR. SCHMIDT: Mr. Speaker, over the last five years the province of Alberta has maintained, within about 15 per cent, that supply from both live cattle and slaughter, in numbers and percentages, as being the largest producer of beef within Canada. The commitment that we have made to the industry itself, that if the future — and I'm now speaking of the market — is an indicator that a move is necessary to the total industry, and with the agreement of the industry, we would certainly take a look at any move that would maintain this province as being the key in the livestock industry for Canada.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. Is the minister prepared to give to the Assembly and to the industry a guarantee that if the minister sees the 43 per cent declining in Alberta, this government is prepared to make money available to Alberta producers so we can in fact increase that percentage of the Canadian slaughter, as opposed to the fears many people have, in the minister's riding and my own, that we will slip below 43 per cent? Can the minister give us that kind of guarantee?

MR. SCHMIDT: Mr. Speaker, I thought we had made it clear that as a government we would certainly see that we maintain our position as being the prime producer of beef

in Canada.

Incidentally, that percentage is over 43 per cent. If you take the provincial slaughter within our own province that's utilized right here, it's just under 45.

Psychiatrist Shortage

MR. D. ANDERSON: Mr. Speaker, my question is to the hon. Minister of Hospitals and Medical Care. I wonder if the minister can indicate to this House if he's had a chance to investigate reports that there is a severe shortage of psychiatrists in the city of Calgary and, if so, what the results of that investigation might be?

MR. RUSSELL: Mr. Speaker, unfortunately there is a shortage of psychiatrists in the city of Calgary and in some other parts of the province. Medicine Hat comes to mind as well. [laughter]

But aside from any humorous side effects members might observe in this topic, it's a serious one facing our province. I had an opportunity to discuss it with other health ministers at our annual meeting of ministers in Newfoundland last week and invited them to send their spare psychiatrists to Alberta, if they had any. Particularly at the General Hospital in the city of Calgary, where they have a very active and excellent in-house program, they are suffering from a severe shortage of staff that's now reaching the point where the program is being seriously affected.

I don't know what we can do to attract more psychiatrists to the province. Obviously the need is here, and the opportunity for professional advancement is here. I believe we're creating an excellent medical environment for all of the disciplines within the medical field, and we're doing our best to attract more psychiatrists here. I know that my colleague the Minister of Social Services and Community Health is [as] concerned as I am and may want to supplement my answer. But at this time, I can only confirm that the shortage exists, and we can't seem to find the people to fill the shortage.

MR. D. ANDERSON: A supplementary question, Mr. Speaker. Is the minister able to indicate what effect this is having on programs, if there are individuals being harmed by the lack of psychiatric care available in Calgary, and if there are other specific avenues he's exploring in an attempt to solve this serious problem?

MR. RUSSELL: Mr. Speaker, I think the people here are doing the best they can to carry out the programs they are developing. It's my understanding that not all the beds that are available for use are being used because of the existing shortage of staff. If it gets much worse, of course, it will mean that some Albertans requiring psychiatric help on a voluntary basis will have to wait longer than what we would like to see them wait. But other than trying to attract the necessary manpower that is needed, I don't really know what more we can do.

MRS. EMBURY: A supplementary question, Mr. Speaker. In view of the fact that this is a very competitive market, would the minister please indicate if he would be willing to put some emergency funding into the Calgary General hospital, so the psychiatric department would be assured that they would be able to hire qualified staff and the people of Calgary would be well served by that unit?

MR. RUSSELL: Well, Mr. Speaker, if money were the only problem involved, I think that we could probably find a way to provide additional funds, but . . .

DR. BUCK: Marvin says no.

MR. RUSSELL: . . . it's my understanding that the manpower simply isn't there at any price, and that's what has to be a matter of concern. There's a real shortage of qualified psychiatrists willing to practise in southern Alberta at the present time.

MR. SPEAKER: The time for the question period has gone by, but in view of my having recognized the hon. Member for Edmonton Mill Woods, if the House agrees and on the assumption that this would induce an admirable brevity, could we have one further question?

HON. MEMBERS: Agreed.

Calgary Olympics

MR. PAHL: Thank you, Mr. Speaker. My question is to the Minister of Environment. But before I pose the question, inasmuch as I am on record as being the first associate member of the Calgary Olympic development committee, I wish to acknowledge the contributions of the Member for Calgary North Hill, the Minister of Recreation and Parks, and our Premier, in achieving the 1988 Olympics for Calgary, and extend congratulations to the city of Calgary on winning the Olympics for all of Canada. [applause]

Acid Rain Report

MR. PAHL: Mr. Speaker, my brief question to the Minister of Environment relates to a report of a subcommittee of the House of Commons regarding acid rain. The recommendation in that report was that the government of Alberta attach a maximum priority to the control of acid rain-causing pollutants and extend to zero the increase in pollutants to the year 2000. My question to the hon. minister is: has the government of Alberta responded to this report, and in what manner?

MR. COOKSON: Mr. Speaker, I think the hon. Member for Edmonton Mill Woods selected the right minister for brevity. We have the report; we're reviewing it. In the foreseeable future, we'll comment with regard to any changes we might make in our present legislation. In closing, I just might add that the report by nine interpolitical members of the federal government is very complimentary to Alberta. As far as they can detect, there is no indication of any deteriorations as far as soils are concerned with regard to the problem of SO₂. I say this despite some of the gloom and doom prognosticators of this province who, on occasion, raise this myth about the destructive condition of the soils of Alberta. [interjections]

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

11. Moved by Mr. Lougheed:

Be it resolved that the Assembly approve in general the

operations of the government since the adjournment of the spring sitting.

MR. LOUGHEED: Mr. Speaker, the purpose of this particular motion on this particular occasion is to have a full and complete accounting to the Legislature by the leader of government with regard to the operations of the government over an extended period. This period is since June 2. I certainly welcome any questions that might be raised in terms of the remarks of my full and complete accounting to the Legislature and the people of the province.

Mr. Speaker, the four and a half months since this Legislature was last in session have been simply an incredible period of major events of very great significance to the province and to the country, a number of events which have extremely long-term significance to all members of the Legislative Assembly and of course, to the people of the province. There were some special events that I want to refer to. Shortly after the House adjourned, and with the input of the debate we had here in the Legislature, the Executive Council made an important decision with regard to the future boundaries of the city of Edmonton. I think the result of that decision was extremely well received by the parties and the citizens involved, and responded to some of the views that had been expressed in this Legislature and to the aspirations of citizens in this Edmonton area as well.

In my judgment, a second very important event, because of my strong feeling about volunteerism, was referred to by the Member for Edmonton Mill Woods: the awarding of the 1988 Winter Olympic Games to the city of Calgary; important because, as we saw with the Commonwealth Games in Edmonton, as we observed to a different degree but with the same thrust in seeing our own Alberta Summer Games in Lethbridge, what we've seen over the period of time: events of this nature can have a great deal of impact upon a community in a positive way, in resurrecting and assuring that even as communities grow larger and larger, the sense of volunteerism, which has been very much a part of our Alberta way of life, is not lost.

The third particular event I wish to refer to, and later in my remarks would like to come back to, is that this has been the international year of the disabled. There have been some very important events that I've personally been involved in and, together with other members of the Legislature, have observed.

With regard to the fall session of the Legislature, a number of very important Bills will be introduced to be considered by the Legislature for consent and approval. As has been the practice in the past, Mr. Speaker; we will be receiving the report from the select committee on the Heritage Savings Trust Fund. We will be presenting estimates for the capital projects division, and no doubt we will have a very good and useful debate with regard to the appropriation of funds, under the Heritage Savings Trust Fund, to the fund.

I want to say a word about the mood of Albertans in this middle of October 1981. Despite a few pockets of concerns which I'll deal with in my remarks, the mood of the citizens of this province is certainly one of great confidence in their province and in the province's future. My colleagues and I have had the opportunity, not just through the cabinet tour in southern Alberta, to be in a number of different parts of this province, which is where I prefer to spend my time — I was going to say, rather than attending meetings in Ottawa, but that's part of the

job too. I prefer to spend my time in the various parts of this province, and certainly that mood of confidence is there.

I'm also very pleased that despite the influx we've seen of many people coming from all parts of the world, the values we have in Alberta, that we inherited from our pioneers, this value system our pioneers have left us as such an important legacy, remains generally throughout our province. I recall particularly the spiritual revival I was privileged to be a part of when Billy Graham was in Calgary during the course of the summer, and the general reaction I received on a number of other occasions during the summer as well when we talked about values and the values of our society in this province.

It's my intention in reporting to the Legislature, Mr. Speaker, to respond first in the very important priority areas of people programs we've been involved in over the course of the summer months, and their impact upon our citizens in sustaining a quality of life. I'd like to start with the important social program area of housing. Members of the Legislative Assembly will recall the simply massive support this government has provided by way of assisting Albertans in improving the state of their accommodation. We suggested that it would be important to develop a comparison with the rest of Canada, of how we were doing on this particular matter. So in mid-September, we released a report done for us by Clayton Research Associates Ltd., which shows that the Alberta government investment in housing was higher than all other provinces combined, and more than the total expenditure by the federal government in all of Canada, and that that support totalled \$500 per capita in Alberta last year.

