

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, March 1, 1982 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

MR. SPEAKER: This afternoon I have the honor to introduce a new member of the House, the new Member for Olds-Didsbury. I am sure he is already aware that the opportunity to be of service to the people of Alberta in their parliament is a great challenge. Although it may seem that it's more of a challenge in the beginning, I think we can all assure him that it continues to be that way as long as you're here. I wish him very much success, wish him well in his term of office as a member, and welcome him to the Assembly.

I see that the hon. Member for Olds-Didsbury has some of his family here to see his maiden day in the House. I would ask if he might introduce them to the House, if he wishes.

MR. KESLER: Thank you, Mr. Speaker. I'd like to introduce my father Leonard Kesler, my mother Ruth, my sweet wife Kay, my sister Trudie, Howard and Olive Thompson, and party leader Mr. Allen Maygard and his wife Ruth.

At this time I would like to say that it certainly is an honor and a privilege for me to sit in this Legislature to represent the people of the Olds-Didsbury constituency. I'd like to thank those people of Olds-Didsbury for the vote of confidence they've shown in me in allowing me to be here. I'd like to thank the hon. Premier for the opportunity he gave Western Canada Concept to run in the by-election in Olds, and for the opportunity it has given us to contribute to the future of this province.

Thank you very much. [applause]

head: **PRESENTING REPORTS BY
STANDING AND SELECT COMMITTEES**

MR. MACK: Mr. Speaker, I wish to table with the Legislature five copies of the special Report of the Auditor General of Alberta on Certain Matters Related to the Alberta Heritage Savings Trust Fund.

head: **TABLING RETURNS AND REPORTS**

MR. COOKSON: Mr. Speaker, pursuant to Section 29 of the Land Surface Conservation and Reclamation Act, I'd like to table the annual report of the Surface Reclamation Fund.

MR. KOZIAK: Mr. Speaker, it's my pleasure to table the annual report of the Department of Consumer and Corporate Affairs for the year ended March 31, 1981, and the annual report prepared by the Alberta Securities Commission for the same year end.

MR. BORSTAD: Mr. Speaker, I'd like to file with the Legislature Library two reports completed for the Northern Alberta Development Council, one being the research seminar and the other the Northern Transportation Review.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. KING: Mr. Speaker, today is the first day of Education Week across Canada — I'm sorry, across Alberta. I shouldn't sweep my arms too widely. With the indulgence of my colleagues, I would like to make a brief comment as a prelude to the introduction of special guests.

HON. MEMBERS: Agreed.

MR. KING: The theme of Education Week in Alberta this year is Focus on the Future. It has been the catalyst for a variety of activities that have spurred the imagination of students across the province.

This year the provincial Education Week Committee sponsored a province-wide crafts exhibition, in which students from all grades were invited to take part. This is the first year the exhibition has introduced a craft category for handicapped students, either in terms of class projects or individual efforts. I commend them for making this special effort to recognize the talents of the disabled.

Outstanding entries are on display at the Provincial Museum and will remain there for the duration of the week. I would invite you, Mr. Speaker, members of the Assembly, and other interested people to view the exhibit and witness the creativity and artistic skills of Alberta's youth.

The purpose of Education Week is to highlight education in Alberta, both within and outside the classroom setting. Learning does not end at the classroom door. The committee has sponsored activities which recognize the other important activities of school life. Students will honor special school staff members and members of the community with certificates of recognition. The committee has also worked with the schools to develop other imaginative events that will make this week both challenging and unique within the schools and in Alberta's communities.

I commend the Education Week Committee, composed of members Barbara Lacroix of the Alberta School Trustees' Association; David Flower of the Alberta Teachers' Association; Beryl Ballhorn, who unfortunately cannot be with us this afternoon, representing the Alberta Federation of Home and School Associations; Mr. Ed Kilpatrick of ACCESS; committee chairman Linda Lomax of Alberta Education; and Dawn Williams, the co-ordinator of the week's events. I ask them to rise and receive the welcome of the Assembly.

head: **ORAL QUESTION PERIOD**

Oil Sands Development

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier and is with regard to the Alsands project. We've had four years of delay and a September sell-out energy agreement which has caused the collapse of that Alsands project. [interjections] My question to the Premier: at this

point in time, what responsibility is the Premier and his government taking for the failure of that Alsands project?

MR. LOUGHEED: Mr. Speaker, I refer the question to the Minister of Energy and Natural Resources.

