

LEGISLATIVE ASSEMBLY OF ALBERTA

[Leave granted; Bill 239 read a first time]

Title: **Monday, October 19, 1981 2:30 p.m.**

MR. SPEAKER: May I suggest that in addition to just the numbers, perhaps some identification might be added to distinguish these three Bills.

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 60****The Students Loan Guarantee
Amendment Act, 1981**

MR. HORSMAN: Mr. Speaker, I request leave to introduce Bill No. 60, The Students Loan Guarantee Amendment Act, 1981.

The purpose of this Bill is to increase the limit of the guarantee by the province from \$35 million to \$100 million.

[Leave granted; Bill 60 read a first time]

Bill 237**An Act to Amend The Alberta
Heritage Savings Trust Fund Act [No. 2]****Bill 238****An Act to Amend The Alberta
Heritage Savings Trust Fund Act [No. 3]****Bill 239****An Act to Amend The Alberta
Heritage Savings Trust Fund Act [No. 4]**

MR. NOTLEY: Mr. Speaker, I request leave to introduce three Bills, companion legislation on the Heritage Savings Trust Fund.

I suppose it might be most expeditious to outline briefly the purpose of the three Bills, and then move them individually. Bill No. 237, An Act to Amend The Alberta Heritage Savings Trust Fund Act, would set out diversification as a principal objective of the fund. Bill No. 238, by the same name, would mandate the watchdog committee to hold public hearings on an annual basis. Bill No. 239, An Act to Amend The Alberta Heritage Savings Trust Fund Act, would prohibit debt instruments of foreign-owned or -controlled corporations.

I move first reading of Bill No. 237.

[Leave granted; Bill 237 read a first time]

MR. NOTLEY: Mr. Speaker, I move first reading of Bill No. 238.

[Leave granted; Bill 238 read a first time]

MR. NOTLEY: Mr. Speaker, I move first reading of Bill No. 239, An Act to Amend The Alberta Heritage Savings Trust Fund Act.

Bill 66**The Senior Citizens Housing
Amendment Act, 1981**

MR. CHAMBERS: Mr. Speaker, I request leave to introduce Bill 66, The Senior Citizens Housing Amendment Act, 1981.

This amendment is being introduced in response to recommendations by the senior citizens' lodge financing task force and the Alberta Senior Citizens' Homes Association. The purpose of the proposed legislation is to correct existing inequities by requiring that all municipalities participate in the operating costs of senior citizen lodges.

[Leave granted; Bill 66 read a first time]

Bill 70**The Mental Health Amendment Act, 1981**

DR. REID: Mr. Speaker, I request leave to introduce Bill No. 70, The Mental Health Amendment Act, 1981.

This Bill makes some changes in the make-up and method of appointment of the Provincial Mental Health Advisory Council. It also changes the form of administration of the Alberta Hospitals at Edmonton and Ponoka. In the future, they will be operated by a board, in the same manner as the University of Alberta hospital and the Foothills hospital.

[Leave granted; Bill 70 read a first time]

Bill 68**The Lloydminster Hospital
Amendment Act, 1981**

MR. LYSONS: Mr. Speaker, I beg leave to introduce Bill No. 68, The Lloydminster Hospital Amendment Act, 1981.

The purpose of the Act is to establish an amalgamated board for the Lloydminster hospital district and to change some ambiguity about the requisite powers of the hospital. This Bill has complementary legislation in the province of Saskatchewan.

[Leave granted; Bill 68 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 68 and Bill No. 70 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **INTRODUCTION OF SPECIAL GUESTS**

DR. C. ANDERSON: Mr. Speaker, it's a pleasure for me to rise and introduce to you, and through you to members of the Assembly, a group of 13 grade 12 students from the Blue Quills school. They are accompanied by their teacher Mr. Dave Hansford and by the school

bus driver Mr. Ralph Cardinal. I would ask them to rise and receive the welcome of the House.

MR. SCHMID: Mr. Speaker, it's a special privilege for me today to introduce to you and to members of the Assembly 12 students who are here from Germany on an exchange program with the Edmonton Public School Board. In return, 12 students from Edmonton will go to Germany on the same program.

I want to take this opportunity to congratulate the Edmonton Public School Board for this program, because without doubt it helps to improve and, not only that, better understanding among nations. Especially it will help our improvement of brotherhood and peace among nations.

They are accompanied by Mrs. Annie Foster, and will stay here until December and then return to Germany.

Ich moechte auch nochmals die Studenten in Deutsch aufs herzlichste Willkommen heissen und ihnen einen recht schoenen Aufenthalt in Alberta wuenchen.

They are in the public gallery, and I would ask them to rise and be recognized by the Assembly.

MR. GOGO: Mr. Speaker, I'd like to introduce to you, and through you to the members of the Assembly, 20 students from a special education class of the Lethbridge Collegiate Institute in my constituency. Seated in the members gallery, they're accompanied by their teachers Mr. Allen and Mrs. Pokarney. I'd ask that they all rise and be welcomed by the Assembly.

head: ORAL QUESTION PERIOD

MR. SINDLINGER: Mr. Speaker, I'm rising on a point of privilege today. Last Thursday afternoon, I was honored to be invited by you to a luncheon which I understand was hosted by you and . . .

MR. SPEAKER: I hesitate to interrupt the hon. member, but I have received no notice of this point of privilege, unless it was something that occurred this afternoon. Of course the *Standing Orders* permit a point of privilege to be raised right away on something that has occurred in the House, but for something as far back as some time last week, I would have to say that the *Standing Orders* make it very clear that not less than one hour's notice has to be given. I'm not aware of any such notice.

MR. SINDLINGER: You are correct, Mr. Speaker. I didn't give any notice. But I believe what I have to say has bearing on the question period this afternoon and, with your indulgence, I beg to proceed.

MR. SPEAKER: Is it a question of privilege or a point of order?

MR. SINDLINGER: Well, I'll take either one, if I can.

MR. SPEAKER: Without sniffing the contents of the bottle, I can't attach a label.

MR. SINDLINGER: Mr. Speaker, I sense I have a better chance if I go on a point of order, so if I may, please.

Just for background, so members can understand what I'm getting at: last Thursday afternoon you were gracious enough to invite me to a luncheon you were hosting for five British parliamentarians. It was held at Government

House. In addition to those five British parliamentarians were two others; I don't know what their role was. I was one of about 30 or 40 people attending. There were other MLAs, several cabinet members, and other appointees of the government.

At the conclusion of the luncheon, Mr. Speaker, you got up and gave some remarks. That's the gist of my point of order. I was somewhat surprised to hear what you had to say, given your position in the Legislature, inasmuch as you take a neutral position here. At the time, I understood you to advocate a certain position in regard to the constitution that the British parliamentarians should take when they get back to Britain. Notwithstanding the substance of those comments, the question that rose in my mind was the propriety of your making those comments, inasmuch as you have the position of Speaker in the House. I bring it up today just to ask if you would consider that uncertainty raised in my mind, and perhaps take the opportunity to reiterate those remarks for the members.

MR. SPEAKER: I certainly wouldn't try to reproduce the remarks I made on that occasion with any semblance of accuracy, but I have expressed the thoughts in them on a number of occasions. I have done it without apology on those occasions, and I'll do it again without apology now.

It's simply this: we are faced with a constitutional package which, if adopted, will impair the operation of this parliament of the people of Alberta. It would seem to me that since this parliament has adopted a position to near-unanimity on that constitutional package, as a servant of this parliament I would be able to adopt that position as well without appearing to be partisan; furthermore, that if the rights of a parliament are threatened as the rights of this parliament are, surely not only each member of that parliament, but also the one who has been elected to serve in the Chair, has not only the right but perhaps even the duty — I don't assess that on behalf of any member except on behalf of myself — to speak up in favor of the protection of those rights. It would seem to me that that is as little a departure from impartiality for the Chair as any act of loyalty by a Speaker towards his province or his country might be, if he sees that province or country or its parliament threatened in its rights.

MR. SINDLINGER: Certainly well spoken, Mr. Speaker, and I thank you for erasing that doubt in my mind. The only word I was concerned about was the departure from your regular duties, and I want to ensure that there is no question of your crossing that line between your neutral role and the partisan role that I felt at one time you might have performed at that function.

MR. SPEAKER: Is it the wish of the House that this interlude be counted in the 45 minutes of the question period, or should we see how it goes?

SOME HON. MEMBERS: See how it goes.

Land Assembly

MR. R. SPEAKER: Mr. Speaker, I'd like to direct my first question to the Minister of Housing and Public Works. It's with regard to possible accumulation and assembling of land north of Calgary in the Calgary-Carstairs-Airdrie area. At this point in time, could the minister confirm or deny that the government is assembl-

ing land for annexation to Calgary, housing development or other type of development?

MR. CHAMBERS: Mr. Speaker, we assemble land across the province through the Housing Corporation, the Department of Housing and Public Works, et cetera, for many purposes: institutional, industrial land assemblies, housing at the request of communities, and so forth. I don't know how far north of Calgary the Leader of the Opposition is talking, but we have had a land assembly for some time in Airdrie, for example. I think the member is well aware that the Housing Corporation has been developing a significant development in the Airdrie area and, of course, we've announced a land assembly in the Edmonton area.

But generally I think it's only practical that as a matter of policy we never discuss any land assemblies anywhere until such time as they're accomplished. In other words, at such time as the titles are registered, obviously that's public information. For example, it wouldn't help me to deny at one time that we were assembling land somewhere and the next time refuse to comment, because I think that in itself would give information. So as a matter of policy, I've always followed the practice — and I hope all members, including opposition members, will agree with me — that I just don't confirm or deny land assemblies anywhere until such time as they're accomplished. Once they're complete and the titles are registered, that's a matter of public record.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Could the minister indicate whether monitoring is going on within the area just north of Calgary as to lands available for purchase, and could the minister indicate what firms or what agencies the government uses for assembling land north of Calgary?

MR. CHAMBERS: Of course the question is a leading one, Mr. Speaker. After I've given a reasonable explanation of our practices, I'm surprised the Leader of the Opposition would word his question in that way. However, he chooses to do so.

I would merely point out that with regard to agencies, it can vary. We can use in-house personnel, or we might employ a real estate agent or a trust company to do that acquisition. It depends on the area and the size of the acquisition and how busy our in-house people are. If our in-house people have time they do it, and so forth. I don't know if I could give a more specific answer than that.

DR. BUCK: Mr. Speaker, a supplementary question. Can the minister indicate what policy the government has in place as to how they select an agent who will be purchasing land for them? Using the northeast land assembly as an example, can the minister indicate how Royal Trust got the appointment to assemble the land? Did it go on a bid basis, or was it just on the minister's discretion? [interjections]

MR. CHAMBERS: My friend from Clover Bar said that with a straight face, so I'm sure he was deadly serious about whether you put land assembly out to bid. If he was, I'd be really happy to sit down with him in my office, or his, for half an hour . . .

DR. BUCK: Mr. Speaker, the minister knows exactly what I'm asking. How does the minister decide which company he will ask to assemble the land for him? That's

what I am asking, not the other ramification. Let's make sure we know what we're talking about. How do you select the agent?

MR. CHAMBERS: Mr. Speaker, since it no longer appears necessary that the Member for Clover Bar and I sit down in the office and discuss the practicality of bidding on such things as land assembly, I would say this. Obviously, a number of people out there are qualified to do this sort of thing. It may be a real estate agent who, in our judgment, has the best contacts in the area to do it. Otherwise, it's a case of, okay, there are a lot of good people out there; we reach in a hat and pick one. Obviously, it's impractical to bid it. You pick one, and the next time it comes along you pick someone else so that you're fair. You give out the work. I don't know that I could enunciate it any differently than that.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Housing and Public Works with regard to the directions given an agent after he is chosen. In the northeast Edmonton purchase, the agent was advised to say they were a group out of Toronto buying land for some persons. Does the minister give that kind of direction and clear those terms of reference for an agent, to become deceptive to innocent landowners in the area?

MR. CHAMBERS: Absolutely not, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, could the minister clarify what kinds of directions are given in circumstances such as that?

MR. CHAMBERS: I'll only speak in a general way. Certainly I don't want to intrude in any way upon any item discussed as part of the Brennan review. But if we wanted to acquire land, we would indicate to a real estate agent that we were interested in acquiring land within a given area, and we would define that area, probably fairly specifically. Then we would have a preliminary assessment done to establish price criteria; in other words, guidelines that we will pay up to a maximum of, based on appraised value and our assessment of its worth. We give the agent a frame within which to work. He then goes out to see if he can acquire land within that area we've given him and within that frame of maximum prices.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. The minister indicated there was no formal directive from the minister's department to the agent with respect to what the people were told, that the agent was acting for a group of investors from another province. Was there any discussion between the agent and officials of either the department or the minister's office before that particular approach was taken? I'm not talking about a directive from the minister to the agent. But was there any discussion between the agent and the government with respect to that kind of approach?