Despite the extent of that involvement, we continued to make moves to improve our programs with regard to housing, in particular with the crucial, perhaps the key program, the Alberta family home purchase program, in which, because of circumstances, we changed and adjusted the maximum income guidelines for eligibility and the price for homes which qualify. Mr. Speaker, I believe the subsidies for low-income citizens under this family home purchase program are considered by most objective observers as unparalleled.

The home ownership thrust of the government — and that is our priority approach to housing — has therefore been such that the take-up of this program exceeded our expectations in a very significant way, and we ran out of appropriated funds at a relatively early time in the year. Now that was partially due, unfortunately, to the private sector backing away because of the national high-interest rates being involved in the housing industry and in housing construction in Alberta. As a result, we discussed and carefully considered our position on this matter. Despite the Clayton report, we have decided to extend our program for this year. This additional funding will contribute towards mortgage financing of 1,850 more home-ownership units and 1,350 more rental units in Alberta.

We had to make some important judgment decisions in terms of priority and eligibility under the family home purchase program. We reached the conclusion that there had to be residency within Alberta by an applicant in at least two of the past 10 years. We also made the important decision that an applicant would be required to have at least one dependent child. These are not easy decisions but, I believe, appropriate decisions to make under these circumstances.

The result is that in addition to what we had already set forth — 8,200 home-ownership units and about 8,000 rental units provided for in the Home Mortgage Corpora-

tion's budget — we've allocated some \$200 million more in this important area of housing. I think residents of this province, whether they're in home-ownership or rental accommodation, are well aware of the unparalleled support being provided, as it should be, in my judgment, by the government of Alberta through the Heritage Savings Trust Fund but also through the appropriations. We trust that the Legislature would support the government's decision on sustaining that very, very strong position in housing.

Mr. Speaker, I would like to move next to the important area of hospitals. The health care system in our province improved with physiotherapy treatments in private clinics, which was an insured service set forth on July 1. I believe legislators are aware that Alberta provides the most generous support of its kind in this particular area.

In terms of our health care, we have also been involved in a very massive program of capital construction. During the course of the past number of months, I had the opportunity to be involved in opening the regional hospital in Red Deer, visiting and going through the new hospital in High River, and being advised by many members of the Legislature about their being involved in new hospital construction in the province. I think it's very gratifying to hear the response of our citizens in this particular area, and to recognize that they are aware of the emphasis placed by this government on people programs and a need to use our funding under these circumstances in this way.

Construction has been started in six communities on some very unique 10-bed hospitals, to assure appropriate health care facilities within smaller communities. That's not being done in other parts of Canada. For economic reasons, other parts of Canada have moved to a higher degree of centralization of health care in the rural parts of their provinces. That has not been our approach. We're also involved in issuing tender documents very soon for prototypical 25 to 150 beds in a dozen other communities, to create some element of standardization which should expedite construction and still be appropriate to the circumstances. Next week, I'm going to be involved together with, I'm sure, some other Members of the Legislative Assembly in the opening of the southern Alberta cancer treatment centre, adjacent to the Foothills hospital in Calgary. All this is a very significant priority of our government in terms of health care and hospital construction.

I should mention that we anticipate difficult negotiations, over the course of the winter, with the federal government on health care funding. I want to come back to that subject later on.

During the course of the question period today, the whole matter of skilled manpower was mentioned; the difficulty in such a growing province of meeting the skilled manpower in these people program areas, and that it isn't simply a matter of money but of trying to keep up with the very rapid growth involved. That will be a factor of pressure upon the Minister of Hospitals and Medical Care and his staff in that department.

I'd like to move next to an important report for the Department of Social Services and Community Health. Their reorganization, which has an emphasis on decentralization, is well under way, with six regions involving the hiring of regional directors, of which five have been hired. Over the course of the summer months, we also made changes in the Alberta assured income plan by improving the benefits in a number of ways both for the

severely handicapped and for our senior citizens.

With regard to foster care, the Ombudsman provided the government and the Legislature with a useful report. The minister has been involved in the satisfactory completion of 35 of the 40 recommendations. The other five have been referred to the Cavanagh Board of Review. The child protection training program is under way. There has certainly been very significant progress in this foster care area since the House was last in session.

The department and the government also funded emergency shelters for women in seven communities, which are part of presentations that have been made to us. I would like to mention, as an aside, that we receive a very high degree of input in a multitude of ways from citizens, of actions they wish us to take. Both as MLAs in our constituencies and as a provincial government, we work hard in being responsive to the requests of citizens. We can't be responsive to all of them and, at times, it takes some opportunity to consider ramifications. But we are responding to these requests and needs.

An advisory committee on suicide prevention has been established, which was also a request of a number of groups within the province. The regulations for the new Family and Community Support Services Act were promulgated over the course of the summer months. We increased funding for health units and improved dental services to underserved areas. Quite a record of performance in one very important area over a short period of time.

That brings me then to the whole question of the disabled in our province and the international year of the disabled. It's a special year. Members will recall the emphasis given to this matter in the Speech from the Throne at the commencement of this session. There has been a clearly significant follow-up in this area in a multitude of ways, some of which I wish to mention. Over the course of the discussions and debate this fall, other matters will probably be raised as well. The committee responsible has certainly made good progress in a number of projects. Specifically in the area of rehabilitation, there has been a 29 per cent increase in the vocational training program spaces in Alberta and 159 new community residential spaces in 15 locations. In addition to this area, the provincial government made a decision this summer to respond to requests by the Canadian National Institute for the Blind in Edmonton for renovations to their facilities, which were badly needed. I'm sure that support would be affirmed and endorsed by members of this Assembly.

I've had some personal involvement in three particular ways in this international year of the disabled, that I want to reflect upon this afternoon with members. First of all, very early in the summer recess, I was involved in a project that didn't receive a great deal of public attention, yet it pointed out for me an example of being closely involved at a community level. I was asked to be involved in the Edmonton Gold Bar constituency, with the member, in a project involving the Capilano playground. It was designed and worked on by a local community group, with some considerable difficulties, to fit together activities for disabled young people and other children all in one playground. It was a heart-rending afternoon to be involved there. My credit goes to all who were involved: the volunteers, the local government, and the support we were able to give from the province. In my judgment, it's an example of really seeing the end result of some of the decisions you're involved in, in this Legislative Assembly.

Another very significant event for me personally was to

be involved at the Calgary child care centre, which has been in operation for six decades, and to see the new equipment and new staff involved in that Heritage Savings Trust Fund project; to be involved and to see what it's going to mean in terms of child care for Albertans wherever they reside, and to see that we were able to attract people with facilities of that nature which, again, are unique probably anywhere in Canada if not in other places; to see where, with a new piece of equipment, instead of being involved with a child having to give blood in the traditional way, just a pinprick is all that's needed to complete all the blood tests required by the doctors who are looking at that particular child. Some 15 tests can be done with a pinprick of blood in this new equipment — the sort of thing that's going on in Alberta today. It's not just a hospital, it's a school, and I think it's something that has shown the way with volunteers as well.

The third particularly significant event I was involved in was something that was personal to me because I was involved in the decision-making process, and that was the decision, as part of Kananaskis Country, to see that beauty and to know that it was going to be enjoyed by Albertans from every walk of life, but to recognize that it was perhaps very difficult for citizens who are handicapped to participate in the joy and beauty of that part of Alberta which is a provincial government recreation area, and to consider some way in which they could enjoy it and appreciate it despite their disabilities or handicaps. And so the concept which, I'm told, again is perhaps unique in the world, of developing a situation there in the special user facility, called the William Watson Lodge, was something very special. It was very special because it gives priority to disabled Albertans of every age. They can simply come on a first come, first served basis to the units that are there. They can come with their family or with friends, and they can enjoy it in a setting that has been developed just for people who are handicapped or disabled. It's something very special to be able to do.

When we sometimes try to divorce the energy issues and the revenue issues of this province from the people issues, we make a very serious mistake. Because it is only because we are in this very fortunate position of managing resources in the way we have, that we're able to do these special things that are not able to be done in other parts of Canada, if not other parts of the world. I hope that other members of this Assembly who have not had the opportunity will, when they visit Kananaskis Country, go and see the William Watson Lodge of which, in my enthusiasm, in a typical way, I said that if it was fully used by disabled citizens over the course of the next year and a half, I'd make the plea to the Legislative Assembly that we expand it.