MR. LEITCH: Mr. Speaker, I draw to the attention of the hon. Leader of the Opposition that discussions are going on between this government and the members of the Alsands consortium. I anticipate a further meeting with my federal counterpart and discussions with other potential participants in that project. So his question and use of "failure" are a bit premature.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Energy and Natural Resources or the Premier. The matter is premature, but the concern of Albertans — Edmontonians, people losing jobs, businesses going bankrupt, the effect on this economy . . .

MR. SPEAKER: Is the hon. leader going to ask a question or make a speech? The latter was the indication.

MR. R. SPEAKER: Mr. Speaker, this government moves so slowly that you have to urge them a little. What strategy does the government have in place? What kind of things are going to happen at the meeting, supposedly on Thursday, which is a meeting for negotiations? Will we see some advancement with regard to the Alsands project, or will there be a decision just to drop it at this time?

MR. LEITCH: Mr. Speaker, upon reflection I'm sure the hon. Leader of the Opposition wouldn't want us to jeopardize those discussions by publicly announcing what our strategy might be.

MR. R. SPEAKER: Mr. Speaker, to the hon. minister. The government didn't tell us the strategy regarding the constitutional agreement and the energy agreement, and Albertans have lost. Here we have it again. We in this Legislature should know . . .

MR. SPEAKER: Order please.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether or not the government is close to an agreement at this time, or are the parties able to move ahead? What are some of the deterrents not allowing the Alsands project to proceed, as hoped for by Albertans?

MR. JOHNSTON: Are you opposed to it. Ray?

MR. R. SPEAKER: No, I'm not.

MR. LEITCH: Mr. Speaker, I'm sure all members of the Assembly would agree that when you're in these situations where discussions are going on, one cannot predict their outcome or how close one might be to an agreement, which is really what the hon. Leader of the Opposition has asked in his question.

Certainly the position of Alberta throughout has been that this is an important project for our province. It is certainly a very important project for Canada, particularly from the point of view of security of supply. We have made a number of changes — for example, from the regime that was applicable in respect of Syncrude — in the interest of ensuring that the project proceeds. But I

simply want to say to the hon. Leader of the Opposition that it would be my view that we should not say that that project proceed at all costs to Albertans. In my judgment, Mr. Speaker, the project should proceed, but upon the basis that there be a reasonable return to the people of Alberta, who own the resource, for the sale of the resource.

The other component to make the project viable is, of course, pricing. The hon. Leader of the Opposition commented about negotiations in respect of an energy agreement. I'd simply remind him of where we might have been if, during those discussions, we'd followed the disastrous proposals put forward by the party he leads.

MR. SPEAKER: Order please, or we're going to be into a debate.

MR. R. SPEAKER: If we knew where you stood, we'd be able to debate the matter.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Energy and Natural Resources or the Premier. I ask either hon. gentleman if the government has prepared an evaluation of the increase in the construction costs between the decision of this government not to allow the project to proceed in November 1980 and the present costs of some \$13 billion to \$14 billion, an increase that obviously has an impact on the economics and the return to the people of Alberta. What specific evaluation has been made of those construction cost increases, and what part has that played in the negotiations?

MR. LEITCH: Mr. Speaker, I think it is quite easy to evaluate the increase in costs between the two dates mentioned by the hon. Member for Spirit River-Fairview. Essentially it is the inflation that has occurred during that period. I simply want to remind the hon. Member for Spirit River-Fairview that it was this government's very firm decision not to proceed with those projects which led to the ultimate negotiation of an energy agreement.

DR. BUCK: And the recession.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. So there is absolutely no misunderstanding, is the minister advising the House that the government is totally convinced that the difference [between] the announced cost now, compared to the estimated cost in October and November of 1980, is only due to normal inflation and that the government is satisfied with the present estimates?

MR. LEITCH: Mr. Speaker, the hon. Member for Spirit River-Fairview would have to be more specific and refer to the cost he was using as an announced cost. A number of cost figures have been mentioned by a variety of parties. Before I could respond to that question, I'd have to know what figure he uses as the announced cost.

MR. KESLER: Mr. Speaker, I have a question for the hon. Minister of Energy and Natural Resources. In those negotiations, is it the intent of the provincial government or the federal government to pick up the slack that free enterprise has lost in percentage of those projects at this time?

MR. LEITCH: Mr. Speaker, as I interpret the hon. member's question — and if I'm wrong, I'm sure he will correct me — he's asking whether the government of Canada or the government of Alberta would be taking an equity interest in that project. Of course, I can't respond on behalf of the government of Canada. In respect of the Alberta government's position, I can say that the option of acquiring an equity interest in the Alsands project has been one that we have had under consideration for some time.