MR. CHAMBERS: Mr. Speaker, I can say this. Never, at any time, would I or any of my department issue a directive to anybody to be deceptive. Beyond that, I don't wish to comment at all. I believe some of those questions were discussed or asked during the course of the Brennan inquiry. I just don't feel it appropriate to say any more than I have.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. The question really relates to whether or not there was any discussion between the agent and the government with respect to on whose behalf the people were told the agent was acting. Was there any discussion? I'm not asking the minister to give us a general review of the Brennan inquiry — we'd be here all year — but that particular issue.

MR. CHAMBERS: Mr. Speaker, I assume the member is asking me: was the agent directed by me or anybody in my department to be deceptive? I can assure him the answer is no.

MR. NOTLEY: Mr. Speaker, a supplementary question. I'm not sure the minister understood my question. The minister has indicated the agent was not directed. We understand that. The question is whether or not the agent consulted with the government with respect to what was being said to the landowners; whether there was any consultation. We know the minister has told us there was no direction. Was there any consultation?

MR. CHAMBERS: Mr. Speaker, to my knowledge, no. The agent was directed to go out and acquire land.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. This has to do with the selection of an agent. Can the minister indicate if the minister himself was directly responsible for making the ultimate decision, or did a committee of cabinet make the decision as to who would be the agent for the land assembly?

MR. CHAMBERS: I made that decision, based on the recommendations of the department, Mr. Speaker.

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

DR. BUCK: Mr. Speaker, I know the minister had to make that decision and there were many real estate agents, but people are doing that kind of work. Can the minister indicate — when we're getting down to the so-called short list — were there many or few agencies he was looking at? Did the minister just pick one out of the whole telephone book, or did he have a short list of people he was consulting with?

MR. CHAMBERS: Mr. Speaker, in this case, obviously it had to be a relatively short list. We were talking about an acquisition which would require the utilization of a large number of agents. That in itself, the capability to handle that sort of operation, made it a relatively short list.

Oil Sands Development

MR. R. SPEAKER: Mr. Speaker, I'd like to direct my second question to the Minister of Economic Development. It's with regard to the approval of the oil sands plant. I wonder if the minister could indicate what stage that development is at and the reasons for any holdups at the present time.

MR. PLANCHE: Mr. Speaker, I'm not sure if the member is referring to the Alsands plant, the Cold Lake plant, the expansion of Syncrude, or the Canstar plant.

MR. R. SPEAKER: Mr. Speaker, to the minister, the first two.

MR. PLANCHE: Mr. Speaker, that properly belongs with the Minister of Energy and Natural Resources. I'll pose the question to him when he returns.

Child Welfare Director

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Social Services and Community Health. It flows from the recent court decision with respect to the now director of child welfare, Mr. Melsness. Is the minister in a position to advise the Assembly today on the legal status of all adoptions and any other decisions made by the government with respect to this matter over the last seven months?

MR. BOGLE: Mr. Speaker, from time to time it's necessary for a minister or senior or middle management personnel within a department to be away from their duties. That may be for a matter of a few days to attend a meeting outside the province. It could be for illness. It could be for a variety of other reasons. In those cases where the appropriate channels are followed, to ensure that an acting minister, deputy minister, or whatever, down to a director, is appointed, then of course all the legal and technical transactions which are carried out by that individual are proper.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Bearing in mind that the minister received the Ombudsman's report on foster care at least several days before it was released, what steps did the government take at that time to ensure that the removal of the director, Mr. Melsness, would in fact be legal? Was any specific assessment of the steps made, now that we have this case of several days ago?

MR. BOGLE: Mr. Speaker, while I would certainly like to comment on that matter, it would be inappropriate, as the matter has again been referred to the courts.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to advise the Assembly on the status of the other employees removed: the former head of the Child Protection Registry, as well as Mr. Jones, Ms. Fuchs' predecessor?

MR. BOGLE: Mr. Speaker, speaking to those two appointments. Meetings were held on March 12, the day before the Ombudsman's report was released, and they were assigned other temporary responsibilities at that time. To my knowledge, both are still within those areas of responsibility at the present time.

MR. NOTLEY: A supplementary question. The minister has indicated that the matter with respect to Mr. Melsness has been referred to the courts. Is the minister in a position to advise the Assembly, so that the Assembly may know what the lines of communication are at the moment, who in fact is making the decisions as director of child welfare? Is it the person who has been doing it for the last period of time? What is the situation?

MR. BOGLE: Mr. Speaker, Mr. Justice Bowen reinstated the director of child welfare and, of course, that decision is being respected at this time.

Cattle Industry

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Agriculture. I'd like to say to the minister that he missed a fine meeting at Ponoka. We missed you down there.

I'd like to know from the minister if any people in his department are doing any studies on the impact of depressed cattle prices on the related industries of barley producers and feed producers in the small towns in this province? Because the cattle market is so bad now, what effect has that had?

MR. SCHMIDT: Mr. Speaker, recognizing first of all that the barley crop this year for the province of Alberta is certainly a bumper crop and exceeds most years, barley is available to the feeding industry perhaps in greater amounts and at varying prices throughout the province. There is no indication at the present time that barley is not moving into areas of feeding, nor is there any major reduction at this particular time in the feedlots, although some have less numbers in the lots than they've had in previous years. So in answer to the hon. member, we have no direct survey that would give us any indication that barley is not moving in its normal way, recognizing that it exceeds in both quality and quantity this year what it basically has in past years.

DR. BUCK: Mr. Speaker, can the minister indicate what studies the minister's department is doing as to the effect of the depressed cattle market on the beginning farmer, the farmer who has just gone into the cattle business?

MR. SCHMIDT: Mr. Speaker, of the 1,634 beginning farmers, there is about an even split between the various segments of the agricultural industry and, as far as we can tell, approximately one-third of them are involved in the livestock industry in one form or another. Recognizing that the program for the major number of beginning farmers is barely a year and a half old, there are no indications at this time of any change in those who are mainly involved in the cow-calf industry, because that is basically the beginning farmer approach, and not the feedlot end of it.

DR. BUCK: Mr. Speaker, is the minister in a position to indicate to the farming community of this province what steps the government is taking, or considering, to try to help people who are in a crisis situation at this time, the feedlot operator and the cow-calf operator?

MR. SCHMIDT: Mr. Speaker, the hon. member stated that an excellent meeting was held in Ponoka on Friday evening. Of course, the industry was well represented, as it has been in other meetings throughout the province. So we have a clear cross-section comment in regard to the industry from the fat-cattle feeder, from the chap who usually runs yearlings, and from the cow-calf operator as well. We have had representation at all meetings held across the province and are doing a total evaluation of the submissions made on behalf of the various segments of the industry, recognizing that of course the fat-cattle portion of the industry has the benefit of past history, in both the latter part of 1980 and '81, to govern its comments, and the cow-calf operator mainly based upon the markets appearing at the present time.

We have done a review and will continue to monitor and share the markets across the province. At the present

time there appears to be a steady factor, albeit perhaps somewhat less pricewise than each segment of the industry would wish. But the markets certainly have been steady and, to date, would give us an indication that the numbers moving from the market to the Alberta feedlot are basically about the same as they would be in a normal year.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. Is the minister in a position at this time to indicate if there is a pronounced move, or any move, of Alberta cattle to other provinces that are receiving assistance? Can the minister indicate if he is monitoring that situation?

MR. SCHMIDT: Mr. Speaker, we have watched the movement of cattle earmarked for export, for replacement, and the usual numbers that are going to eastern Canada and approximately the same number that move south across the line into the United States. There's no indication that those numbers are changing drastically. They may change a bit from week to week, either up or down in each place, but it would appear that the movement is normal.

The only monitoring that has given us some indication of other than the normal practice is that it would appear that the Alberta feedlots along the Saskatchewan border have filled up relatively quickly with replacement cattle.

DR. BUCK: A final, short question to the minister. In the minister's ongoing studies, I'm sure the minister is aware that the resolution passed was that the producer receive \$40 per head. Is the minister in a position to indicate what that program would cost the Treasury of Alberta if it was implemented? Does the minister have that information available?

MR. SCHMIDT: Mr. Speaker, \$40 a head — whether it be to the fat cattle, whether one were to go across the board and include yearlings and the cow-calf, the number one could reach is quite simple. We raise and feed about 12 million head a year. For the few we export, we import about the same for replacement cattle. So to all intents and purposes, we raise and feed 12 million head.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Last week the minister indicated the government was reviewing and monitoring the market, plus he raised the question of some kind of consensus developing among livestock producers. In view of the consensus that seems to be developing behind the short-term proposals of the Alberta Cattle Commission — the hon. Member for Clover Bar mentioned the question of \$40 paid on cattle last year. Other proposals made by the commission as well include changes in agricultural credit and perhaps the initiation of an agricultural bond system. What steps is the government taking at this stage to turn the proposals of the Alberta Cattle Commission into a concrete program that can be announced in this Legislature?

MR. SCHMIDT: Mr. Speaker, the submissions that have been made on behalf of the industry fall into two brackets: short-term and long-term. The short-term is basically an infusion of dollars in the industry. The longer term provides not only the infusion of some dollars, but done in a way that stability would be tied to the industry on an ongoing basis, so the fluctuations in the market would

certainly be much flatter and less dramatic than the cyclic nature of the market at the present time.

The Cattle Commission has presented to us, I believe, about four or five moves that could be taken for the longer term, starting with the immediate action of a shared program with the livestock industry in the United States and aimed at the system of marketing to perhaps stop the per capita consumption drop, which is quite dramatic in the United States and Canada as well. We as a government have agreed with the industry that if they arrive at a program they wish to enter into for a pilot and indeed go for a long term, we would be willing to work with them physically and support them financially in that direction.

The other four areas, of a much longer term, of course agree with the intent. One has to do with some recommended changes in regard to personal income tax that deals directly with the federal government and could also be applied to the provincial portion, which would give people in the feeding industry a much broader opportunity to spread out over a period of years rather than move on a 12-month base, as the tax system exists today. The one complete challenge of course is a broad recommendation for some system of broad financing that would allow the opportunity for all those involved in the industry to have the availability of funds at their basic rate and within their basic control, not asking for an opportunity of subsidized interest rates but the opportunity of funds that may or may not be subsidized according to the industry and the amount of funding they wish to put in and participate as those who wish to place money in the fund and those who wish to draw from it. It's a complex approach. At the present time we're looking at what degree of feasibility exists. What opportunities could one either add or subtract to make it workable? Of course the other one is a solution to the Crow issue. That's been with us for some time. We agree that any solution to the Crow would certainly benefit the livestock industry.

I think those are the ones that have been presented at the present time. We have a committee established to work directly with the Cattle Commission, that deals directly with all four or any other suggestions they have.

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

MR. NOTLEY: Mr. Speaker, last week the minister ruled out the retroactive \$40 a head payment on the basis that he didn't think it would be in the best interests of the industry. What assessment has been given to the problem the Cattle Commission has brought forward? That is, the reason they proposed \$40 retroactively last year is that they're concerned that a program of stabilization or assistance this year would trigger a reaction in the United States by the American cattle association to cut back on the import of Alberta cattle or lobby Washington. My very direct question to the minister is: what review has been made by the department of that very expressed concern raised by the Alberta Cattle Commission which led them to the suggestion that it be a retroactive payment rather than a current payment?

MR. SCHMIDT: Mr. Speaker, the comments that came with the submission for a program for the province of Alberta comparable to the one announced in Ontario were basically the retroactive approach for 1980 for fat cattle. It was to be a once-only payment, and suggested that that in itself would meet the demands of the livestock

industry. I think one only has to do a preliminary review to see that the market in the latter part of 1980 was low, but that low market also extended into 1981 and hasn't recovered to any great degree this year. It also suggested that any infusion of dollars to the fat-cattle people would be redirected and perhaps would solve some of the financial problems of the cow-calf operator.

When one has done some preliminary assessment of the program as it has affected the industry in Ontario, there's no indication that either has been achieved. First of all, the infusion of dollars did not end up totally in the industry; the majority is found basically in the lending institutions, which is understandable. Secondly, the market for replacement cattle has not changed any greater than — in fact, our market here is relatively strong.

If one were to look at a one-shot deal for 1980, it also leaves a question mark for 1981. It also leaves a question mark on behalf of the industry. What one does in 1980 may have little or no bearing on the continuation for feeding for 1981, either by individuals or as an industry, recognizing that from the cow-calf operator's point of view, 1981 is the beginning of their low cycle, even though the fat-cattle people have been on the low end of the cycle starting the full year and a half.

Primary Highway Projects

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Transportation. Could the minister indicate what progress has been made with 1981 primary highway projects in the province. Are they near completion?

MR. KROEGER: Yes, Mr. Speaker. We are almost finished. If the weather holds we'll probably be shutting down, because we have expended all available funds.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. In a ministerial statement on May 1, the minister indicated that \$13.1 million would be spent on the twinning of Highway 1, west of Strathmore to the Highway 21 intersection. Could the minister indicate what progress has been made on this program and if there is going to be any twinning of Highway 1 in the upcoming year.