I'd like to move next to the area of education. As members are well aware, for some years I have had a very strong personal concern in the social studies curriculum in this province, and the need to improve our curriculum with regard to the awareness of our young Albertans in the history and geography of not just Alberta but of our country. I join with others in being concerned about the results of the Canadian awareness project, which involved a number of students in grades 6, 9, and 12, that really showed the lack of awareness of some very fundamental aspects of our history and geography in Canada. I wasn't particularly surprised, but it really reinforced my concern. I think it is very important that we continue with the successful and full implementation of the social studies curriculum within this province, and that over the course

of the next two or three years we consider it one of the most important thrusts in education. It disturbs me that within legislative debates, both in the period of time I've been here and in the previous time, there is so little debate about the issue of curriculum. I don't know why that is, but it seems to have been the case, and I would hope we have considerable attention directed by all the people involved in education in this province, including the Legislature, in the area of curriculum.

We also brought in this summer for the first time, again as part of the international year of the disabled, a curriculum designed especially for those who are moderately handicapped; again, I think, a very important new development. It's been very helpful for the teachers to have this specially designed curriculum that responds to those within the classroom who are moderately handicapped.

We have, of course, other work that's being done in the educational field, including the rather regular one I've heard in the number of years I've been in this Legislature, that has to do with the matter of education finance. But I think it is the area of curriculum that I find particularly interesting, and I hope that members of the Legislature join me in that support, that we should press on with that. I would prefer it to be a higher degree of mandatory requirement than perhaps some of the other members of the Legislature, but I think that's a matter for debate and discussion here.

In the area of advanced education we've had, as I'm sure members are aware, quite an upturn in enrolment, particularly at the universities. I'm told they are able to cope with the upturn of enrolment at the universities. The Alberta Heritage Scholarship Fund involves 3,200 scholarship winners. Talk about a program that's a winner! That program certainly is.

We've been involved with capital projects in the past year, and I will absent from the House on Friday to attend the official opening of the agriculture and forestry complex at the University of Alberta. I was present, together with a number of other MLAs, at stage two at the University of Lethbridge just a month ago. I've been involved in discussions and decisions about new facilities at the Banff Centre, and matching donations from the private sector.

One of the keys in advanced education, for Members of the Legislative Assembly, was the decision announced by the minister sometime ago of decentralization of our trades and technology training, and it's important to report on the follow-up. Later on in my remarks, I will get to the matter of the manpower situation in this province. But I think it is very clear now that the decision had to be made to respond to the requests of our young people for skilled training, by taking advantage of the base within the colleges and by extension within the colleges to technical and trade training. There's been a 31.5 per cent increase in the colleges, of those who have been involved in technical training. Our apprenticeship registrations are quite impressive in terms of increasing at 3,000 per year over the past number of years, and they now exceed 28,000 in this calendar year. We've been involved in new facilities throughout our technical schools and colleges, and of course they involve both instruction facilities and housing facilities.

I would like to say that the approach by the minister, which was supported here, to the concept of educational consortia, to bring postsecondary elements to areas not previously served by the province, was very innovative, and has been responded to well in what's termed the Big

Country area in Drumheller, the Chinook area in Pincher Creek-Blairmore, Drayton Valley, the North Peace, and [Yellowhead] in the Edson-Hinton area. Courses are now being offered this year, which I think was a very important new step.

The decision-making process in the area of the Northern Alberta Institute of Technology and the Southern Alberta Institute of Technology involved decisions to move away from strictly departmental control to one that involves public boards, which has worked well in the rest of our postsecondary system.

I'm pleased to be informed and to advise the Legislature that, with regard to Athabasca University's relocation to the town of Athabasca, the target has now been moved ahead. It is now going to be in place in 1983. That is very positive for that institution. I'm also told the new trades and technical centre in Stony Plain will have its first students just two years from now in the early fall of 1983. It's obvious to me that the skilled society we live in is one that's recognized by our young people, and that our young people are looking to this government to respond to their desire not to be involved in an employment situation that is of an unskilled nature but to respond to the aspirations they have, to develop a skill, a trade, a profession, or very much a training through our postsecondary system. In terms of people programs, I believe it deserves the high priority it has.

I'd like to move on to some other areas with regard to people programs, and report to the Legislature. Relative to parks, we're all aware of the considerable progress that has been made. In the southern Alberta cabinet tour, I used it as an example of the use of the cabinet tour, because I recall being involved in a cabinet tour in southeastern Alberta where a very useful submission was made by the community of Medicine Hat, arguing — effectively, I thought, and my colleagues thought so too — that it wasn't good enough for us merely to have a policy of metropolitan parks in the Capital City Park here in Edmonton, and the Fish Creek Provincial Park, but to consider that other major urban areas outside the metropolitan centres be involved with parks too. That program has been endorsed by this government. It is moving ahead in a planning and design stage in Lloydminster, Medicine Hat, Lethbridge, Red Deer, and Grande Prairie. It has been well responded to by those who have been involved.

In addition, with regard to the recreation area programs, the department has provided both capital and operating to help rural municipalities develop and operate local parks. So the balance is there, not just in the larger urban centres but also in the smaller ones. I'm sure, because of circumstances this summer, that members would be aware that we've had good progress on your very supportive appropriation of funds for expanding provincial parks.

With regard to the exciting Kananaskis area, I had a site visit there, as I mentioned, and noted there's a call for tenders from private-sector developers for the alpine village, for the golf course and for an alpine ski area that are under way right now. It's clear, for those of us who look at it objectively, that this area will be very positive in terms of taking pressure off the national parks in Alberta.

With regard to recreation in addition to parks, I've mentioned the significance of the support for the funding of games. Of course we have the funding of the World Student Games here in Edmonton in a multitude of ways, and members may wish to raise questions with regard to that matter.

On the cultural side, there's been a broad scope of

summer programs, Mr. Speaker. There's been a start on the Calgary centre for the performing arts, the planning of the Drumheller museum is proceeding, and the new three-year support for the professional performing arts, which we announced this summer, was very well received.

In Native Affairs, the corporation to provide business assistance for native Albertans has been launched. It's one we trust will receive support, and certainly already has been responded to positively, by native entrepreneurs. One of the significant matters which has been raised, and perhaps one on which members may wish to question the ministers involved, was the decision of our government on Native Outreach. We were puzzled and troubled by the federal government decision to abandon their financing of this particular project. I thought, and I think others shared the view, that Native Outreach was a success story and that it had very definitely shown its way in terms of the Syncrude project in Fort McMurray, but in other areas of the province, in terms of helping our native people find useful and effective employment in a number of ways. That success story being struck down by the federal government in the way it was done was, in our judgment, unfortunate, so we simply moved in. We trust the Legislature will endorse our appropriation of funding to assist Native Outreach and put it into the position it was in before the federal move.

During the course of the summer recess, we had a very important meeting with the Indian Association of Alberta in June at Government House. We reviewed with them the special program of \$10 million for roads. But I thought the most useful part of that meeting with the delegation came about in a request from the native people to review the way in which we have responded to requests for roads within the Indian reserves in this province. It seemed timely to us to reconsider that perhaps we were overdoing the emphasis on legal requirements; that perhaps we should come up with another way in which we're not asking them to surrender legal title, but we can work out an arrangement within these Indian reserves, with the support of the bands, that would permit us to do more that would be beneficial, not just to the people within the Indian reserve but to all the surrounding communities, in the upgrading of roads.

I think it is so important in this native area, Mr. Speaker, to be able to respond in a positive and constructive way, where you can see the tangible results. This certainly strikes me as an approach we should be taking. There was a general consensus of those of us involved that more should be done by the government with the Indian bands on a basis of responding to the requests of individual bands, rather than always generally through an overall association, although certainly we would be responding to the association as well.

In this area, I should mention that during the course of the summer the Minister of Environment negotiated extremely effectively and skillfully, in my judgment, a very important agreement, not only for water management and irrigation in southern Alberta but just in the manner in which the minister did in fact undertake the negotiations with the Piegan Band. Getting away from this attitude of suspicion in this area and showing our credibility and that we're prepared to back up our commitments by following through on them, is so important to us. I think that agreement with the Piegan was fair to all involved: to the citizens and to the people in the band. I suggest it is the sort of approach that should be looked on by the government and by the Legislature in trying to come to grips with helping our native people in this province.

In the area of safety, I was pleased that the Minister responsible for Workers' Health, Safety and Compensation endorsed the recommendations of the construction task force on safety. That occurred during the summer period.

In the Legislative Assembly today, in the question period, there was mention of the successful conclusion — that's what my note said here — of negotiations on a 10-year agreement with the Royal Canadian Mounted Police. I have to have some apprehension. The Solicitor General, in answer to the question, said that the agreement had not yet been signed. But I presume he feels that the agreement has certainly been concluded in a negotiating sense. I think it's true that although there are some concerns — the hon. Member for Calgary McCall was alluding to them in his question — the general view of Albertans is that, because of the history of the Royal Canadian Mounted Police, that is our preference for undertaking police services outside of urban areas within Alberta. Certainly it's going to put some pressures on the provincial government, and I'm sure members in their own constituencies have already been hearing about pressures on municipal police arising from the agreement with the RCMP. We'll have to consider how we respond to that.