DR. BUCK: Mr. Speaker, a supplementary question on that point. Can the minister indicate what overtures have been made to corporations outside Canada to participate in the Alsands project? Have overtures been made to Japanese interests? Are these options still open to the Alberta government? Have overtures been made to countries outside Canada and the United States?

MR. LEITCH: Mr. Speaker, I'm not aware of all the discussions that might have gone on between the participants in the Alsands consortium and other companies, so I really couldn't respond to that question. I personally haven't been involved in any such discussions.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Municipal Affairs. In the discussions that have been going on with Alsands and the two levels of government, have any commitments been made to the city of Fort McMurray as to infrastructure costs? In negotiations going on, have commitments been made that the provincial government will be carrying a large proportion of the infrastructure costs as that community enlarges?

MR. MOORE: Mr. Speaker, the matter of where the major number of employees who might be attributed to the Alsands project will be housed is still under consideration. The company, the city of Fort McMurray, and others interested have been meeting with a task force comprised of senior representatives of various departments, who are reporting to the Minister of Energy and Natural Resources and me. When that matter is finalized, we will be in a better position to undertake to outline what proportion of the costs that might be incurred in housing people would be paid by the province, if the project goes ahead, and what costs would be borne by the city of Fort McMurray, if employees are located there.

Mr. Speaker, obviously a large number of additional people will be residing in Fort McMurray regardless of whether or not a new townsite is built. Those matters will be considered in the normal way, if and when the project goes ahead.

MR. NOTLEY: Mr. Speaker, a supplementary question, if I may, to the hon. Minister of Energy and Natural Resources. The minister indicated that the government was considering taking out an equity position in the project as one of the options. Of course, that is not news. It's been indicated before in the House, as I recall. However, bearing in mind that possibility, what steps has the government taken to evaluate the construction costs of the project, in the same way the government evaluated the construction costs of Syncrude by the appointment of the Loram group to do an assessment of construction costs in 1975?

MR. LEITCH: Mr. Speaker, we have had an analysis done by an independent firm as to the costs of the Alsands project. I should point out, though, that the situation with Alsands is appreciably different from the situation with Syncrude.

With the Alsands project, we were able to take the Syncrude project — and we know the 'as-built' costs there — and make adjustments for the difference in design between the Alsands and the Syncrude projects, then apply what is anticipated to be the inflation factor during the construction phase of the Alsands project. I point out those differences because in the Syncrude case, we had no such comparison. The project was much different in size and, in major ways, different in technology from the Suncor project and, of course, was significantly later in time. But we have had an analysis which indicates that the cost figures we have been working with in respect of the Alsands project are valid.

Nurses' Strike

MR. R. SPEAKER: Mr. Speaker, my second question is to either the Minister of Hospitals and Medical Care or the Minister of Labour. It's with regard to the current nurses' strike and the fact that the government picks up the last-dollar cost for operating the hospitals in the province. I'd like to ask either minister whether any guidelines with regard to the limits to which the hospitals can go in pursuing negotiations have been directed to the AHA, or has the government set no limits or guidelines with regard to those negotiations?

MR. YOUNG: Mr. Speaker, the government is quite obviously in a third-party position, in particular with respect to the administration of the labor relations process. If I understand the question correctly, in that capacity, it would not be establishing the hard guidelines, the precise parameters — I assume it is being asked — that the AHA would be following. That is the Alberta Hospital Association's responsibility. We expect they will exercise that responsibility, as they have, with due regard to all the factors necessary to assure a fair and reasonable collective agreement.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Hospitals and Medical Care, in light of that answer. Whatever settlement is reached — hopefully as soon as possible — could the minister indicate whether the government has made a commitment to pick up that last-dollar cost, or will some other form of taxation be implemented if the cost is greater than expected by government?

MR. RUSSELL: Mr. Speaker, on many occasions in this Assembly I've indicated that the matter of last-dollar financing is under careful consideration by the government and that if changes are to be made, it would be done in advance consultation with the municipalities; for example, if we go back to some form of local requisitioning. I should say there's been no thought of making a sudden move like that in response to the financial consequences of this particular work stoppage.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Hospitals and Medical Care, with regard to the condition of the health care system in the province. Could the minister indicate what type of monitoring is being done by the department? What assurance

can be given to Albertans that a good level of health care is being kept, to meet their basic needs at this time?