MR. KROEGER: Mr. Speaker, I think we're still in negotiation and, by now, possibly in expropriation on that specific project. But I'd have to get the details for the member, and I'd be glad to do that.

Teachers' Working Conditions

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Education. It deals with the Kratzmann report which came out of the Calgary teachers' strike. What progress has been made on recommendations No. 1 and No. 2, which I think it's fair to say are the recommendations that have a very sizable input of public funds tied to them.

MR. KING: As the hon. member will recall from the years during which he occupied this portfolio, reductions in classroom load have been occurring in the educational system for at least 25 years. The average classroom load in the province this year is less than it was last year, five years ago, or 10 years ago.

The province is not making any commitment with

respect to recommendations 1 and 2, which I believe is the direct answer to the hon. gentleman's question — not making any definite commitment until we have more information, and more reliable information, than we have at the present time. Nevertheless, it lies with the boards throughout the province to make their own decisions appropriate to their own local circumstances for the allocation of resources within their system.

MR. R. CLARK: Mr. Speaker, a supplementary question. What additional information does the minister and his department not have that is needed before a decision can be made, either to accept or reject those two recommendations?

MR. KING: A pretty broad range of information, Mr. Speaker. The responsibility of the educational system is to allocate resources in such a way as to improve learning conditions. When it can be demonstrated that any other changes in the system will result in improved learning conditions, then we will make the necessary decisions. But in this department we make decisions on the allocation of resources in terms of what it is that has a demonstrated impact on learning conditions. Working conditions, as important as they are, have to be viewed in light of the impact they have on learning conditions. The connection has not been made.

MR. SPEAKER: I believe the hon. Minister of Agriculture wishes to deal further with a topic raised in a previous question period.

Hog Assured Return Program

MR. SCHMIDT: Mr. Speaker, the hon. Member for Bow Valley asked a question in regard to the enrolment of the numbers of hog producers that had availed themselves of the Alberta hog assured return program. As of the end of September, which was the close of the application time, excluding those still filtering in because of the mail strike, 71 per cent of all the hogs in the province of Alberta are covered under their program.

ORDERS OF THE DAY

MR. HYNDMAN: Mr. Speaker, I have received certain messages from His Honour the Honourable the Lieutenant-Governor, which I now transmit to you.

SERGEANT-AT-ARMS: Order!

MR. SPEAKER: His Honour the Lieutenant-Governor transmits estimates of certain sums required from the Alberta Heritage Savings Trust Fund for the 12 months ending March 31, 1983, for the purpose of making investments pursuant to Section 6(1)(a) of The Alberta Heritage Savings Trust Fund Act in projects which will provide long-term economic or social benefits to the people of Alberta, but which will not by their nature yield a return to the trust fund, and recommends the same to the Legislative Assembly.

His Honour the Lieutenant-Governor transmits supplementary estimates of a certain additional sum, not otherwise provided for, required from the Alberta Heritage Savings Trust Fund for the 12 months ending March 31, 1982, for the purpose of making an investment pur-

suant to Section 6(1)(a) of The Alberta Heritage Savings Trust Fund Act in a project which will provide long-term economic or social benefits to the people of Alberta, but which will not by its nature yield a return to the trust fund, and recommends the same to the Legislative Assembly.

Please be seated.

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.

[Adjourned debate October 16: Mr. Isley]

MR. ISLEY: Mr. Speaker, when the clock ran out on me on Friday, I was involved in the very challenging task of trying to contribute to the education of the hon. Leader of the Opposition, with respect to the emphasis this government places on people programs. I was approaching it from the impact those programs were and are having on my constituency. I must admit I have dealt with students who were much more receptive.

Before leaving people programs, I would like to mention two others that members of my constituency have felt a positive impact from. About a year ago, group of senior citizens in Cold Lake started planning on the construction of a senior citizens' drop-in centre. Through their own activities, through support from their town and from the multi-cultural recreation grant program, and through a special grant from the hon. Minister of Social Services and Community Health, this project is now off the ground and moving.

The project also contains a library, so that same community has been dealing with the hon. Minister of Culture, and is looking for further input from the department. I can't leave people services without complimenting Culture on the vast number of groups out there receiving support from the department on an annual basis. Each year literally dozens of cheques go across my desk to support libraries, senior citizens' drop-in centres, cultural clubs, and on and on. I think that department is doing a tremendous job in people services and should be commended.

With that, Mr. Speaker, I would like to deal briefly with the economic conditions existing in northeast Alberta and the Bonnyville constituency in particular. The September 1, 1981, energy agreement between our provincial government and the federal government was welcomed by my constituents with a sigh of relief. However, this did not change the waiting in the area. It's step one toward a solution someday. The waiting game is still on. The only difference is that the people are now waiting for Esso to decide whether it's going to go with its megaproject, whether it's not going to go with its megaproject, or whether it's going to do something else.

During our long struggle with Ottawa over our provincial ownership rights, I would suggest that the vast majority of the constituents in the Bonnyville constituency supported our provincial government's actions on the oil cutbacks and on the plant delay. However, I would say very clearly that this support was not without its casualties. As a result of the combination of the delay in the Esso project and the unreasonably high national interest rates, a number of hopes and aspirations in the area have

been shattered. Some recently started small business men have failed and closed their doors. Some land developers, some commercial builders, and some house builders are hurting. A number of land speculators have lost a substantial amount of dollars.

On the brighter side, our Cold Lake contingency plan worked extremely well, and I think the area is very gratified with the Premier and cabinet for the development of that plan. The construction industry responded positively and is doing well. Many necessary infrastructure projects are being put in place to service the existing population and prepare northeast Alberta for growth. Even in the last year, despite our so-called depressed period of time, there was growth in the constituency. As of the June census, the town of Bonnyville had grown 4 per cent, the town of Grand Centre had declined slightly, and the town of Cold Lake had increased 25 per cent.

Mr. Speaker, I don't wish to leave hon. members with the impression that the energy industry has ground to a halt in the Bonnyville constituency, or that all future activity depends on an Esso decision. The Alberta Energy Company's dual pipeline from the Strathcona refinery to Esso's Ethel Lake pilot site is well under construction. Suncor has an application before the ERCB for an \$88 million expansion of their Fort Kent pilot plant. I would mention in passing that this pilot plant, developed by the worldwide energy company a number of years ago, was located on some of the best agricultural land in the constituency. Initially it developed with four- to five-acre spacing, which ended up with 30 to 40 wells on a quarter section, tied together with overhead pipelines, power lines, and roadways. In other words, it was a disaster to anyone trying to farm the land.

I must applaud Suncor for the direction they're taking in their application: first of all on their approach in dealing directly up front with the landowners and, secondly, on their proposal to go into a quarter section of land, take a pad of 10 acres, use the technology of slant-hole drilling, and with one rig sitting on a 10 acre site, penetrate a quarter section with 32 holes, with the possibility of an infill to 64 later. If we keep that type of progressive action in our energy industry, I think we can minimize the impact between energy and agriculture, our two major industries.

Canadian Forces Base, Cold Lake, remains an important employer in the east end or the Grand Centre/Cold Lake area of the constituency. They underwent some expansion this summer, with a number of capital projects being carried out, which were again greatly appreciated by a construction industry looking hard for work.

Tourism enjoyed a good summer, probably for the same reason that the farmer didn't: very little rain. Provincial services in tourism were enhanced with the opening of the point-of-entry tourist information centre at the Saskatchewan boundary in May last year. The pressures appear to be increasing on our campsites and park areas around our Lakeland lakes. I think the need for increased expansion of the Lakeland, through the Department of Recreation and Parks, is becoming more and more apparent.

Mr. Speaker, I would now like to deal with agriculture, which still is and will undoubtedly remain the base industry of the Bonnyville constituency. First some pluses, then some minuses. First of all, I must congratulate the Minister of Agriculture on the new beginner farmer program. Now that we're over the backlog of applications and have worked out some of the administration problems, in my constituency at least it is working very, very well and is a

tremendous asset to agriculture.

Two programs carried out under the Associate Minister of Public Lands and Wildlife are also having a positive impact in the northeast. One of them is an Alberta Heritage Savings Trust Fund project, the Wolf Lake grazing reserve, which is serving as an ideal supplement to many small ranchers and farmers for grazing purposes. The other is the range land improvement program, which is an operation on privately held leased land and community pastures.

I would like to suggest again that I see tremendous potential for agriculture development in the north and the northeast part of this province, and again put in a pitch for an agricultural research station on the light gray-wooded soil zones.

As I mentioned, agriculture, the base industry of the constituency, did not enjoy a good year in the northeast. Mother Nature failed to supply any rain until late June. As a result, the hay crop was almost non-existent and grain yields were down. Add to this the devastating impact of our federal government's interest policy and the depressed beef price this fall, and the agricultural scene in the northeast is not good.

Many of my constituents are thankful for the feed freight assistance program announced by the hon. Minister of Agriculture; and I appreciated the concern, expressed in the hon. Premier's remarks, for the cattle industry and more particularly the primary producer. Unless there is a substantial improvement in market prices in the near future, I'm of the opinion we will have to take some form of short-term action as well as address the long-term problems of the cattle industry.

Mr. Speaker, the experiences of the residents of my constituency over the past three years convince them more and more of the need to diversify their economy. This conviction led to the creation of the Lakeland Industrial Development Council in the spring of 1980. With the support of much-appreciated provincial government funding in December 1980, the activities of this committee increased tremendously.

The Lakeland Industrial Development Council has been promoting a number of projects, some small and some large, to look seriously at the northeast area. Probably one of the most exciting projects they have been talking about, and I'd like to make some comments on it in the House today, has been the heavy-lift airship industry; in other words, dirigibles capable of transporting loads of 54 to 150 tons. Why do I call this an exciting project? Just imagine the revolution in transportation, particularly in Alberta's northland and Canada's northland, if we could put together here in Alberta the technology to develop and manufacture heavy-lift airships. If you look at the development of our province to date, you'll note that it has basically followed transportation lines, either natural transportation lines like rivers, or man-made transportation lines like railways and highways.

I think all you have to do is let your imagination go, to visualize the development of the north if we could do it without roads and without rivers. Visualize heavy-lift airships moving logging equipment into remote logging sites and hauling the logs out; building many oil sands pilot projects, miles and miles from the nearest road; exploiting the mineral wealth of the north without the expensive infrastructure of road building; building power lines and pipelines through sensitive areas without having to put a road in; people transportation, a little slower but probably considerably cheaper; floating over our ports, loading

and unloading ships. Consider also the energy conservation, and on this I think I could get the support of the hon. Member for Edmonton Glengarry. [Some applause] Thank you.

Mr. Speaker, I would like to conclude my remarks with a few brief comments on the constitution. I'd like to compliment the hon. Premier on his clarity, his dynamism, in the speech he made with respect to it in this House last Thursday night. I think anything I could say would be anticlimactic. My constituents and I just hope that the hon. Prime Minister was listening that night and listening closely and, further, that he will give up his unilateral push and solve Canadian problems in the Canadian way.

Thank you.

MR. NOTLEY: Mr. Speaker, rising to participate in the debate this afternoon, I'd like to begin with the question that the hon. Member for Bonnyville left off with in his remarks: the issue of the constitution. May I say at the outset that last Thursday night I felt the Premier gave the Legislature an excellent analysis of the judgment by the Supreme Court of Canada.

MR. COOK: You're on good ground so far, Grant.

MR. NOTLEY: I would say, however, that however strong the analysis may be, the question of what happens now is the important issue for Albertans and Canadians. As I see the impasse, we have a federal government that has the technical, narrow, legal right to demand patriation. The Premier was correct when he said that convention will be ignored in Canada but sought in Great Britain, but technically the legal right is there. But the Supreme Court has quite correctly pointed out that there must be at least some major degree of provincial consensus. Not unanimity, Mr. Speaker — I think it's important we note that. There is a difference between unanimity and major provincial consensus. It would be impossible to expect unanimity. The fact of the matter is that with a government elected in one of the provinces that is committed to separatism as a political program, one would have to be naive in the extreme to think that patriation should be dependent upon unanimity of the provinces.

The issue at the moment seems to be that there are some important trade-offs that have to be carefully examined, in my judgment. The unilateral action by the federal government is wrong: On the other hand, to expect the Prime Minister to say at this stage, we surrender totally, we give up absolutely, is frankly not very realistic. What I think is necessary, as a result of the Supreme Court judgment, is for both the provinces and the federal government to initiate meaningful discussions. That doesn't mean the kind of discussions that either Mr. Chretien or even the Prime Minister have referred to as a luncheon meeting with the premiers — would it be Tuesday, maybe Thursday, or perhaps the week after next, type of thing. That's not a serious meeting on something as important as the constitution. What is required is a full-scale first ministers' meeting, properly organized, given enough time so that there can be a meaningful discussion on this matter between both the premiers and the Prime Minister.