Mr. Speaker, that is a very detailed outline of a very extensive number of people programs I wanted to present in housing, health, education, social services, for the disabled, for foster care, and for native people, because I feel it is important for us, as members of the government, to communicate to the citizens of this province the actions we're taking in this important area, and the responsiveness we feel we have to the citizens concerned.

I'd like to shift now, Mr. Speaker, to economic developments in the province. But before doing so, I believe it's important to underline again that the Alberta economy is not involved in a situation where it can operate independently of what is going on in the rest of Canada or internationally. We, as part of a trading nation and part of the world economy, are very much subject to what occurs in other parts of the world. At times I am concerned that there is too much provincialism in our assessment of economic matters, and that we of all people, living in an area where we're so involved in commodities such as grain or beef exports, oil and natural gas and coal, and involved in an economy that is really in the world market place, are not more conscious and aware of international events and their significance upon us.

With regard to that matter, we in our government — certainly the Provincial Treasurer and others who have been involved — are constantly assessing trends and forecasts in the international economic area. It was just last week that I had the opportunity to visit with our advisers under the Heritage Savings Trust Fund in London, England, and some other important inputs during the course of the summer. It appears that the concern I expressed in this Legislature a year and a half ago, about the absorption, of petrodollars in the world monetary system, was not the problem that was anticipated and that the absorption has occurred relatively well.

I'm sure it's obvious to members of this Assembly that the western democracies are clearly in, I think, close to a recessionary economic situation at the moment. Mr. Speaker, I believe it is obvious to members of this Legislative Assembly that the key, in terms of the world economic scene, involves some very, very important decisions and new approaches which are being taken in the United States, in terms of economic policy by the Reagan

administration. And all of us who are concerned about democracy and the fact that democracy can only flourish when there is reasonable prosperity, are anxious about the success of this new American experiment, this new American approach. Because it's obvious that unless they can have recovery without inflation of the magnitude we've seen within the United States, the impact upon the western democracies, both in direct terms but also in psychological consequences, will be very significant.

The interest rate policy, which has been the approach of the Federal Reserve Board in the United States, has had some success in recent reports, in terms both of United States inflation rates and of the aggregate money supply.

Other international factors that have been involved lately are also significant. There are some who look at the area of oil pricing and get some comfort in the present position where there is an oversupply. But that is relatively artificial, because of the policies of Saudi Arabia and because of the reduced demand throughout the western world and the world generally for oil, arising from the economic situation I just described. The forecast is clear. The Saudi Arabians have clearly re-established themselves as the dominant force in OPEC and are in the position now, and will be in the position over the couple of years ahead, to control the balance between pricing, and demand and supply, in a way that should see, up to a point, a steady position of price increase, but not an extreme one.

But that's subject to the important unknown variables involved: first, the variable of the anticipation of shortage and what that results in, in terms of psychology on pricing, and particularly pricing of a commodity such as oil; and, secondly, the variable of the whole supply situation with regard to the mid-east area. The explosive nature of the world economically, in terms of reliance for such a key commodity as oil on one very unstable region, is clear, as we saw in the tragedy in Egypt just a week ago. The impact here in Alberta and in Canada is obviously very, very significant.

The other variable we've seen over the course of the summer is the unrest in Poland, the instability there, and the developments that are occurring there. It will be important to watch that in terms of its impact upon the world scene. The instability factor is significant to us, members of the Legislature, because we are a trading province in a trading nation. It is so important for us to not only be attuned to these events but to do our very best to anticipate them and have contingency plans in the event of unusual alterations.

This brings me to the Canadian economy. There's no doubt in my mind, and I don't think it's too stark to state, that we're now in a recession; that we certainly have high inflation across Canada; that perhaps outside of areas such as Alberta, there is considerable unemployment; that we persist in Canada with a balance of payments problem which is extremely serious and is looked upon by the world investment community with considerable concern; and that we have, too, a problem with regard to the federal government and its deficit, although today's initial reports from the Economic Council of Canada were relatively more positive on that score.

Despite the resources and the skills, the Canadian economy is in very poor shape, in my judgment. For federal economic policy has been, over the course of the last year and year and a half, uncertain and inconsistent — the kindest words I can use, I think. Now, perhaps within two or three weeks, I'm advised through the

Provincial Treasurer, there will be another federal budget. No doubt we'll have more to say about that when it comes down. I'm sure its implications upon all of Canada, not just upon Alberta, will be substantial.

Mr. Speaker, I am very troubled by one important development that has occurred with regard to the Prime Minister in the last month. I think it's obvious to Canadians that we cannot have economic progress in this country in our federal system unless the federal government is working co-operatively with the consensus of the provinces. It's obvious, for example, because even on fiscal policy it's the nature of our Canadian Confederation that the provinces can, if they're going in a different direction from the federal government, literally cancel federal fiscal policy. It's obvious, with the provinces' ownership of resources and control over education, that some of the important issues of resource development and manpower have to be done in a co-operative way between the federal government and the provinces.

I thought it was obvious, and when in 1978 I attended two first ministers' conferences on the economy, which were open and televised conferences — certainly we had our private meetings to develop a communique, but we had that discussion in an important way in those two meetings about intermediate term goals for the Canadian economy.

At the premiers' conference in August, there were some subjects that had some disagreement. But there was one subject on which all 10 provincial governments were in full accord: there simply could be no way in which the federal government could pretend it could develop economic policy without sitting down and working it out with the provinces. And that word "co-operative federalism" seems to be one I could trace back to 1968. It strikes me as obvious, and I think most Canadians would consider it obvious, that because of what's been involved there should be, at the very least, an annual conference of first ministers on the economy. At our meeting in Victoria in August, the premiers said that such a conference was very much overdue. There hadn't been one since 1978, three years ago.

All 10 premiers then joined in establishing what we called a program for Canadian economic recovery. I won't go into it in full detail, but some of the items are very important for Alberta and for western Canada. We stated at the outset that the conclusion of a fair and equitable energy agreement was fundamental as a first step, and I'll come back to that. We went on to say that there needed to be a realistic Canadian approach to the export of commodities such as coal and natural gas, and that this strategy would improve Canada's balance of payments position and serve to strengthen the Canadian dollar. We went on to say — all 10 provincial governments — that the fundamental role of investment in any recovery plan must be a major part of Canadian public policy. The role of investment is a major part, hence investment must be encouraged.

We went on to say, and I want to come back to this too, that the Canadian transportation system must be strengthened to improve access to the national and international market place for Canadian products. And here is a very important statement by all 10 provincial governments: the pace and scale of efforts to increase the level of Canadian ownership must be carefully considered so as not to undermine other measures taken to inspire investor confidence. Now that was all part of a very important statement that was made at that time.

The chairman of the premiers' conference met with the

Prime Minister in September to discuss a first ministers' conference on the economy. I was perhaps misled somewhat by a letter from the Prime Minister to all of us, which implied that he was responding positively to our request, to our proposed conference, and to the discussion that would be held. I was surprised at the report in September of the result of the meeting of the Premier of British Columbia with the Prime Minister. Because essentially the Prime Minister said, I don't want a first ministers' conference on the economy and, if I have one, I'm not prepared to have other than a session where we simply sit down in private and discuss the matter.

I find that extremely disturbing. But I'm equally disturbed at the lack of awareness of Canadians and Albertans that that was the position taken. I think it's very important that that be emphasized in the months ahead. I gather that the position taken by the Prime Minister was that what would come out of such a conference was, as he quoted it and I quote, "fed-bashing". Well, Mr. Speaker, I went back to 1978 and I looked at both the communique and my own statements. We were not involved in fed-bashing — that's the expression that was there. We were involved in a constructive, co-operative way towards getting the economy of Canada to reach its full potential, and assuring that we in the western part of Canada were not fighting off the obstacles created by the federal government, but that all parts of Canada were reaching their potential. So I was very disturbed, and I would hope legislators are disturbed, that we've got this position taken by the Prime Minister, with the focal point on so many other subjects. Perhaps that's why there's such a low awareness of his refusal to meet with us to work on co-operative federalism in terms of an economic way.

Mr. Speaker, it seems that the federal government — and we'll look forward with interest to their budget — therefore want to muddle along with their approach. But I suggest that if they continue to muddle along, most Canadians will face a rather bleak economic future. Essentially, all that the economic policy of the federal government really seems to me to be, and this may be too harsh, is that they are relying upon the United States economy to recover, and that that recovery in the United States will drag us along to some element of improved growth and avoid the present sluggishness and wasted opportunity. If that is the economic policy of the federal government, as reflected by their failure to want to meet with us and work co-operatively, then I think it is really disturbing for Canadians wherever they live.

Mr. Speaker, this brings me to the important subject of interest rates. I discussed this in answer to questions in the Legislature last spring. I raised it again when I spoke in Halifax at the end of May. I presented it further with some considerable support in Victoria in August at the premiers' conference. And then I presented it to the Canadian Chamber of Commerce in my address to them in September. I started off by saying that the premise I was going to raise was probably one they wouldn't accept and that I would probably be in a minority position with it, but that I wanted to put it forward anyway. To my surprise, they endorsed the view I expressed. I considered this view with my colleagues and with others; that is, the position that should be taken in Canada today by those of us in public responsibility, that we do not have to automatically track United States interest rates. I want to develop that.

First of all, let's look at the background of why we have these interest rates. We're told by the Governor of the Bank of Canada, in the position he's taken both

publicly and directly with the Treasurer and myself, that if we don't follow United States interest rates as they increase or as they're sustained at the present abnormal level, the Canadian dollar will suffer; there will be a considerable decline in the value of the Canadian dollar, and we simply have to continue to do that.

The American reason for being involved is entirely different, in the sense that they have reached the conclusion that it is important, because of their different economic mix, their much more highly industrialized mix within their country, that they can go along with a period of meeting inflation by reducing money supply, force themselves into a shorter term recession, and come out of it with the position of responding with lower inflation and with economic growth without that high inflation rate.

But the economic mix within the United States is very different from the economic situation in Canada, where our farmers, our fishermen, and our small business people are in a much different position, and are a much more significant part of the overall Canadian economic impact. I then look at the situation of inflation at, say, 12 per cent and interest rate at 22 per cent, and I find it difficult to justify how we can have inflation at 12 per cent and interest rates at 22 per cent. Certainly there has to be a percentage of real return to the investor, but surely that percentage does not have to be at the present level. Historically, it's been at a level of about 2 to 4 per cent.

Over the course of the summer, I also studied the interest rate policies of other countries in the Organization for Economic Co-operation and Development, essentially the OECD countries in western Europe. They're proceeding in a very different way, and I think it's important that we assess why they have. So I raised this with the Canadian Chamber of Commerce and to my surprise, and I confirmed this, the Chamber directors also took the stand that Canadian interest rates should not track United States rates automatically. I hope that what I can start here, both in this Legislature and in other parts of Canada, and perhaps through parliamentarians in Ottawa, is a new approach to interest rates and a new decision with regard to the need that we not automatically track American rates.

Now, the argument that we have to have two basic thrusts. The first one is that if we don't do it, we will see a significantly lower dollar. Well, first of all let's keep in mind we would have some significant benefit there relative to our exports, particularly in the United States. Remember too that our farmers compete in the world market place with countries such as the United States and France; that within the western Canadian region, we're very significantly an exporting area; and that if we have a lower dollar, that means our imported products are more expensive and the opportunities for Canadian business to get involved in import replacement is significantly greater.

We can see right here in this province a number of cases when we have imported materials for our oil and gas industry that could be fabricated and manufactured right here. More and more of that is going on, but that could be accelerated. So when those people look at the question of a lower value for the Canadian dollar relative to the American dollar, they should assess all those aspects that are involved in it.

The second one is that I don't believe that even the lower dollar would necessarily fall in any significant way if we did not continue to track American interest rates, if — and here's the big if — this country got its economic

house in order, worked together co-operatively, built on strengths; but, more than anything, encouraged the international investor, welcomed foreign investment here, slowed the pace of Canadianization, and got us involved where we welcome risk investors here in this province who come here in joint venture with our Canadian business, and if we did this on a cross-Canada basis; and primarily, if we shift our federal/provincial or our national economic policy back where it should be, back to the private sector — for it's the private sector, as our communique said in 1978, that creates the jobs — if we can get our economy back to the private-sector impact and private-sector approach we were discussing in 1978. If we did all those things in terms of national economic policy, in my judgment we would not have to automatically track United States interest rates, we could have a much significantly lower interest rate, and we would not have a very significantly decreased value of the Canadian dollar.

Now in this Legislature and in other legislatures across Canada today, there is of course the traditional call for interest rate subsidies, and no doubt we'll hear more of that later. As a government, we believe in interest rate subsidies in certain special cases, such as those people who have low incomes, who are involved in going into a home. We're involved with interest rate subsidies with our beginning farmers; we're involved with interest rate subsidies for small business through our Alberta Opportunity [Company]. But we see no logic to being involved in across-the-board interest rate subsidization.

I'm sure it's going to be presented by the opposition. Let them present it, because that's the sort of approach they might think has a short-term gain in the province. Frankly, I don't think it does. I think most Albertans are well aware that the interest rate issue is a national issue that has to be responded to nationally, and they want to see sound economic leadership from the Alberta government in seeing to a reduction of interest rates with constructive policies and a constructive approach along the lines I have been presenting to you in the last few minutes.

Mr. Speaker, I now want to move to the Alberta economy, and the situation of the Alberta economy which is so markedly different from that in many other parts of Canada. That doesn't make me joyful. I would like to see growth in all parts of this country, and it certainly would strengthen the unity of our country. But in Alberta we have a very incredible economic vitality that's really spectacular.

Even with the negative impact of Ottawa's energy approach of last October, reports are that there are 66,000 more new jobs 12 months later in Alberta than there were a year ago. That's an incredible figure. And despite the problems in our conventional oil and gas industry, we have virtually full employment in this province, and we continue to have a participation rate by our labor force that's far higher than the other provinces in western Canada. We have anticipated growth in gross domestic product for 1981 — oh, it's down to 4.5 per cent from 1980's 6.6 per cent: despite the difficulties of the past year, by far the strongest economic position of any part of Canada here in Alberta. I could go on with many of the indices that show the strength and vitality of the Alberta economy despite the difficulty in the conventional oil and gas area.

Mr. Speaker, members of this Assembly will recall that after the Ottawa energy program of last October 28, the government decided upon a shift in direction. That shift

in direction was to recognize that there would be a downturn in the conventional oil and gas industry and a delay in oil sands activity. For that reason, we moved extensively with a new approach to emphasize petrochemicals, forestry, coal, and some public-sector infrastructure in some areas involving technology and research. Clearly that was a very sound policy decision. That's why I can be here reporting to this Legislature at this time about the vitality of the economy of Alberta, despite the downturn in the conventional oil and gas industry, and can come back and say we have confidence in the economy of this province in these circumstances over this past year. I think it was very wise to have made those moves.

Next, I want to dwell at some length upon the agriculture industry in this province. One of the most interesting parts of agriculture in Alberta is that it tends to follow an independent course, relative to the rest of the economy, in its moves and its cycles. It follows that for very obvious reasons.

One of the first and most obvious is that the key in the agriculture area is primarily markets, and hence price. The markets involved are of an international nature, certainly with regard to grain and, with regard to our cattle and beef industry, clearly of a North American nature. The situation and outlook now in Alberta's diversified agricultural economy, is clearly mixed. But the overall position is most encouraging. Realized net farm income for 1981 is forecast at \$873 million, 32 per cent above 1980 levels. That is a very significant increase in net farm income.

Now, we in this Legislature are all aware that this is positive for grain producers, but that livestock producers in general, and cattle producers in particular, have fared poorly. The main reason for the difficulties in the cattle and beef industry is apparent to those who've studied it with any objectivity. The interest rates at the consumer level throughout North America have caused pressure upon family supermarket budgets, and those supermarket budgets show up in a reduced demand for beef and increased demand for poultry and pork.

That shift away, that reduced demand, causes and has caused a significant drop in the price of beef throughout North America. This will be with us until United States, or Canadian interest rates at least, decline significantly. Our basic concern — and this was reflected in the question period today — is with the primary producer, the cow-calf operator. If clearly necessary — and perhaps this was the thrust of part of the question by the hon. Member for Olds-Didsbury — we will move to help the primary producer, the cow-calf operator, as we did in 1976.

The other aspect of the question of the hon. Member for Olds-Didsbury was the support for the whole slaughter industry in this province, and assuring that the overall primary position of Alberta in that industry is sustained. That, of course, is the undertaking that was given by the Minister of Agriculture, and we'll be watching very, very closely in the weeks ahead in this area.

We have had discussion with a number of people in this industry. They've discussed some of their views with us, and asked us to concentrate not just on the short-term area but try to assist them more significantly in a number of other constructive parts of the beef-cattle industry. First of all, they want us to work with them — and it's our view that we can play a larger role — in assisting in national programs to increase demand for beef within Canada. That is a role that we as a province, as a

principal beef producer, can consider.

Secondly, we should be strengthening the Alberta feeder industry. This involves coming to grips with the current Crow rate issue — I want to come back to that with some emphasis — and continuing to work on United States markets in avoiding the import of cheap beef which is dumped into Canada. The proposals before the House of Commons with regard to meat import legislation — it's a useful piece of legislation, but it's been significantly limited by the last GATT negotiations. Our Canadian negotiators were clearly outmanoeuvred when they agreed to a guaranteed minimum access level of imports, arrived at by using Canadian cattle population figures at their all-time high — the top of our cattle cycle. In addition, we agreed to a human population growth factor that no other GATT trading partner was asked to accept, and certainly not the United States. Those facts should be brought to the attention of legislators here.