Mr. Speaker, if a full-scale first ministers' meeting is to be fruitful, it will not be successful if each side retreats to a bottom-line position which involves everything. If the premiers say, we will only be willing to accept simple patriation and nothing more, then I guarantee you, Mr.

Speaker, that the talks will fail. If the Prime Minister simply says, I want everything and I'm not prepared to give on anything, then the talks will fail and we will be right back in the situation where we have an action supported by a simple majority in the House of Commons, without the support of the Canadian people. That would be a tragedy for Canada. Because if the constitution is to be something Canadians can be proud of, it must have widespread support throughout the regions of this country.

One of the obstacles I see at the present time seems to be the perception among some that the premiers are absolutely opposed to the inclusion of a charter of rights. One area I would ask the Premier of this province to publicly state in the next few days, and take the opportunity of making his position clear, is where this government stands on the inclusion of a charter of rights as part of the basic constitution. Mr. Speaker, there is no doubt that a charter of rights would affect provincial rights. All one has to do is read the judgment. It's clear; no doubt about that at all. A charter of rights would restrict the latitude of the federal government too. A charter of rights protects the individual from arbitrary action by government at whatever level: federal, provincial, or municipal for that matter.

I suppose there are philosophical differences. Some people, like Mr. Lyon, argue that a charter of rights is totally inconsistent with our parliamentary system. The Premier of Saskatchewan, even though I disagree with him on this issue, has made that same point several times at federal/provincial conferences. Mr. Levesque has made that point.

Mr. Speaker, what is important is that the province of Alberta can be a key actor in this unfolding drama. This government has a different position on a charter of rights. On May 17, 1972, the Premier was concluding debate on Bill No. 1, our Bill of Rights. He made some observations that I think are important to underline at this time. On page 52-31 of *Hansard*, he says:

... I hope that I was in no way misconstrued in my opening remarks — if we have a preference, the preference obviously would be to have matters such as the bill of rights within a Canadian constitution
....

He goes on to say:

Our position is that the whole matter of fundamental rights should be included within a Canadian constitution. It would be preferable for it to be so.

So said Mr. Lougheed on May 17, 1972. That was the position of this government when we debated the Bill of Rights. We moved with Bill No. 1, because there was no entrenched bill of rights in the constitution of Canada. But the preference was that it be entrenched in the constitution of Canada.

Mr. Speaker, in my submission to this House, nothing could be more useful to break the logjam than a clear statement on the part of this government that notwithstanding the impact it will have on provincial rights, Alberta is prepared to see a charter of rights entrenched in the constitution. It may require a certain assessment of what is in the charter. But if we were to make that public statement, more than anything else this government could do it would open the dialogue that is desperately required in this country if we are to have the kind of made-in-Canada constitution we all talk about, if we are to avoid the tragedy of a unilateral move by the federal government. [interjection] Someone says, have I talked to the Premier of Saskatchewan? I hope and would publicly say

that the government of Saskatchewan would be willing to see a charter of rights incorporated in the constitution of Canada, notwithstanding some of the qualms we all realize the Premier has indicated at federal/provincial conferences.

Mr. Speaker, I leave that with hon. members. We can either retreat to our own little siege mentality positions, either federally or provincially, and nothing will come out of further discussions and it becomes almost pointless to hold them. Or in a broader sense we can go to that conference in a spirit of compromise and willingness to sit down, and recognize that while the Supreme Court judgment recognized the fundamental importance of conventions — I want to stress that — nevertheless there was just a little bit in it for both sides. If we're going to solve the matter, it is for both sides to exercise over the next period of time the maximum degree of statesmanship, the least amount of partisanship, if this country is going to survive the process of constitutional change and patriation.

Having opened my remarks in a somewhat more statesmanlike vein than I normally like to address in dealing with the performance of this government, I want to move to deal with the record. There is little doubt that in the last five months this government, in a typical way, has shown its inability to deal with the kinds of concerns that face the average person. We've been so preoccupied with other things that when it comes to the problems faced by cattlemen, home-owners in the cities and rural areas who find they have to face renegotiation of mortgages at usurious interest rates, when we see the plight of small business men faced with record high interest rates as a result of the Ronald Reagan/Margaret Thatcher monetarist policy: the accumulated problems that face the average person in this province are growing, not lessening; certainly not lessening by any action of this government.

Mr. Speaker, I want to deal with the question of interest subsidies, because that is an important matter. During the discussion of the Heritage Savings Trust Fund review committee this year, some attention was given to whether or not this province should convert its debentures in the Syncrude plant. We own some \$236 million worth of debentures in Syncrude, both to Gulf Oil and Cities Service. Mr. Speaker, our interest rate is 8.125 and 8.375 for these two debentures. These debentures were taken out at current market rates in 1975, when the province entered into the Syncrude arrangement. Interest rates have changed.

But the important thing to remember in 1981 is that for the last two years, we have had the opportunity to convert our interest in Syncrude into equity. Mr. Speaker, clearly it would not have been a reasonable move to have converted in 1979, the first year in which we could have exercised the option. But as I look over the quarterly reports of the heritage trust fund presented to the people of Alberta, there is little doubt that in fact we would have made money for the province of Alberta had we converted in 1980. As a matter of fact, the Provincial Treasurer even admits that if one were to focus on the calendar year 1980 in isolation, cash flow from the ownership share would have been \$29.7 million compared to \$19.5 million received from the debentures.

If we were to take another slightly different snapshot and look at April 1, 1980, until March 31, 1981, we would find that the province would have gained somewhat greater amounts by converting debentures. But what the Provincial Treasurer has chosen to do, in information

supplied to the trust fund committee, and to the people of Alberta through *The Calgary Herald*, is take a snapshot that doesn't really bear any relationship to any of the reports or any of the reporting mechanisms.

He's taken October 1, 1979, to March 31, 1981, which includes the three-month period where everyone who has discussed this matter recognizes there was no profit, and no one has even suggested there be conversion. Then he takes two other periods of time — the first three months of 1980, which is a normal down time for Syncrude, and will always be a down time for Syncrude, and instead of leaving the three months of down time and balancing that off with the nine months where the company made money, he very slyly brings in another three months of down time — to come up with the conclusion that we should not in fact be converting. Had he taken the total amount of time from the beginning of our opportunity to exercise the option to now, he would have come to the conclusion — I maintain at least — that conversion would have been not only practical, but in fact in the interest of the public. But we've chosen not to do it.

Now Mr. Speaker, it's important because we're talking about almost \$0.25 billion that we're loaning out to two large corporations at 8.125 and 8.375 per cent interest. However one wants to cut it, Mr. Speaker, that represents a massive interest subsidy. As a matter of fact, if one just takes the difference between the money we collected and what those two companies would have had to pay on the market in 1980-81, that shielding represents \$18.9 million. That's a lot of money.

But let's put that into comparison. Here we have almost \$0.25 billion in debentures held by two of the largest oil companies in the world, a massive shielding by the taxpayer. This government is quick to point out how we shield other groups in society. Yes, there is some shielding. For example, in the 1980-81 budget our total shielding for municipalities under the municipal debenture interest program — members will know there is a shielding there — was \$18.8 million. So the shielding to the two companies in Syncrude was greater than the total shielding to all municipalities of Alberta under the municipal debenture interest rebate program.

Let's look at housing. Everyone talks about housing, especially the Premier when he spoke the other day about what this government is doing in the area of housing. From the budget and the estimates, we find that shielding under the Alberta family home purchase program was \$7 million, and another \$7 million under the core housing incentive program; in other words, about two-thirds the amount we are shielding two large oil companies in the core housing incentive program and the Alberta family home purchase program.

Or we might contrast what we're doing in the area of Gulf and Cities Service with the Alberta Opportunity Company. We find that the assistance, the shielding to keep interest rates to small business men lower in the 1980-81 period was \$4.95 million, or barely a quarter as much as we made available to these large oil companies. The Agricultural Development Corporation — members representing rural constituencies will be particularly interested in the various programs continually trotted out here by members under the purview of the Agricultural Development Corporation. Yes, there was some interest shielding, a total of \$10 million, or just a little over half the shielding represented by this \$18.9 million shielding to Gulf and Cities Services.

When one puts this in context, Mr. Speaker — and this government gets very excited about the fact that more

and more Albertans are beginning to ask what is happening to their heritage trust fund and asking that this government come up with some policies that would show a willingness to invest in the success of Albertans. When one sees the shielding to date — shielding where there is no excuse for the continuation of it at all, because the evidence is overwhelming that we would have made more money for the heritage trust fund by converting — one really has to ask, how serious this government is when it comes to investing in the average people of the province of Alberta.

Mr. Speaker, let's move from that subject and address the issue of the energy agreement and the \$64 billion we'll be receiving over the next five years under the terms of the energy arrangement between the federal and the provincial governments. Of course I assume these figures are accurate, because it took heaven knows how long to arrive at them. We had various groups of civil servants spending month after month after month trying to arrive at the formula for calculation of statistics, so one can only presume that this information is now correct.

So what we have, Mr. Speaker, is an estimate of \$64 billion that the province will collect over the next five years. And that doesn't count the incentives we're going to provide to the energy industry: the PIP of \$4.3 million, the royalty release of \$4.2 million, and the Canadianization grants for synthetic oil of \$600 million, for a total of a little over \$9 billion or almost \$2 billion a year. Even setting aside that figure, we are still going to have \$64 billion coming into the province of Alberta over the next five years.

With that in mind, I found it rather extraordinary that we had the Minister of Municipal Affairs literally poor-mouthing it before the urban municipalities convention. After hearing the various ministers regale the delegates with tales of woe about our provincial finances, I believe one of the delegates at the back even suggested that the delegates could pass around a hat to collect bus fare for the cabinet ministers because the province of Alberta was so flat broke. With \$64 billion coming in over the next five years, this government is going to have to produce some estimates as to the expenditure projections. For the last five years, we've had annual increases of 18 per cent. If we were to take a slightly larger increase, an annual increase of 20 per cent, and maintain the same ratio of non-renewable resource income to the province, what would we find? Well, we would find that even after setting aside the 30 per cent of the \$64 billion to the Heritage Savings Trust Fund, we would have surplus non-renewable funds of \$16,050 million over five years.

Is this government saying there's going to be a greater than 20 per cent increase over the next five years? Is that what they're saying? If that's true, Mr. Speaker, let them say it very clearly, and especially before the next convention of the Conservative Party. If we're going to have much bigger government as a result of the initiatives of this group of people in the House, then I'm sure that especially conservatively minded people would want to know that. Let's take a little higher increase. Let's take a 25 per cent annual increase, which is half again the average increase of the last five years. We find we still have almost \$12 billion left over after allotting the 30 per cent to the Heritage Savings Trust Fund.

Mr. Speaker, if this government's going to be taken seriously when they go to the municipalities and say, oh, we've got no money for revenue sharing, the bank is empty, the well is dry, and things are really tough, they're going to have to come up with some expenditure projec-

tions. Either we're going to see a massive increase in expenditures by the provincial government that I have not identified and have not heard outlined in this House, or we're going to have a significant pool of money left over at the end of this agreement. Are we going to have a trust fund as well as a slush fund?

Even if we give the municipalities the 8 per cent they suggested under the revenue-sharing agreement, in the case of a 20 per cent annual increase, that would still leave the province with almost \$11 billion. With a 25 per cent annual increase in budget, it would leave the province with a surplus of almost \$7 billion. When the Minister of Agriculture has to explain to the cattlemen in this province that we don't think \$40 — even a one-shot, retroactive proposition that may cost \$50 million. If the government members are saying we're not sure we can find the money for that, they're going to have to explain why they can't, with this kind of revenue coming in, in the absence of any sort of projection of expenditures.

One of the good things done before the present administration came to office was an all-party committee. Both the opposition and the government sat on a committee between 1967 and 1971. They reviewed expenditures and revenue and produced a report which was tabled in the Legislature. It would be in the interests of this Legislature and of the province, and would give the kind of information I think Canadians need in judging the revenues of the province of Alberta, if some indication of the expenditure projections of the provincial government in Alberta were supplied to us.

The other day when we raised questions about revenue sharing in question period, the Minister of Municipal Affairs stood and said there may be figures that indicate that as much as \$2 billion is now being transferred, and the Provincial Treasurer winked at him. That may be interesting; it could well be that that is the situation. But let's have the facts and figures. What are those increases going to be? What evidence are we basing our budgeting on?

I assume, Mr. Speaker, that we are basing our budgeting procedures on long-term flows. Several years ago, in 1975 I believe, the Treasury Department did such a survey, and I'm absolutely certain that this kind of thing is being prepared on an ongoing basis. But I'm saying that instead of playing it so close to the vest that nobody knows, and then going out to groups and saying we can't do this and we can't do that and we can't do something else because we haven't got the money, this government has a responsibility to outline where it proposes to go, not only on the revenue that will come from the energy agreement but on the question of expenditures as well.