The situation on the grain side is markedly different and very, very positive. The harvest is overall one of our very best, not just in volume but in quality. In some low-moisture areas, the yields are better than forecast. With regard to wheat, the delivery to primary elevators during 1981 will be 34 per cent over 1980. Prices for wheat in calendar 1981 will average higher than in 1980. The pricing is an interesting subject. It is interesting because to a very significant degree, pricing depends upon forecasts which at the moment are positive on one side, by the poor yields in the Soviet and eastern Europe area and, on the other hand, the high yields in many of the exporting countries. The overall assessment of wheat price forecasting is higher than 1980. In barley, the deliveries are 28 per cent over 1980, and prices for '81 and '82 are forecast to remain relatively steady.

The key on the grain side is both markets and transportation. I'd like to say a word about markets. For those who were in the Legislative Assembly in 1977, when we had a debate on grain marketing, we took the position on behalf of government that it would be important to press through the federal government to the Canadian Wheat Board that what would be desirable would be to try to follow the American example and enter into a long-term grain arrangement with the Soviet Union. Some sceptics and others outside the House said that wasn't either practical or significant. Although I'm not sure I knew they were listening, I was very, very pleased to find that the Canadian Wheat Board was listening to the debate in this Legislative Assembly. In fact, they have responded to some of our urgings that we conducted by way of debate right here in this Legislative Assembly, a debate with regard to grain marketing.

Some people wonder why I carry on the debate; it's a federal jurisdiction. We carry on that debate because sometimes we underestimate the significance of debates we can have in the Legislature of the province of Alberta, and the impact across Canada by people who are listening. We've now seen this summer a situation where the Canadian Wheat Board has said, yes it's a good idea, yes we can do it; and have entered into a long-term grain marketing agreement, with the Soviet Union a principal purchaser. I think that's a good example of what this Legislature can and should be debating in a constructive way.

I'd like to move to transportation, Mr. Speaker. If we have a good crop, steady prices, and the orders appear to be promising, it's certainly been the view of the Canadian Wheat Board, recently expressed, that the key has to be transportation. If you're in a competitive field and have

agreed to provide your product at a certain time, and you don't provide it on time, those of us who've been involved in business know the significance of that. That significance obviously is that you're looked upon as an unreliable supplier. Sure they'll buy from you in periods in the supply/demand cycle when they're concerned about supply. But when it gets into that marginal area, when you have a tough time in terms of markets, they'll turn away from the unreliable supplier.

Where does the responsibility lie in terms of transportation? It's a federal responsibility clear and unequivocal. It's so clear at times that they won't let us become involved in some of the areas in which we're only trying to play a supportive and assistant role. But this government will continue to take the position it's taken over the last three or four years, of being a catalyst in the whole area of grain transportation. We are, I think, within days of concluding a very important arrangement with regard to the Prince Rupert terminal — and that's for a later occasion to respond to.

We're all aware of the hopper cars moving throughout this province. Most Albertans look at those cars — and for some of the sceptics in corners of this Legislature who say there are not many who really know what the Heritage Savings Trust Fund is doing for them, that's not what I hear and that's not what many of my colleague MLAs hear. They're quite aware that a certain color of hopper car is moving around the province. I don't intend to control the precise location of those hopper cars in any event that might occur sometime in the next couple of years, but it will be interesting to see where they are. At the time of that particular event, I'll take some of our friends in the other corner of the Legislature out to look at them.

DR. BUCK: Pierre has still got 10 to your one, Peter.

MR. LOUGHEED: Mr. Speaker, the key with regard to the whole area of hopper cars and transportation is that it is only a partial answer. There has to be a solution, resolved by all participants, to the whole question of what is known as the Crow rate issue, in terms of assuring that the railroads improve their capacity to get our grain to market. It's an issue that involves the strength and vitality of our meat-packing industry in this province and our whole feeder industry as well. In our judgment, the whole Crow rate issue should now be right at the forefront of decision-making in Canada and no longer left at the back burner. We have done some important work, through the Minister of Economic Development and the Minister of Agriculture, in paving the way for bringing a number of parties together — and there are a number of parties involved in the whole question of resolving the Crow rate issue.

Let me just turn to the issue of bottlenecks in the western flow of our products, in terms of both railroads and ports. This has to be a very serious concern. For example, in the early 1950s, Canada exported as much grain as the United States. Today, Canada exports only 20 per cent of what our major competitor, the United States, sends out. It involves not just grain but our whole economy, in terms of commodities and getting those commodities to market. It was very much a part of the western premiers' communique I raised in the Legislature in the spring; and I won't repeat, the matter was filed in the Legislative Assembly. But it is becoming increasingly clear, and we've even had a senator in the federal cabinet refer to the situation in terms of transportation in Cana-

da, that unless improvements are made, quotas are going to be established on western Canada within four to five years in terms of the shipment of our products. This matter was raised towards the end of the spring session — and you could tell the strength of concern — by the Minister of Economic Development.

We're also facing rather quickly a new federal ports policy. This federal ports policy, which is going to be legislation presented before the House of Commons, is a policy that I, frankly, didn't realize the significance [of] when I first came into this Legislature. But you know, and I don't think I'm overestimating it, the port of Vancouver probably has an even greater impact upon the economy of Alberta than it does upon the economy of British Columbia. For a landlocked province, exporting commodities, the ports are extremely serious for us. We have to be much more involved — and I know the ministers feel this way — than we have in the past. We have to have much greater input and be involved in the whole question of the development of the ports as well as, of course, the railroads. We've expressed some reservations with this new port legislation that is being considered, and I think one of the tests of whether or not the federal government is serious about meeting its obligations to western Canada will be its response to the transportation issue, the issue of both the Crow rate Act of transportation generally, and also with regard to the matter of ports themselves in a precise and direct way.

I just want to underline this point before leaving it, Mr. Speaker: as far as our government is concerned, grain transportation, the whole issue of the Crow rate, the issue of getting grain to market, its impact upon our livestock industry, are a very high priority with this government. Over the course of the next year, we hope to try to bring all the parties together, including the federal government, to see if it's possible for us to come to a resolution of that particular matter.

I want to mention some other specific agriculture actions by the provincial government over the summer. As you know, the beginning farmer program is no longer, through the Agricultural Development Corporation, an agency of last resort, and other changes were made. Between April 1 and August 31, 1,634 new farmers were authorized on the beginning farmers program for \$238 million. This compares with the total history of that program of some 806 loans. So the new approach to the beginning farmer program is really working well. The total direct lending of the Agricultural Development Corporation since its inception has been 7,000-plus loans, or \$576 million. We were on a southern Alberta cabinet tour in irrigation areas, and we observed what's happening. We got a positive response. The only concern I would raise is that I think we should try to push a little harder, to move a little faster to get more done more quickly. It is not a matter of commitment of funds; it's the capacity of the contractors and the others involved to move ahead. But I think some special effort should be made to try to move it ahead more rapidly. During the course of the summer, as members are aware, we had a new federal/provincial nutritive processing agreement to enhance the full potential of Alberta agriculture, and are working on that particular case with the federal government.

So I think the summary in agriculture is: the grain side, very promising; short-term concerns with regard to livestock; the need to deal with the transportation area, as I have just summarized; and some other moves that I have mentioned.

Let me now go to other Alberta economic developments in the course of the summer. There are nine petrochemical and fertilizer projects, with a capital cost of \$2 billion, under construction; 11 projects, for \$3.5 billion, announced for 1981-1986. Why? Because we have the assured feedstock here. And that's the key. Because of this, we will have to continue to put more emphasis on working on markets and on transportation for our petrochemical process.

What does it mean to small business in Alberta? It will have benefits in an increasing way to smaller communities, to small business, in skilled jobs, and will provide even greater diversification. The petrochemical scene is clearly a success story. I remember the opposition, again sceptical in '74-76, said it wouldn't happen. I've just developed a record of progress which is really a great success story for this province, and for our economic philosophy and for our economic approach, an economic approach that works because we have investor confidence in this province and because we operate with stability.

Let me move next to forestry. The Grande Cache/British Columbia forest products project is ready to start up this fall. The Brazeau timber development area has been released for proposals.

There's been an amazing turnaround with regard to coal. The prospects for thermal coal are especially strong. Long-term contracts are essentially committed in terms of production from existing mines.

I want to say a word about export trade in this area of the economy. No province is making the effort that Alberta's making in the area of export trade. I know some critics say, well, that's something to leave to the federal government too. Well, we don't believe that. That's not been our approach. Periodically I have a chance to visit with our minister of foreign trade — not frequently; I did see him at Baden-Baden. Today he's in Indonesia, and he's moving around. But do you know how he's doing it, Mr. Speaker? He's moving around with the private sector and talking to the people in the private sector and getting their response to the initiatives being taken by the minister and the people involved. What we're doing is finding out that the technology we have here, the skills and capacity of the people here in this province are an additional asset, an exportable asset, in which the high level of skill, the high level of technology can be developed in trading throughout the world and in other markets in the world, and that means jobs right here at home. I'm glad our Alberta government's doing this.

I want to say a word about tourism. We continue to expand our share of tourism in Canada, and it is an important area of new job opportunities for young people. Our minister is in Japan today, firming up the significance of that particular market in terms of tourism.