Mr. Speaker, that raises the issue of shielding Albertans. With interest rates at the present level, there's absolutely no doubt we must do more in the area of shielding Alberta residents. I look at the situation in housing. We have condominium conversion on a massive scale in the city of Calgary, a significant number of potential condominium conversion applications in Edmonton. What are we going to do? Well, we cut back on CHIP; CHIP runs out of money. Here is a program that would be helpful, yet it's been stalled for some time because we've run out of money. Run out of money with the kind of assets we have in the province of Alberta? No, Mr. Speaker, not likely; not credibly, at any rate.

In the remaining moments of my comments, I want to deal a little more specifically with the problems faced by the cattle industry. The emergency program developed by the Alberta Cattle Commission, while it varies in some

degree, as I'm sure the minister would well know — because the views that I and the party I lead have expressed on such things as supply management and stabilization are not contained within the Cattle Commission's recommendations — I say to the minister that the consensus that seems to be developing at meeting after meeting in the province is that the short-term program advanced by the Cattle Commission is one that farmers can support regardless of their ideological bent, whether they belong to the National Farmers Union on the one hand or to the barley growers on the other.

There is a coming together of support for the short-term program advanced by the Alberta Cattle Commission. That includes the \$40 a head retroactive payment. The reason it has to be retroactive is pure and simple: the cattlemen in this province are worried about the impact in the United States market. They've been advised by the American cattle association that, should payment be made on 1981 cattle in Alberta, which produces almost 50 per cent of the beef in this province, there will be action in the United States to, if not close the border, at least curtail our access to the American market. That's a concern, and I can understand that concern. That's why they're saying it should be paid on 1980 cattle.

It would be much more fair in many ways if it were paid on 1981 cattle. I know people in my own constituency who say, well, it's not a very good idea because we marketed our animals in January or February; we wouldn't qualify. That's true. But if the concern is valid — and the reason I asked the minister today about the validity of that concern is that I think there is probably a great deal of validity to that concern — then we have to make it on a retroactive basis.

Mr. Speaker, we can't allow to go unchallenged the idea that there isn't a consensus developing among cattle producers. There is a very firm consensus behind the recommendations of the Alberta Cattle Commission, at least for short-term action. With great respect, I would say to the hon. minister that what we need now is not more studies of the market. We need a commitment to action by this government.

I just want to say one additional thing, Mr. Speaker. During the mid-70s — 1976, '77, '78 — we had all kinds of speeches in this Legislature about natural gas export could only proceed if there was a clear commitment to have ironclad market opportunities for Alberta beef in the U.S. market. That was said over and over again.

[Mr. Purdy in the Chair]

I remember when Vice-President Mondale was here in 1978, and a big luncheon meeting took place. A communique came as a result of that, and very important to the stress on that meeting was that there would be ironclad guarantees for Alberta beef in the American market if there was to be any more natural gas export. Mr. Speaker, we now find that not only are there not ironclad guarantees of access to the American market, but that Alberta cattlemen have genuine and valid concern that if we bring in a program that operates this year, American cattlemen will work to close the market off.

I simply say, where was this government when we had all this rhetoric in the House and all this talk about guaranteeing access to the American market for our beef producers. What were the dotted "i's" and crossed "t's" of those GATT agreements which allowed us access, when now we find the Cattle Commission people themselves saying no, if we do anything in 1981, our American

brethren may be lobbying to close the borders. Well, Mr. Speaker, I suggest that that not only says something about relations between countries; it says a good deal in spades about the lack of performance in that period of '76 to '78, when we had a government that, as one of its major goals, was supposedly nailing down access to the American market.

In conclusion, Mr. Speaker, I believe that while this government has received a good deal of national attention on issues like the constitution and the energy agreement, literally tens of thousands of Albertans are saying, we want some action in areas that are exclusively provincial jurisdiction, we want some action on people programs, and we want a government that is prepared to see the heritage trust fund invested — not given out to the people of Alberta, but invested — in making Albertans successful. When one reviews the record to date, Mr. Speaker, especially the record of the last five months, we've had lots of rhetoric, lots of promises, but unfortunately not nearly enough action.

DR. WEBBER: Mr. Speaker, I am pleased today to be able to rise and take part in the debate on Motion No. 11. Our Premier gave a very comprehensive and important review of the economy and constitution, and the so-called people issues, including housing, health care, social services, and education. I think we are indeed fortunate to be living in Alberta today, where the economic future really does look bright. There's no doubt, though, that Canadians are suffering from the fiscal policies of the federal government today, and certainly inflation is the international culprit. We see Mr. Reagan carrying out policies to fight inflation in the United States, but what is our Prime Minister doing in this country? He's carrying out policies that discourage the investor and discourage the private sector. He's more concerned with unilaterally patriating our constitution, in spite of the Supreme Court decision that it's unconstitutional to do so. But the Premier covered all that last week, Mr. Speaker, and he covered it very thoroughly.

In response to some of the comments by the Member for Spirit River-Fairview, I simply say that I'll leave my colleagues to respond, other than that if his arithmetic is as accurate overall as it was for the subsidies relative to the Ag. Development Corporation, then we certainly question the accuracy of those numbers. I think he indicated today that the overall subsidies were some \$10 million for 1981-82 when, in actual fact, they are some \$47 million for the current year.

Last Friday, we heard the hon. Leader of the Opposition give the Social Credit solution to combatting federal fiscal policies, which was a giveaway fund. It sounded more like the solutions of the hon. Member for Spirit River-Fairview, and I certainly don't think we would hear the hon. Member for Olds-Didsbury or other members of that respected party make comments similar to that. However, last Friday the hon. members for Calgary North Hill, Lethbridge West, Edmonton Mill Woods, and Bonnyville, dealt with his approach of having the provincial government taking away all the risks and the decision-making from the people of this province.

I also found it amusing that the hon. Leader of the Opposition referred to himself as a sprinter, rather than a marathon runner. Well, Mr. Speaker, sprinters have their place on the race track, but I don't think they have a place in politics. His proposal to spend the savings of the people over the short distance fits that description of himself, and it would be like the sprinter who would be

out of breath after a short distance. Better to be a marathon or distance runner, who can pace and plan with a vision to the goal down the road and to the future.

Last Friday, the hon. Member for Calgary North Hill referred to the Olympics coming to Alberta in the future, and the fine work of Frank King and many others in Calgary in that regard. I want you to know, Mr. Speaker, that Frank King is a distance or marathon runner. In fact, I was on the University of Alberta cross-country team with him in 1954. In politics, or in going for the Olympics, you have to have the mentality of a distance runner, not that of a sprinter. However, the comments I heard from the hon. Leader of the Opposition that I found most upsetting were related to the so-called deaf ear, as he puts it, of government members to the concerns brought to their attention by their colleagues.

Mr. Speaker, I went into the hon. member's constituency late last March and, along with the hon. leader, met with a group of concerned farmers and businessmen in the town of Enchant; a very fine group of people, fine Albertans, and they had concerns. I also must say I enjoyed the day. The hon. Leader of the Opposition and his wife were excellent hosts. But I went there to listen, and I hope to indicate later in my remarks today how I did not have a deaf ear, as he calls it, to the telephone concerns expressed to me that day.

I'd now like to turn to an overview of the activities and issues related to my responsibilities. First of all, the financial picture of Alberta Government Telephones. As most members probably know, Alberta Government Telephones is now the third-largest telephone company in Canada, following Bell Canada and B.C. Telephone. There are currently some 13,000 employees, which makes AGT the largest single employer in rural Alberta today. It has a total plant investment of over \$2 billion, and total revenues this year are expected to be some \$750 million, up 17 per cent over last year. The long-distance toll revenues, which account for almost two-thirds of the revenues of AGT, have in the past been increasing at approximately 20 per cent per year, but this year are down to a 17 per cent increase over last year, which is a shortfall of about \$1 million per month. The most significant aspect of that is the less than expected increase in intraprovince toll revenues, which have been increasing at a rate of about 15 to 16 per cent. Related to that, of course, is the mobile communications area where, because of the reduction in exploration activity in our province, there weren't the expected toll calls.

In addition, Mr. Speaker, high interest rates have also affected the financial picture for AGT. Interest payments are expected to total some \$180 million this year, or close to 25 per cent of the total income. Thus, high interest rates and less than expected growth in tolls this year are expected to lead to a bottom line of about a \$12 million profit this year, as opposed to about a \$25 million profit last year. The outlook for 1982 is for a deficit unless, of course, interest rates come down and the toll revenue picks up.

I'd like to comment for a moment on the borrowings of AGT. For the last few years, all borrowings have come from the Alberta Heritage Savings Trust Fund. Currently some \$1.5 billion, or about 15 per cent of the total Heritage Savings Trust Fund, is loaned to AGT in debentures. The 1982 borrowings are expected to be about \$425 million, which may have to be borrowed on the money market if AGT is excluded from borrowing from the Heritage Savings Trust Fund.

The point I want to make is that there's a public

misconception that AGT as a Crown corporation is being subsidized from the heritage trust fund. I want to point out that that's not true. AGT borrows from the Alberta Heritage Savings Trust Fund at exactly the same rate as it would have to if it were borrowing on the world money market, whether it be the New York money market or elsewhere. The current rate of these borrowings from the Heritage Savings Trust Fund is about 18 per cent. The hon. Member for Spirit River-Fairview referred to debentures of 8 and 8.5 per cent a few years ago. Again, Mr. Speaker, those were the market rates at that time. I don't think too many people were in a position where they could predict what was going to happen to interest rates.

Looking ahead, the five-year capital expenditure forecast for AGT is a massive \$3.2 billion. It will be \$530 million for next year and some \$560 million, or higher, for 1983. I want to point out that about two-thirds of those funds is to be directed towards anticipated growth in the province. The bulk of those expenditures would be in local switching, outside plant, and station equipment — terminology which may not mean that much to hon. members here. However, it includes some fibre optic links — this is a new technology — into Edmonton, Calgary, and Grande Prairie. Also, satellite stations will be established in Sherwood Park, and Forest Lawn in Calgary, to be ready for service by the end of next year.

Other areas of expansion include an area of the word processor business, and the new mobile telephones area — a field trial is currently under way in the Edmonton area. The full implementation of that program throughout the province will be carried out between the end of this year and 1984. It certainly would be much superior to the system in place now. For one thing, you'd be able to dial directly to the operator if you want to get a call through.

Secondly, it would certainly increase the number of channels available, and that is a real problem today. Finally, it would allow a phone call from, say, someone's home to a mobile unit, to be placed directly simply by dialing the number without going through an operator. A computer keeping track of where that vehicle is travelling around the province would put the call through to the area where the car is located. This new mobile system, together with the air-to-ground telephone system now in place in Alberta, where you can call from a private aircraft to anywhere in the world, makes the mobile system in this province the most extensive in all Canada.

In terms of building construction, I'd like to remind hon. members that on November 20 this year, the new Alberta Government Telephones tower in Calgary will be opening. Recently in Whitecourt, there was an opening of extended facilities for the current workshop; in Medicine Hat, a new one; and this Wednesday in Lloydminster, a new phone centre will be opened.

Mr. Speaker, I would like to comment on the terminal attachment program which, put in another language, is that people would be able to buy their telephone sets. This proposal is now before the Public Utilities Board. Under that particular proposal, existing customers will assume ownership of their telephones and will have the option of purchasing additional sets from AGT or other suppliers. The rural party line customers are not initially included in this program because of technical limitations, which are partly related to what is called jacking.

In the cities and smaller communities of Alberta, the jacking program has almost reached completion. This simply means that a jack is put in the wall, and people can plug their telephone set into that jack. People are

currently buying phones from other outlets and plugging them in. But with our legislation, it's an illegal act for them to do so. In addition to the fact that people are currently buying telephones, the administrative costs of trying to keep track of all the telephone sets in the province runs very high. With the proposal that's before the Public Utilities Board, there should be considerable savings in the future in terms of administrative costs.

I want to emphasize that with this proposal, current residential AGT subscribers will not have to lay out any money. I'd like to give one example. Today in the city of Calgary, the rate is \$6.60 for an ordinary black phone set. If this proposal begins on January 1, 1982, a current customer would get his telephone notice. It would indicate \$5.60 for hook-up to the network and \$1 toward the purchase of the telephone set, for a total of \$6.60, as the rate is today. After 12 months, that \$1 charge would be dropped, so there would be the connection charge of \$5.60 to the network. Of course, I'm using those numbers on the assumption there won't be any increases. I also want to emphasize that if there are any increases, they're not related to the terminal attachment program. In addition, the current color charge of 25 cents, I believe, and the charge for extensions, which I believe is 75 cents, will be dropped.

Mr. Speaker, I'd like to turn to the rural areas and extended flat rate calling. I see the hon. Leader of the Opposition has returned to his seat. I made some comments earlier, with respect to my visit to his constituency last spring.

MR. R. SPEAKER: I appreciate it.

DR. WEBBER: The extended flat rate calling program has a long history in this province, whereby subscribers from one telephone exchange can call their market centre or people in another telephone exchange at a flat rate per month, rather than phoning long distance. The current limit on that program between exchanges is 34 miles. Mr. Speaker, as you and other members in this House well know, there are a number of problems with that program related to the boundaries of these exchanges. People who live close to one boundary are not able to phone a market centre close by, because more than 50 per cent of the people in their exchange voted to have flat rate calling to a different exchange than the one they wanted.

I've reviewed a number of alternatives with a number of our members, including the caucus committee on utilities. In response to not only the hon. Leader of the Opposition but others, I'd like to outline at this time an improvement in the program. In principle, the plan initially provides a one-way service between adjacent exchanges — I emphasize adjacent exchanges — but subscription to the plan is on a customer-optional basis. The customer will have a choice. A customer could purchase calling time blocks at a given rate, in order to call one or all of his adjacent exchanges not covered by an existing EFRC program. For example, a time block of 30 minutes could be purchased for \$2 per month. That would enable a subscriber in an exchange to phone any neighboring exchange for that rate, that's not covered by a current EFRC program. Overtime blocks of 15 minutes at \$1 per month would be provided automatically.

Studies today indicate that on average, for those benefiting customers, a 55 per cent saving would be realized on the rates I have mentioned. The plan is viewed as the most equitable of all the plans reviewed. Some of the advantages include: first of all, for those customers who

subscribe to this new program, a substantial saving would result compared to today's message toll rates. Secondly, for the low-volume user who does not exceed the basic time block of 30 minutes, the service is essentially at a flat rate, \$2 for 30 minutes. Approximately 70 per cent of the calling customers who benefit from the plan fit into that category. Thirdly, and an important one, the high-volume user realizes a substantial saving but the rate is related to usage. Finally, I think this particular program would eliminate most of the EFRC concerns in the province.

To permit testing of this plan, a field trial is proposed for six selected exchange areas across the province. The field trial would begin next summer, and last approximately one year. Subject to the success of that trial, province-wide implementation of that program would begin in 1983. I'd like to indicate that the six exchanges we've selected for this field trial program include Stavely, Carbon, Wanham, Valleyview, Mulhurst, and Holden. Those are the particular exchanges.

Mr. Speaker, that's what we have in mind relative to benefits to the EFRC program. However, I would also like to indicate that in addition, in rural Alberta today, there is a policy of four-party line service to rural customers, with an average of about two and a half people on one line. However, people can get individual line service at a cost related to distance from the telephone exchange office.

But the second part of what I see as an improvement to rural telephone service — and I want to indicate that today — is that the AGT Commission has recently agreed in principle to a long-range plan of individual rural line service in this province. Current studies related to the new technologies of Telidon are being looked at and will be completed by the end of January next year to see how those might fit into the rural system.

Mr. Speaker, continuing with AGT for a short time, legislation was passed last year that allows AGT to enter joint ventures with the private sector. The purpose of that legislation was to have the expertise that currently exists within AGT, assist in developing the telecommunications industry in Alberta by attracting the private sector to this province. To date, we have seen the formation of a company called Westech, with shares held by AGT; a company called International Syscoms from Montreal; and, I believe, InnoCan. They are involved in the development of the mobile system in this province.

The second area of new involvement is with respect to a company called Elinca Canada. The chief executive officer of that company is Leon Balcer, formerly a member of the Diefenbaker government. The members of this particular consortium include Spar Aero in Toronto, an engineering consulting firm called S.N.C., another electronics company called Ratheon, and Mitel and others. This particular consortium is looking at a number of possibilities regarding work in the Middle East and Africa.

The thought is that if AGT can get involved in some of these ventures, there would be some excellent spin-offs in the future for the electronics industry here in Alberta. A number of companies have approached AGT in recent months to go into joint ventures. These proposals are being considered. But also the AGT Commission is considering the best vehicle to carry out its new mandate and handle these proposals. Certainly, the development of telecommunications down the road is one way we can diversify the economy in this province.

Turning away from AGT, Mr. Speaker, and I'm not sure how much time you're going to allow me — about

five minutes, and I think I can complete my remarks in that time. Telecommunications in Canada today is a concurrent responsibility, a concurrent jurisdiction, between the federal government and the provincial government. We have the CRTC in Ottawa and the Public Utilities Board in Alberta involved in regulating.

We did pass Bill 40 last spring, which enables us in Alberta to assert our right to jurisdiction over telecommunications; namely, the local, non-broadcast aspect of communications. What we want to do, really, is see the removal of the horrendous regulations the CRTC imposes upon communications companies who we think should not have to go to the CRTC for their licences. We would like to see the market place establish the rates in the competitive areas.

One of the areas we want to see extended in Alberta, of course, is television services particularly in the northern and remote communities. In the past, there has been very little programming available to these people, even on the Canadian satellites in space. Recently, however, a company did get permission from the CRTC to offer programming via satellite. The company is called CanCom; ITV here in Edmonton is a member of that group. They are on one of the Canadian satellites right now, and programming is available to people who have dishes to receive them.

However, some of the communities that already have dishes to receive the signals in northern Alberta and other parts of the province have some concerns. I guess their number one concern is the cost of receiving those CanCom signals and, secondly, the actual content. They prefer to receive American programming. They see that cable companies in the cities in this province are carrying U.S. programming, and don't see why they shouldn't be allowed to receive U.S. programming as well.

Mr. Speaker, I want to clarify, if I may, the Alberta position with regard to receiving signals via satellites. I've had a number of requests in this regard. We've taken the position that the reception of satellite signals should be allowed as long as there is an agreement between the originator of the signal and the recipient, and that government should not be intervening. The federal government is trying to protect Canadian broadcasters and to promote Canadian content, and has stated that the reception and redistribution of foreign satellite signals is illegal.

They base their claim of illegality on three points: one, that the satellite signals are broadcast signals and, as such, the reception and redistribution of those signals require a licence issued by the federal government. The second claim is that an exchange of letters between Canada and the United States — that exchange took place back in '72 — outlines the conditions under which each country may use the other country's satellites, and that this exchange of letters does not permit the reception of U.S. satellite television signals. Thirdly, Canada is a member of a group called Intelsat, which is an international body for the purpose of transmitting international satellite traffic. Canada would be in violation of the Intelsat agreement if it were to permit the reception of American TV signals.

In response to those three points, Mr. Speaker, it should be noted that, number one, the federal government has been unsuccessful in two court attempts to prosecute people receiving and redistributing American satellite television signals. Courts have ruled that the satellite signals do not constitute broadcasting as presently defined in the Radio Act and the Broadcasting Act.

Secondly, with respect to the exchange of letters, in January of this year I met with officials from the U.S. Department of State and the Federal Communications Commission. Attending the meeting was the American author of the 1972 exchange of letters. This gentleman indicated that the exchange of letters constituted an understanding and not an intergovernmental agreement. In any case, the letters were not intended to deal with television programming, but rather dealt with telephone traffic. Thirdly, with respect to the Intelsat agreement, Intelsat primarily concerns itself with telephone business and not programming. It's extremely likely that Intelsat would not object to the reception of these signals.

I see, Mr. Speaker, you're sending me a message, and I'll be finished in just a moment.

Finally, Mr. Speaker, it should be noted that the United States is anxious to negotiate agreements allowing for offshore reception of satellite programming and is proceeding in this area with several Caribbean countries. However, Canada doesn't seem to be very anxious to proceed and, in my view, is definitely dragging its feet in that regard.

Mr. Speaker, I regard telecommunications as one part of what is referred to as a whole new world of high technology, in which computer electronics is playing and in the future will play a major role. If I may I'd like to quote a brief passage — and this is in conclusion, Mr. Speaker — from a book called *Wealth and Poverty*, written by George Gilder. In reference to the semiconductor and chip technology industry, he says:

There is no way to fathom the full potential of this technology, now in its Promethean infancy. In conjunction with other advances it is already transforming the world of work and forging at last the long predicted age of computers, just as the steam engine and the railroads inaugurated the industrial age. It is possible to disparage this development and to deride its enthusiasts, to point to the inevitable problems and to fantasize ... threats of "dehumanizing machines" and Frankensteinian robots. But this technology, coolly considered, bears no such menace at all, while it offers, to nations that pursue its promise, gains quite incalculable, even by the machines themselves.

MRS. CRIPPS: Mr. Speaker, I'm pleased today to participate in this debate. But before I start, I want to go back to the mention of sprinters and long-distance runners, made by the Member for Calgary Bow. I'm afraid that I'm built for pulling. But this country was built by pullers: people pulling together.

Mr. Speaker, over the past couple of years, I've had the privilege of representing the constituency of Drayton Valley. It's a diverse constituency of agriculture, oil, forestry, hydro-power, and now we're talking about strip mining. I'm proud to be in the Assembly today, representing the Drayton Valley constituency. I'm proud of the people in my constituency. I'm proud of them as entrepreneurs, as farmers, as small business men, and as a Canadian component of the oil industry. Since agriculture and oil are so important to the Drayton Valley constituency, I rather hesitate to mention one of them before the other. But since the oil impasse has been in the public arena for the past year, I'll begin with it.

The energy agreement signed on September 1 was negotiated on an industry-wide basis. Essentially the price is known for the next five years, and the 75 per cent target of world price will be reached. The oil marketed

from Drayton Valley is essentially old oil from relatively low production wells. The wellhead tax has made it uneconomical to produce those low-production wells. Certainly anomalies and inequities have resulted from the agreement, especially in this kind of field. Small Canadian companies, and companies with shut-in gas, are caught in a cash flow squeeze.

There is a clause in the agreement to have the PGR tax reviewed on low production-wells. I noted that the Premier mentioned it in his speech. I hope that the review, along with a reassessment of the inequities which have resulted, can be accomplished in time to be of benefit to the small oil and service companies, which are also burdened by the load of excessive interest rates.

The fact that the service industry and related business in Drayton Valley is working at 40 per cent below capacity is a major concern to me. It is affecting all the businesses at the same percentage. I note in the Premier's speech that he expects the industry to take 18 months to recover. I'm afraid that's too long for some companies. The effect will be takeovers and merging of companies, which in the end will result in the loss of Alberta-owned companies.

Mr. Speaker, I said I was proud of my constituency. I was proud of the reaction of the oil well service industry in their support of the provincial negotiations on the energy pricing agreement. I was proud of the actions taken by the Alberta energy association, which had its roots in Drayton Valley. They endeavored to get the facts to all Canadians, regarding small Canadian company involvement in the oil industry. The small Canadian companies in the service industry didn't and don't have the capital to move to the States or take advantage of the frontier. So the definition of old oil, the encouragement of enhanced recovery, and the reassessment of low-production wells are of paramount importance to their well-being.

For the most part, the agricultural sector of the constituency has successfully harvested a very good crop. However, each and every product is facing lower prices. Cereal grains have dropped, but the lack of quota is the more serious issue. The problem of moving products to market has to be resolved. The very real possibility of rationing rail availability to move products is frightening. I guess I'll never understand the rationale of trying to run trains both ways on the same track. It appears totally inefficient to me.

Mr. Speaker, 25 per cent of cattle in Alberta are raised in census zones 8, 11, and 13; or west of Highway 2 and north of Red Deer to Barrhead. Most of these operations are cow-calf operations, at least in the Drayton Valley constituency. I'd just like to point out a unique situation which exists in the Drayton Valley constituency and probably in Rocky Mountain House, Ponoka west, White Court, and Barrhead, along with many northern communities. Twenty years ago, most of this land was in bush. I doubt if you can find 10 per cent of the farms in my constituency which are not still breaking land, clearing brush, and building farms. They are essentially first-generation farmers. They invariably have high debt loads, and interest is a killing factor. I'd just like to point out an interest rate statement received on September 8:

The Bank has made a change in its lending rate. This notice is to advise you that effective September 8, 81, the interest rate applied to your loan will be 23.250%.

I believe that was down from the 23.75 per cent we had received two weeks earlier. Years ago, Mr. Speaker, this

would have been called loan-sharking. In four years, \$100,000 will double itself in interest. Actually, the interest rates are unconscionable and show a total lack of responsibility by the federal government. I won't go into interest rates, because I've talked on the problem before.

The soil in this constituency is gray-wooded and, along with relatively early frosts, makes the area non-conducive to growing cereal grains. However, it is excellent forage country, which makes it an excellent area for cows and calves, providing you can overcome spring scours and white muscle.

I would estimate that 75 per cent of the farms in my constituency sell calves or cattle, and that's their only cash crop. I'd like to go back a minute to the speech of the hon. Leader of the Opposition on October 16, when he talked about the 22 farmers who set up a feedlot. I'd like to go to the sentence that says:

These farmers are irrigation farmers and have wheat and beet crops that can carry their livelihood.