A word about small business. It's classed by the department as being those firms which have annual sales less than \$2 million. But here's a figure I wasn't aware of, and I think it's important: 42 per cent of our work force, 470,000 jobs, is involved in small business as thereby classified. We have, with the provincial government here, tax and other policies which are encouraging, and our Alberta Opportunity Company loan approach has been helpful to a number who would not otherwise have been able to become launched.

I want to say a word about transportation. There's certainly a need for transportation, with regard to our roads and highway system, to sustain economic development in the way I've been describing it. I have mentioned

our truck registrations in Alberta before. For those who propose regulation, it's interesting that we had a select committee of this Legislature look at the matter of regulation. Other provinces move in a regulatory way; we've not moved in that way. I think it's shown that that has been good policy as far as this government and this Legislature are concerned. Our highway system is certainly being strained by this economic activity, but we've had the largest road program ever. We've had good weather, and we've had surfacing of over 1,000 kilometres of primary and secondary, and an acceleration of the twinning of both highways 16 and 1. During the fall session, we intend to introduce legislation with regard to the transportation of dangerous goods, and I know it's a subject that's been raised in the Legislature.

In the area of environment, we in Alberta are all aware that with growth must come the preservation of our environment, in terms of the health of both our citizens and our workers, but also with regard to the preservation of the natural beauty of the province. In June, some of the ministers joined with the Minister of Environment and me in opening the Alberta environmental centre in Vegreville, which I'm sure will contribute significantly over the years. This summer, we established a phosphorous removal grant program to assist communities in removal equipment attached to their sewage treatment plants.

We did have to come back with a special warrant with regard to a program we thought we had judged accurately — and obviously we didn't — in terms of water supply and sewage grants. We keep saying to ourselves, this is a successful program. But it's obvious that there's quite a backlog of requests and demands, so we had to come forth with a special warrant in that area. The minister has made, and will be making, a number of announcements with regard to The Clean Air Act.

Mr. Speaker, I've reviewed some major events, and reviewed the people programs in a significant way. I've discussed the state of the Alberta economy in relationship to the Canadian economy and interest rates, and I've just now reviewed a number of economic developments during the course of this summer that affect the province. I'd now like to turn to perhaps the most important event. Even though there has been a great deal of public discussion with regard to the matter, because of its significance I think it is inappropriate not to give a report in some detail to the Legislative Assembly on the energy agreement of September 1, 1981, between Alberta and Ottawa, and I wish to do that.

Mr. Speaker, in my judgment it is perhaps by far the most significant event since adjournment, but perhaps one of the most significant events, if not the most significant event, in the 10-year period this administration has been in office. The long-term consequences and benefits to Alberta are great. The Minister of Energy and Natural Resources and I, and I believe most Albertans, are pleased with the result.

The situation in energy is uniquely Canadian. I've tried to explain it a few times to visitors, and it's not easy to explain. What we really have in the Canadian energy scene is: the province owns the resources and hence is entitled to control the rate of production and the pace and nature of development. But under our constitution, the federal government controls interprovincial and international trade, so obviously they're able to control the pricing of a product when it moves into the international and interprovincial market place, and also the degree in which products would be exported from Canada. So you

have a classic case where there has to be an agreement; there just simply has to be an agreement. When you have a particular situation in Canada where one province, Alberta, is involved with 80 to 85 per cent of both the crude oil and the natural gas production, you have one of those circumstances that, as I say, is uniquely Canadian. There's no other way for Canadians, wherever they live, than to come to a conclusion in a negotiating way between the principal producing province and the federal government. That's what we've faced over the course of the past year.

The federal strategy a year ago, I think with retrospect — perhaps I shouldn't say with retrospect; I thought it a year ago — was to try to blast their way by Alberta and impose control over the key energy industry, and count on Alberta either overreacting to create a public backlash in the rest of the country, which would justify their coming in under other provisions of the constitution and finishing the job, or capitulating as a result of pressure due to disruptions within the Alberta economy. That was their strategy, and it didn't work. The Alberta government, the Alberta people, anticipated it was coming in a significant way. We issued storm warnings. I think that was the phrase: that we were going to be in for a storm. We were ready with our responses when it came on the 28th day of October.

What were our objectives? Our objectives, and the ultimate result, was to assure that we re-established our jurisdictional control. At the same time, we were able to put in place the future opportunity market for natural gas. Oil, as we all know in this country, is declining in reserve, but natural gas is clearly a surplus. We never took the view that the federal government was not entitled to a larger share of the revenues. We accepted the federal right to taxation by way of an excise tax. Some who are in the Legislature will remember Mr. John Turner, when he was Minister of Finance, putting on a 10-cent a gallon across-the-board federal tax, and we said, sure, that's part of federal jurisdiction. We accepted the federal right to put on a windfall profits tax, and I'll come back to that.

We concurred in the Canadianization objective, but we wanted it done in a positive way. That's what was happening in 1977, '78, '79, and '80, with the drilling funds. We still don't like the federal approach to Canadianization, and particularly the difficulties involved in changing the rules on the risk investors who have come here in the past. But above all it was our objective to force the federal government to negotiate an agreement that was fair to all concerned. We knew we had to give as well as take, and so did the federal people. We were satisfied, though, that an arrangement was possible that could meet the objectives of all involved: the federal government, the producing province, consumers, and the industry. We knew it was there to be made.

Our basic strategy was primarily to have leverage to force the federal government to come back to the negotiating table and not permit them to sustain their unilateral moves, but to do it in a way that minimized backlash throughout the rest of Canada and retained Alberta's support. We also wanted an objective agreement that would be long enough in term to put us past the next federal election, long enough also for certainty and stability: about five to six years.

The specific leverage, we're aware of: first and foremost were the cutbacks in production, which were large enough to create pressure but did not create any shortage. The timing of doing it in stages added to the pressure,

and it worked superbly. There was little backlash, and towards the end of the period, when we approached September 1 with the third cutback, the leverage had reached the stage necessary to conclude an arrangement. Mr. Speaker — and for the *Hansard* record — there are two other aspects to the cutback. First of all, the legislation remains on the books and, secondly, the cutback established, without doubt, the jurisdictional right of a provincial government to control the rate of production. And that is so for the future.

Mr. Speaker, the second element of leverage involved the oil sands. We knew, despite protestations to the contrary and discussions about Hibernia and the Beaufort, that the federal government needed the oil sands for replacement, not just of existing foreign imported oil but also with regard to declining production from conventional areas. The support of Albertans and the support of communities in this situation was extremely important, and it was there in a very major way. We tested it steadily. They understood what the leader of government said on October 30, that the federal government had moved in and were attempting to occupy the living room of the citizens of this province. We communicated in language that was understood by our citizens. We took a position of response that was always legal. We didn't make any moves of bluff. We contested the natural gas export tax in the strongest possible case, and we received the unanimous endorsement of that position by our Alberta Court of Appeal, a matter now before the Supreme Court of Canada.

Our tactics involved making time work for us in building pressure on the federal government, and also having liaison and support of the other producing provinces: Saskatchewan and British Columbia. It involved maximum communication with Albertans to sustain both awareness and support. It involved the development of a bottom-line position, developed by a task force back about May 1 last year, to avoid making unnecessary last-minute concessions and to give the principal negotiator for the government of Alberta room in fact to negotiate and do his job. I'm so proud, as are many Albertans, of the superb negotiating skill of the Minister of Energy and Natural Resources.

Mr. Speaker, part of our bottom-line position was that there would be no export tax on natural gas, our flowback arrangement on natural gas should be confirmed, and we should have an atmosphere of co-operation for further exports. Why? The export tax on oil was 20 cents a barrel when it started. It's now \$20 a barrel; not paid by Alberta, fortunately, but \$20 a barrel.

The National Energy Program had a schedule of pricing for the natural gas export tax; it ended halfway through the period of the eventual agreement. What would it have been after that period of early 1983, if you look at the oil export tax as an example? Look at the flowback arrangement we developed in the mid-1970s, in which natural gas producers all share on a prorated basis, in terms of exports to the American market. It's a key for our gas explorers, and it was obvious that the federal government could disrupt that.

It's clear that we need co-operation in developing markets for our surplus natural gas, and I'll come back to that. We were prepared, therefore, to trade in that area, for lower domestic natural gas prices for Alberta gas at the border to be provided for other Canadians. There's the indirect benefit with regard to our petrochemical industries, there's the shift off oil, which helps us in a significant way.

The bottom-line position also involved jurisdiction; that the base industry of Alberta, with agriculture, is our oil and gas industry, falls the management of our resources, the conservation, the economic rent or the royalties, and the nature and pace of development. We accepted the federal government's Canadianization grants, not only accepted administering them but paying for them. We did that because we thought it was significant that if we were going to administer them we would be fooling ourselves that we would have any significance in the involvement and administration of them if we weren't paying for them. Having decided to pay for them, it went into the total equation of revenue sharing, and that's the right way to have put that portion involved in the equation of revenue sharing in the agreement. So we not only are administering the Canadianization grants; we're paying them. And I'm sure the Minister of Energy and Natural Resources would be happy to answer any questions with regard to the background of that, and our reasons for it and the implications.