The emphasis I want to point out, Mr. Speaker, is that in most of my constituency, the farmers don't have that option. Their only cash crop is cattle.

Since 1973, they've had two good years, not nearly enough to recover from the losses incurred during the '74 to '77 period. These farmers have capital and operating loans, and the cost of money is part of the cost of operation. Too many people forget that the factory has costs too. What is the cost of producing a calf? First, the cow has to be fed hay for six months — approximately three and a half to four tons. That's \$160 worth of hay. Six months of pasture at \$10 is another \$60. Fifteen per cent death loss would be another \$60. Vet fees, medicine, warbling, eight-way vaccine: \$15. Selling and trucking: \$25. Interest on the cow, \$120 — and that's a cheap cow too, a \$600 cow. Then if you give the farmer anything for his work — on a 100-cow operation, we'll allow \$100 per cow; that's \$10,000 for the year. The cost of producing a calf comes out to \$540. That doesn't include the cost of depreciation on the land, machinery, any cost for land clearing, or the interest on borrowed money for those things.

Since 1979, the cost of a 500-pound calf has dropped approximately \$130. This year, most of them are selling between \$300 and \$350. Only once since 1973 have calves actually brought the \$540 that it costs to produce them. Yearling and fat cattle have suffered similar losses, since the costs have continued to escalate. And those losses are causing major hardships. Interest is one of the major culprits.

Mr. Speaker, I said I was proud of farmers, and I am. They have tightened their belts, have refinanced, and are probably working without figuring anything for time for wages, feeding expenses, et cetera. On Saturday night, I attended a meeting in Ponoka. I didn't hear farmers blaming the government. They were honestly trying to resolve the issue of fluctuating prices and costs of production exceeding receipts. The meeting was spiced with humor, courage of conviction, and a lot of concern for the present situation. They agreed that assistance is needed. But every cattleman there realized that the problem of long-term stable markets has to be resolved. I was proud of those cattlemen and proud to be married to one of them. Mr. Speaker, I've spent a lot of time talking about the problems, but I'm an optimist. I'm sure the people involved and the governments can resolve the problems in co-operation.

Many positive things have been going on in my constituency. The Brazeau timber development proposal is

one. I'd like to quote one paragraph from the minister's press release:

Mr. Leitch pointed out that preference would be given to proposals which include facilities or projects in the Drayton Valley and Rocky Mountain House areas. Maximum wood utilization will be a prime consideration in making an award. In addition, a high priority will be given to proposals which include a significant level of poplar utilization.

I believe that the forest can be harvested as a renewable resource and that its development can greatly benefit the town of Drayton Valley. Certainly the fallacy of a one-industry town has been highlighted in the past year, and diversifying employment opportunities to a renewable resource will be of great benefit to Drayton Valley.

Mr. Speaker, I had some major misgivings about open-pit mining in my constituency; certainly not about the economic activity, but about the preservation of land and from an environmental aspect. As a member of the select committee on surface rights, I found that one of the major concerns of Albertans was the reclamation of agricultural land. This summer, I had the opportunity to visit an open-pit mine at Gillette, Wyoming. The area is very similar to Hanna, with topsoil varying from 6 to 48 inches and very dry. It is being replaced at an average of 18 inches. I was impressed. The topography of the area is maintained. Three years after the topsoil is stripped, it is being replaced. Then a five-year regrowth and restoration period takes place.

We also visited open-pit mines in England, where up to 22 feet of overburden are disturbed for every foot of coal mined, and where mining takes place right up to the edges of villages. It was an incredible experience to stand at the edge of a 300-foot deep mine pit and turn around and see the land behind totally reclaimed. The only difference I could see [between] the fields that had been reclaimed and the ones that had never been touched was that the reclaimed fields were larger, being 15 to 20 acres.

In Germany, we viewed a whole village which had been moved, in addition to the farms. Again, I was impressed with the reclamation of the agricultural land, which is planted to alfalfa to add nutrients and, it appears, was ploughed down occasionally. Sugar beets were grown in the last two years to test productivity.

While Germany is working with more topsoil than we generally have in the Genesee area, I came back convinced that the land can be preserved despite the interruption of open-pit mines. In particular, I'm satisfied that with proper planning the Genesee area can be reclaimed and restored, but that proper preplanning must take place and that we as a government have a responsibility to ensure that legislation and regulations are in place to ensure that those things happen.

Mr. Speaker, I didn't come back quite as satisfied that the problem of sulphur emissions can be eliminated. Everyone assured me that scrubbing and other preventative procedures take out 99 per cent of the SO₂. But if Edmonton Power burns nearly 9,000 tons a day at the Genesee plant, that means 90 tons of emission, even at 1 per cent. Again, I believe we can solve this issue with industry and government co-operating. We not only can, we must.

I want to compliment the minister of highways on this year's program. Moreover, he has been abetted by the weather. It is one area which is visible by its progress or by its lack of progress: either way. This year, the progress has been visible.

Today is a momentous one for the town of Drayton

Valley. After eight years of negotiation, re-evaluation, and frustration, finally fruition. The hospital is being presented to the department. With any luck, tenders should be called within a month. This should also improve the employment situation in Drayton Valley.

[Mr. Speaker in the Chair]

Mr. Speaker, I haven't dwelt on the constitution, because I believe that the Premier echoed my sentiments last Thursday more eloquently than I. From today's news reports, it appears that the Prime Minister is prepared to proceed come hell or high water anyway. I'm proud to be a Canadian, but I want to be a Canadian where all regions have equality and a chance to develop their potential.

I'd like to emphasize again that I'm proud to represent the Drayton Valley constituency; not only that, to be a government member for that constituency. I am confident in the economic future of this province, and I'm pleased with the progress being made in my constituency. Each goal seems to take so long to accomplish, but after two years I can see so much progress: the hospital, 50th Street funding, a social service office in Drayton Valley, a new liquor store, completion of the 12 self-contained units and 16 more proposed, Buck Lake park in the planning stages, the consortium off and providing classes, and EFRC proposals approved for everywhere but Winfield. Mr. Speaker, I'm in a kind of dilemma there because that's my telephone area, and people expect me to do something about it. [interjections] I'm working, I'm working.

I think I'd like to go back to the initial statement: people pulling together; the people of this province pulling together; the entrepreneurs, the farmers, the businessmen, the oilmen, the laborers, the employers and the employees building a better tomorrow today.

MR. MUSGREAVE: Mr. Speaker, I would like to rise today to make a few comments on some things that have been bothering me for some time. First of all, though, I would like to join with the other members and say how much I appreciated the excellent review the Premier has given us since the spring session. Many in my constituency are happy that we have made an oil agreement. But I also have many people who are working in the oil industry, and they have some serious concerns about the net effect of the agreement. When members of IPAC and the CPA meet with the Minister of Energy and Natural Resources, I hope some of these difficulties can be resolved.

Today, Mr. Speaker, I'd like to touch on two areas of concern that I would like to report to the Legislature. The first one is financial relations between the provincial government and the municipalities. The second is, what are the broader investments in research by our government and the federal government and industry in our province?

As we all know, the cities, towns, and municipalities of this province are creations of this government, and unfortunately we are often considered to be the parents of these municipalities. If you take this analogy further, I hope that someday we can cut the apron strings and allow the cities, particularly, to manage their own financial affairs.

First of all, as legislators — and I'm almost at the point now where I've been up here as long as I have been at city council — I'd like to make clear that because we happen

to be sitting here, we're not any better informed or wiser because we are MLAs than we were when we were aldermen or councillors. Or if we were serving in a city or a town, we thought we had a different kind of person with different kinds of abilities. All of us here have the advantage of working with a team, having a set of goals, and the ability to work towards them. Quite often we're able to achieve things that are not available at the local level. Unity does provide strength. Perhaps if our city councils had more areas of responsibility more clearly defined, someday city politics would develop into a party form of government that would be better for the administration of our cities.

The second point I wish to make is that provincial moneys belong to all the people. If anyone thinks provincial funds are somehow different than provincial income tax or city property tax, I urge all of you to realize that it's money that belongs to the citizens of Alberta. There are constant demands and requests made for us to supply money from the Heritage Savings Trust Fund. Mr. Speaker, I think a better name for the collection of this money and the way it is invested would be the Alberta heritage savings trust. Perhaps if we got away from this "fund", we'd get over the concept that there is a huge supply of money sitting in Edmonton and doled out at the whim of the legislators responsible for it.

Only this past weekend, I was fortunate enough to be at a conference in Banff with people from all over western Canada. Regrettably, many people from Alberta were convinced that the fund was just a great source of wealth that was tied up in 30-day money at the bank. Now, I appreciate that moneys coming out of the capital investment division are for projects that have a long-term benefit or one that cannot be measured in economic terms. The medical research foundation, the capital city parks program, irrigation upgrading, and oil sands research are some good examples. However, Mr. Speaker, roads have been built for hundreds of years, and buses and LRT systems have been with us for a long time, and the money has been available for these. Frankly, I think it should not come from the Heritage Savings Trust Fund.

Mr. Speaker, as a member of the Alberta municipal finance council that met for several years and, I would estimate, spent roughly a million dollars of Alberta taxpayers' money and had representation from various interested groups, including the municipalities — at the time, we had on it a cabinet minister who was without portfolio, I believe, and the chairman was the Minister of Municipal Affairs. This committee came up with some 82 recommendations for improving the methods of taxation and assessment and general sharing of revenues in our province. Some of these recommendations have been adopted; for example, the assessment of farm homes. I appreciate that the Minister of Municipal Affairs has an advisory committee working on the recommendations the council made. But what concerns me, Mr. Speaker, is that this is a committee of civil servants and not of politicians, not of people charged with the responsibility of making the decisions.

It's a regret of mine that the government does not move in a more positive way to eliminate the matching grants and the various subsidy assistance we have with our cities, and come up with a new approach to help our cities and towns put their finances in order. I know we are not going to share income tax, and I support that view. And we're not going to share energy resources. I always like to compliment the members of the Social Credit Party, because when I was an alderman they cut us off from that

fund, from that source of revenue. That's why we have a Heritage Savings Trust Fund today, and I appreciate their efforts in that regard. I like to remind them whenever they say, let's get rid of the fund. But that's one of the advantages of having served in both areas of government.

Mr. Speaker, I think it will be better for all of us as citizens if the responsibilities of the province and the municipalities are better defined, and there will be no running to mother every time they get into a bind. Areas of concern that we should accept — for example, in the area of social services, our after-school programs should be financed and run by the province. Perhaps the entire PSS program should be run by the province. We're paying 80 per cent of the bills, and maybe we should take over the entire operations. Because under the BNA Act we're charged with health and welfare of our citizens.

It's my honest opinion that the ambulance systems should be funded and run by the province. The city of Calgary has an excellent ambulance service, and this kind of service should be made available to all citizens, not just those of southern Alberta. I think that new community recreation facilities, now financed on a matching grant basis, should be totally funded by the cities. And then if a city wants to go to Germany and buy a wave-making machine that creates waves 3 feet high and costs hundreds of thousands of dollars, they can pay for it.

Likewise, Mr. Speaker, I think major highways and all capital equipment for urban transportation should be purchased through bond issues of the Alberta Municipal Financing Corporation. Then the rural users of roads as well as city users of LRT and buses would pay for the capital costs, say, over a 50-year period. Right now, we spend roughly \$1 billion a year building and maintaining highways. There's no recovery of cost of these roads and of equipment, whereas in the cities some cost recovery is paid by the taxpayers through the capital bond they have to take in order to purchase buses, LRT installations, and some of their LRT rights-of-way. The cities are certainly experiencing financial stress, particularly Calgary and Edmonton, but it is not all hardship. I think it is important that those of us from the cities make sure the citizens of our cities know that it is not all hardship. This year, the city of Calgary will be adding \$2 billion worth of new development to the tax rolls. This is going to generate a substantial amount of taxes, and I never hear our mayor or members of council mention this.

Another problem in our cities that has always been a concern to me is that our water supply is not metered like it is in Edmonton. We have the highest water consumption in North America. I think that's a disgrace in a city as modern as Calgary. The cost of filtering it, pumping it, and then pushing it through the sewer system is very high, and it's a great waste of energy and citizens' tax dollars.

Likewise, in the both cities they acquire land to build freeways, roadways, whatever. Quite often this land is producing taxes. I suggest, Mr. Speaker, that we adopt a policy that either they use it or lose it. If they haven't developed it after 10 years, it goes back onto the tax rolls. I think the cities are not being responsible in their use and control of lands.

On the design of LRT routes, if they want to use the most economical route and not the political route, then that's going to be the way they should build the systems. In the city of Calgary, we have people who got elected to office because they said they wouldn't support a route in one particular part of the city, but go somewhere else more expensive. Now if the local politicians want to bankrupt the system, that's their prerogative. But I think

we should make it very clear that we're not going to bail them out, which is unfortunately what we have been doing in the past. Likewise, if they want to go underground, as Edmonton is doing, or go to a heavier system or more elaborate stations, they will pay for it out of city tax dollars. In my opinion, Mr. Speaker, there's no question that we should have a gasoline tax. The user-pay concept is used practically everywhere else in the world. Why not here.

As our province develops, we are all suffering or benefiting — whatever way you want to take it — from our development. One of the concepts we argued and discussed and debated at great length in the municipal finance council was the pooling of all new industrial development in our province, regardless of where it was. Unfortunately this was not one of our recommendations, but I still think it would have been an excellent one. The proposal was that any new project — whether it be a high-rise apartment in downtown Edmonton or the megaproject at Cold Lake — one-half of the assessed value of that would be put into a provincial fund and would be shared throughout the province on a population basis. If you lived in Spirit River or down in Crowsnest, you would benefit from development going on in eastern Alberta, Edmonton, or Calgary. The remaining 50 per cent of the assessed value would go to the community where the development takes place. It's very similar to our educational foundation system, and I think it would be for the benefit of all the province.

One other thing, Mr. Speaker: I think we should be a little more bold, a little more imaginative in our dealings with our cities and try to come up with some solutions. From my years of experience at city hall and here, I sincerely feel that if they had better direction, more clearly defined lines of responsibility, we would be better off in terms of the environment they're creating and how we pay for it. I think there's no question that we have the ability to pay for it. I think the harassment of the provincial government by cities would stop, and it would make all of us better stewards of our resources.

Mr. Speaker, I also would like to comment briefly on research and just give the members some highlights of research and development going on in our province. We have a very strong commitment to research. Primarily, basic research or advancement of science is carried out by our universities and is supported primarily through operating grants to them. Unfortunately — I see the hon. Member for Calgary Currie is not here — we don't give the kind of money to research into the social and natural sciences that perhaps we should. [some applause] I'm glad I have one supporter.

The objective of government research and scientific activities is first of all to support and promote the development of advanced technology that will enhance productivity in all sectors, such as agriculture and natural resource extraction; to support and encourage systems and techniques for improving efficiency in service sectors such as health, recreation, social services; to develop and maintain technologically skilled manpower to provide adequate scientific and technical advice to the public; and to develop the scientific basis required to support health and environmental regulations; and primarily to contribute to the advancement of scientific knowledge.

Our present direction is that each department will be responsible for its own research activities, ensuring internal co-ordination and integration, where applicable, with other departments. In our province, the total expenditure on scientific activities in '79 and '80 was estimated at \$110

million, with approximately \$90 million spent on scientific activities, and \$20 million on scientific activities in the social sciences and humanities. Total scientific research in our province in that same period was approximately \$305 million, when you add the amount of money spent by the federal government and industry. In industry terms, \$133 million was spent in 1979 and '80, primarily in the development of natural resources. As a government, we still are primarily contracting our research work to joint projects, primarily through the Alberta Oil Sands Technology and Research Authority and supported on a 50:50 basis with industry.

We estimate our universities spent roughly \$97 million on research and development in 1979 and '80. They represent a major source and possess the necessary facilities and scientific manpower to undertake basic as well as applied research in most fields. It should be mentioned, Mr. Speaker, that universities are supported by grants from the federal and provincial governments, and fund up to two-thirds of their R and D efforts from operating grants. The government doesn't necessarily direct the universities on how they should conduct their research or in what areas, but we can do this by using the carrot approach to encourage researchers to undertake mission-oriented research through provision of earmarked research funds. But the universities of course have their own goals, as I mentioned earlier; that is, the advancement of science throughout the world.

The federal government has laboratories and research stations in Alberta which work primarily in agriculture, some in natural resources, and defence. In the same period, '79 and '80, they spent \$36 million in our province. At the same time, approximately \$18 million was given to our universities by federal agencies.

Of course, we are all conscious of how much work the Alberta Research Council does. I would like to point out to the members that as a result of their revised Act earlier this year, we are governed by a board of governors with a majority of people from the private sector. About 50 per cent of its annual budget of \$17 million in '79-80, and \$29 million in '80-81 will be covered by a grant from the provincial government. The remainder comes from contracts with departments, agencies, and private companies.

Mr. Speaker, most Alberta government departments have limited capabilities for conducting in-house research. Their research requirements, such as the Department of Agriculture or Environment, are met by the Alberta Research Council, the universities, or private industry. The Agriculture Department operates a number of crop and livestock production research facilities at various locations in the province, and the food-processing development centre at Leduc, when completed at a cost of roughly \$8 million, will certainly help improve research facilities in agriculture and food processing. Similarly, the Alberta environmental centre at Vegreville will help in the area of environmental research and technology development for various government agencies, primarily in the field of agriculture.

I'd like to mention just a few other special research institutes such as the coal mining, hydrocarbon, and petroleum recovery institutes, and the computer modelling group. These are all smaller groups operating primarily under government funds.

In conclusion, Mr. Speaker, I'd just like to highlight some of the funds that come out of the heritage fund, the kinds of things that I think should be coming out of the capital fund. For example, \$345 million has come out of the Alberta Oil Sands Technology and Research Authori-

ty. Agricultural research through Farming for the Future has seen \$25 million committed over seven years. We are all aware of the excellent Alberta Heritage Foundation for Medical Research, the \$300 million endowment; the \$35 million for applied research for the heart program; the reclamation research of \$1.5 million, and research on safety through occupational health, which will see the spending of \$10 million over eight years. In my opinion, these are just some of the excellent investments that we should be concentrating on with the Heritage Savings Trust Fund.

Mr. Speaker, I again mention to members the two concerns I have. One is that we come up with some new, bold, imaginative way of financing our cities and, secondly, that we not only be concerned with, but appreciate the amount of money that has now been spent by the provincial government in the area of research.

Thank you.

MR. BRADLEY: Mr. Speaker, I'm pleased to be able to participate in this debate today. At the outset, I'd like to congratulate our Premier for the excellent address he presented to the Assembly on Wednesday and Thursday last week. It was most impressive in the breadth of the activities in which government has been involved over the summer, and his very forceful presentation on Thursday night with regard to the constitution certainly has been one of the highlights of debate to which I have had the opportunity to listen in this Assembly. I think all Canadians should have an opportunity to review his remarks with regard to the unconstitutionality of the federal government's action in face of the Supreme Court decision.

One specific item the Premier mentioned in his speech on Wednesday was with regard to the international year of the disabled, and the fact that he had the opportunity to open the William Watson Lodge in Kananaskis Country. I too was able to be there on that occasion, and I must express to the Assembly that it was most moving for me to see the emotion expressed by those who will use that facility, and the enthusiasm that such a facility should be constructed for their use was most overwhelming. Truly, Kananaskis Country as envisioned by our Premier will be a place that all Albertans, regardless of physical ability or financial position, will be able to enjoy. It's a most worthy investment of the Heritage Savings Trust Fund, and a legacy for future generations of Albertans.

I'd like to comment briefly in regard to the presentation today by the hon. Member for Spirit River-Fairview. On the constitution, he mentioned that we in Alberta — and he repeated some remarks by the Premier with regard to an entrenched Bill of Rights — should be willing to negotiate that way at this time with regard to patriation of the Canadian constitution. Perhaps the hon. Member for Spirit River-Fairview hasn't been listening very carefully to the position of Alberta with regard to patriation of the constitution.

We want to see a made-in-Canada constitution: the position put forward by the eight Premiers with regard to the Canadian constitutional package; that we should have an amending formula and, having agreed upon an amending formula, we should go to Britain and have the constitution patriated, and any other amendments to the constitution should be made back here in Canada. It would then be fair for us to look at entrenching a charter of rights, or negotiating those provisions which one would like to see in a charter of rights, back here in Canada, and not ask the British to impose it on us. I'd like to say that

since a charter of rights would limit legislative capacity, each Legislature should have the opportunity to look at a charter of rights and either ratify it, and have that opportunity to agree with whether or not they would like to see their legislative capacity limited.

The hon. Member for Spirit River-Fairview certainly should be very careful in suggesting the course of action he is putting forward. The choice should be here. The constitution should be made here in Canada, after agreement on an amending formula, and we should not have a charter of rights unilaterally imposed on us by the federal government, one party to the Canadian federal state.

I also want to comment briefly on his dissertation on conversion of the Syncrude debentures. Hon. members present in 1975 will remember that the hon. Member for Spirit River-Fairview told us what a poor deal we got into with the Syncrude agreement and, in particular, the convertible debentures. He went far and wide across the province telling us what a poor deal the Syncrude agreement and those convertible debentures were. Since that time, various ministers of energy and natural resources and various provincial treasurers have tried to educate him that in fact the convertible debentures were of considerable value. I am pleased to see that he has now seen the light, the value of those convertible debentures.

But now he's criticizing us for not converting them. So now we have to go back into another educational process. I agree that the time is near when we should be considering such a conversion, and that conversion will be beneficial. But there is a logical sequence as to when such a conversion is most advantageous. One must look not only at the income a conversion will bring, but also at the additional financial contribution to the project that such ownership would bring. One must consider those obligations also, rather than just looking at income, where one may offset the other so that the net benefit would be higher by holding the debentures rather than converting them. I'm sure the hon. Provincial Treasurer is now addressing the issue as to the most advantageous time for such a conversion.

I don't know how the hon. Member for Spirit River-Fairview can criticize the interest rates on the debentures. Surely he is familiar with commercial arrangements where one is not able to unilaterally change the terms of such arrangements. On the one hand he has said, convert; it is a good deal. On the other hand, he attempts to use the interest rates of the debentures as a debating point in attacking other government programs. Is he suggesting that the government should unilaterally raise the very attractive interest rates that a number of Albertans enjoy because of programs this government has initiated; for example, the 6 per cent loans to beginning farmers through the Agricultural Development Corporation. Surely he recognizes that one would not change the terms of those arrangements halfway through the length of the loan. Albertans benefit from a number of other programs with low interest rates because those rates are locked in for a long period of time, or until they are renewed.

So the hon. member just can't have it both ways. He can't say, convert because it's a good deal, and then criticize us on the interest rates which were part of that arrangement which made it such a good deal. The hon. Member for Spirit River-Fairview should just know better.

Mr. Speaker, I'd now like to turn to some concerns in the constituency of Pincher Creek-Crowsnest and review with hon. members some of the exciting initiatives which have taken place there and some of the problems the area

faces in the future. I'd like to start with the area of agriculture. A great deal of concern has been expressed by people in the constituency, particularly cattle producers, in the current agricultural outlook as it affects cattle: the high interest, the low returns to producers, the drop in demand for beef, which has affected that, and the cost/price squeeze.

In discussions I have held with producers, they are very leery of any government subsidy program which would have a direct effect on the market place. They feel that such programs would lead us fairly quickly down the Whelan path to supply management. My constituents have stressed that if there is to be any program to assist our primary producers, it must be market neutral in its effect. I support that position of the cattle producers in the Pincher Creek-Crowsnest area. One thing the government is doing, with the cattle producers, is attempting to embark upon a program to encourage consumption in Canada, and I think that's a proper approach.

I'd like to congratulate our Premier on the priority he placed on agriculture in his state of the province address, in particular his stressing that the resolution of the Crow should be in the forefront of economic issues facing the country. The question of transportation of both grain and other products, such as coal, to the west coast by rail must surely be faced up to. The responsibility clearly lies with the federal government. I applaud the efforts of the ministers of Economic Development and Agriculture in bringing together interested parties and other provinces to resolve this issue. I wish them every success in the upcoming discussions on the Crow, and I know they realize the urgency in resolving this issue.

I'd like to briefly turn to the question of the three-rivers dam site, which would affect individuals I represent. We've had a long discussion on water storage in southern

Alberta, and decisions have been made with regard to future storage capacity on the Oldman River. I'd like to say that I support the location of a reservoir at the Brocket dam site. There have been a number of encouraging discussions with the Piegans over the summer. I'd like to congratulate our Minister of Environment for establishing a good working relationship with the Piegans, particularly his conclusion of negotiations on the Oldman River weir.

My constituents who would be affected by a three-rivers dam site are most anxious to have a final decision on the question of location of a water storage reservoir on the Oldman River. I urge the government to be prepared to conclude this question of location as quickly as possible, recognizing that the Piegans must be given an appropriate amount of time in which to do their studies and prepare their presentation to government. Given an appropriate proposal by the Piegans, I feel the location of our reservoir on the Piegan Reserve can be negotiated to the mutual benefit of the Piegans and the people of Alberta and, at the same time, alleviate the anxiety and concerns of people who would be affected by a three-rivers dam site.

Mr. Speaker, I intend to comment on economic development within the constituency of Pincher Creek-Crowsnest. As my remarks will extend for a very lengthy period of time, I beg leave to adjourn debate.

MR. CRAWFORD: Mr. Speaker, it's not proposed that the Assembly sit tonight. At this moment, I can't offer members any guidance as to the intentions for tomorrow night. I regret I can't give that information now.

[At 5:33 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