What is known as the PGRT, the petroleum gas revenue tax: yes, we didn't like it. It was at the wellhead; we've always objected to a federal wellhead tax. We didn't get as far away from the wellhead as we would have liked, but we did get ourselves some distance away through a resource allowance, enough to establish a principle. With regard to the petroleum industry, because revenue-sharing was so significant, we had to negotiate on an industry-wide basis. We knew this would create anomalies and inequities, and that there would be some segments we'd have to work out later, after careful assessment and constructive proposals had been received from the industry. That was the bottom-line position that we had.

I'd just like to touch briefly on some of the essence of the agreement. As you all know, it's a period in excess of five years. It establishes an agreement between the federal and the provincial government on Alberta's oil and gas exploration and development relative to taxation and royalty: they can't be increased over the period. It has a schedule of prices that brings us, at the end of the period, to our target of 75 per cent of forecast international oil prices. It gets us away from a problem we got into in negotiation in the '70s on natural gas sales, by now having the pricing at the Alberta border and not the Toronto city gate.

It involves, as I mentioned, the elimination of the proposed federal tax on the export of natural gas. It improves the cash flow to the petroleum industry of over \$10 billion; they get \$94.5 billion from oil and gas revenues over a period of the five years plus, or 44 per cent. There are prices for new oil and enhanced recovery that really are anticipated international prices; prices for Syncrude, Alsands, and Cold Lake, related to actual international prices, which should allow those projects to proceed; and a revenue-sharing arrangement that's fair to all involved.

Now, what are the benefits to Alberta? First of all, the benefits dramatically reaffirm the ownership right of our province. I may be proved wrong — I'll look back at *Hansard* on October 14, 1981 — but I don't think it's feasible that a federal government would ever again try to impose a unilateral move such as they attempted on October 28, 1980, upon producing provinces that own the resources and have the right to cut back the rate of production as we've established. Secondly, it increases the return to Albertans for the sale of our depleting existing conventional oil resources.

I have mentioned the market opportunity, and I want to take just a moment to deal with the market opportunity. We have a surplus of natural gas. We have a market in the United States, in the intermediate term. We have some short-term difficulties with that market. The only way we can get fully involved with that market is in a co-operative way between the federal government, the Alberta government, and the British Columbia government. We have to work on a pricing and marketing approach that works out satisfactorily between the parties and with the United States authorities and utilities. The opportunity is there. There's no export tax, and that opportunity is there for our gas explorers. The flowback arrangement is intact; the statement in the agreement provides for the intention of the federal government with regard to renewed natural gas exports. We have some work to do on deliverability tests and in other ways, but the opportunity market is open to us as a result of this crucial energy agreement. That has great significance, in terms of both jobs and revenues for the people of this province.

Now I'd like to say, too, that the agreement should encourage the economic growth of oil sands plants, oil sands plant expansion, and a number of significant enhanced oil recovery projects. As far as I'm concerned, it is an agreement of great benefit and long-term significance. But its most important element is that it establishes within the Canadian Confederation that the right of a province to own the resource means that the federal government, in the area of taxing, in the area of pricing, has got to do it by way of a negotiated arrangement. That is the significance of the agreement of September 1, 1981, that I think will carry for decades, in terms of strengthening the Canadian Confederation.

Mr. Speaker, before dealing with the issue of the involvement and the encouragement to the industry, I want to say a word about the impact of the agreement on the consumer within Alberta and on producers, such as agricultural producers, in Alberta. First of all, with regard to the consumer, there is no question that gas at the pump and natural gas in the home will be significantly increased for all Canadians. But if you look, say, to our neighbors to the south, who drive into Canada and line up with their automobiles, sometimes even with their planes, it's clear that we've had a competitive advantage. This competitive advantage on energy prices for our consumers extends not just to the United States but also to all the developed countries in the world. Canada still has a preferred 25 per cent discount on oil, and hence shows up in lower gas costs at the pumps, and even more with regard to natural gas.

When we compare our situation with another developed country, the United Kingdom, the consumer in the United Kingdom is paying world international commodity prices at the pump. But the situation for Alberta consumers is even more preferred. We do not have a provincial gasoline tax, and I'm surprised to find out that we've now had adjustments to ad valorem taxes in most of the other provinces, which means that a percentage is added on in most of the other provinces with regard to their provincial gasoline tax. In addition to that, in Alberta we have a natural gas price protection plan, where one-third of the cost of natural gas at the Alberta border is subsidized by the Alberta government, which means a discount of 20 to 25 per cent in the household bill. So as energy costs increase, as far as the consumer of energy within Alberta is concerned, they'll still continue to have — Canadians first of all, but Albertans in particu-

lar — a preferred position.

With regard to the impact upon producers, let's look particularly at agricultural producers. There's no doubt that all the grain exporting nations have been living with, and competitive with, world prices for energy over the course of the last number of years. We're involved in a commodity market of demand and supply that I've referred to earlier. I haven't any doubt that U.S. agricultural producers are going to pass through their energy costs as they did in the '70s and will in the '80s. I have no doubt that Canadian farmers will pass through their energy input costs and that they will continue to enjoy a specific advantage as well; the advantage I referred to that they as consumers have in Canada.

But Albertan farmers will also be in a position of very significant competitive advantage over the period of this agreement, with lower taxes, no gasoline tax, with the natural gas price protection plan, our farm fuel transportation allowance of 12 cents a gallon: with all these, the Alberta agricultural producer will be in a preferred position, a competitive position, with all those he competes with throughout the world. Alberta farmers will continue to enjoy the lowest energy costs of any major agriculture community anywhere in the world. This will be so for the grain people, and for the livestock people competing in a North American market as well. Some of the statements that have been made over the course of the last few weeks by way of distortion on this subject are simply without foundation.

Mr. Speaker, I want to move on to the question of the impact of this September 1 agreement on the petroleum industry. I know the industry was not likely to be publicly supportive; they weren't in 1974 with our petroleum exploration incentive plan. There are always tensions between the royalty payer and the royalty payee. We've seen that, and we've experienced with regard to it. I do say it's unfortunate that a whole period of time in the conventional oil and gas industry was wasted. I think the whole period between October 28, 1980, and September 1, 1981, was unnecessary and an unfortunate loss of skilled people and risk investors from our country. It's going to take time to bring it back, probably a period of about 18 months; the spring of about 1983, I would guess. I'm sure the minister would be prepared to answer any members' questions with regard to this matter.

On the windfall tax, we contemplated such a windfall oil tax by the federal government. In the Clark agreement, we noted that in a particular way. With regard to the PGR tax, I would like to refer the Legislature to page 10 of the agreement and the intention with regard to marginally producing wells [and] the small oil producers. I have mentioned the situation with regard to new oil. Analysts say that the arrangements are as good as anywhere.

In natural gas I've mentioned the need for working on markets. Because the real problem with natural gas in this province today is a market problem. I think there are

cases that could be justified with regard to cash flow in the earlier period, and we look forward, as I say, to constructive and positive suggestions to the minister and to his colleagues in the department. As we have shown in the past, we will respond positively.

I'd like to make a final observation on the energy agreement and on the energy situation. If our opportunity market is in the United States with natural gas, we have a role to play with regard to easing the tensions and frictions with the United States government in this area. We have a role to play because we believe in the private sector. We believe there's an appropriate place for foreign risk investment here, and we think it's important that the tensions between Canada and the United States be reduced. The atmosphere created by the federal investment review agency, the nature of the takeovers, is one that should be explored by representatives and spokesmen in both countries so there's better understanding and awareness of what our motives are and what our philosophy is.

It is certainly not in Alberta's interest to have a high degree of tension with the United States on trade matters. Our cattle market there is a significant market. Our rapeseed market is a growing one. It's a significant area for petrochemicals and our markets there as well, particularly the one in natural gas and future revenues and jobs for Albertans. So it's important, and an important thrust of our government in the months ahead.

I'd just like to conclude my remarks on the energy agreement this way. It was a very complex agreement; it had a great deal of strain. It's hard sometimes even to contemplate that we were involved in stakes that involved \$212 billion being negotiated over a period of five years. But it did do this: in my judgment, it put a major stop to the Prime Minister of Canada's attempt to turn away from a . . . [not recorded] . . . to a unitary state. As I mentioned, I'm doubtful that in the future the federal government would ever try to do that again to a producing province. We have other problems on the horizon, other very major problems.

Mr. Speaker, if you don't mind, because I do want to deal with the question of fiscal arrangements and the constitution, I beg leave to adjourn this debate at this point.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, just before calling it 5:30, I would indicate that the proposal is that the House sit tomorrow night in order to continue the debate on Motion No. 11, and that the continuation of that debate also take place on Friday.

[At 5:28 p.m., pursuant to Standing Order 5, the House adjourned to Thursday at 2:30 p.m.]