MR. RUSSELL: Mr. Speaker, fortunately I'm in a position to give a very good report. We receive telephone reports daily from all the hospitals that are operating and are affected by the work stoppage under way. Those are compiled, discussed, and reviewed at noon every day. In addition, the medical chiefs of staff of all the hospitals have a method of reporting to the College of Physicians and Surgeons any medical crises that may be occurring. In addition, of course, all MLAs are reporting to me from time to time about the hospital situation within their constituencies and, as MLAs, we all get communications from our constituents.

The situation is this: as of this morning, the hospitals are coping extremely well. A number of factors enable us to say that. First of all, a number of hospitals aren't affected by the strike in that they are either not unionized, have a vote by that particular local not to strike, or are provincially owned hospitals. So that gives us a pretty good bed supply throughout the province. In addition, most of the struck hospitals are in operation, on a limited basis, by using out-of-scope nurses or nurses who have crossed the picket lines. Those numbers are increasing daily at a fairly encouraging rate.

I think the plans the various hospitals have put into effect to take care of the urgent and emergency situations brought to their doorsteps are proving to be very effective. I can assure Albertans today that those kinds of services are being provided in a very well managed manner.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Labour, with regard to working under the Labour Act at the present time. Could the minister indicate whether the government is giving any consideration to intervening in the strike in any way or through any legislative act at this time?

MR. YOUNG: Mr. Speaker, I can indicate that at present I have no intention of intervening in this dispute. We are monitoring the situation very carefully, as my colleague the Minister of Hospitals and Medical Care indicated. I regret very much the route this dispute is taking, because it's obviously a major concern to a lot of patients and the public generally. It's also going to severely and negatively affect many nurses who are involved, as well as hospital boards and their members. Nevertheless, in the circumstances there is no intention to intervene at the present time.

Alberta Winter Games

DR. CARTER: Mr. Speaker, my question is to the Minister of Recreation and Parks. What is the minister's assessment of the success or otherwise of the Alberta Winter Games, held in Lloydminster this past weekend?

MR. SPEAKER: With great respect to the hon. member ...

MR. TRYNCHY: Great. [interjections]

MR. SPEAKER: I'm not sure whether he anticipates an answer saying they're just going marvellously or some other kind of answer, but it really would be an expression of opinion.

Suncor Emissions

MR. NOTLEY: Mr. Speaker, I'd like to direct a question to the hon. Minister of the Environment. On May 12, 1981, page 675 of *Hansard*, the minister said:

... under our legislation and the licensing procedure, it's the responsibility of the licensed companies to report to Environment and/or, in some instances, Disaster Services ...

He went on to say:

... if we saw a situation where it would be of danger to the public in general, the first thing we would do is alert those downstream or wherever it may be.

Mr. Speaker, my question to the hon. Minister of the Environment is with respect to the release of toxic materials by Suncor. Can the minister confirm that a control order was issued on this matter last Friday? And can the minister explain to the House why the control order was only issued last week when apparently this has been going on since December 21?

MR. COOKSON: Mr. Speaker, on Friday we issued an emission control order to Suncor, instructing them forthwith and immediately to do a proper clean-up. We'll be monitoring that continuously.

One can only speculate on considerable media reports that the spills have been occurring quite regularly for some time. At the present time, I have instructed my officials essentially to review these statements to see if in fact there's any validity to the comments.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister indicated that the department was in fact going to review reports. What specific steps is the minister going to take, beyond a review of reports, in light of the very clear statement the minister made in this House on May 15:

... under the licensing procedure that we operate, it's required to report spills, and we can revoke licences for not following through on this. It's both moral and, I would say, statutory in terms of the licensing procedure.

Mr. Speaker, in view of the matter being given some attention now in the public arena, is the minister not able to advise the Assembly that at this point in time he has not been able to ascertain whether the problem has in fact been in existence for some weeks?

MR. COOKSON: Mr. Speaker, the NDP member continues to explore primarily on the basis of supposition. As I said, we will review the reports purported to be made in the media and consult with Suncor to see if these spills actually did take place. There are emission standards set down by the licensing procedure, which allow certain amounts to be released within environmental health standards, and they must come within those regulations laid down in the licence. As I said, at the present time we are reviewing the procedures by Suncor. If there is sufficient evidence that this has been an ongoing practice of the company concerned, then we will take the necessary steps under legislation.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. I must say I am rather astonished, in view of the public admission by the company of the ...

MR. SPEAKER: Order please. Let's get to the question.

MR. NOTLEY: Mr. Speaker, bearing [in mind] the public admission by the company, I ask the minister what steps the government is proposing with respect to the community of Fort MacKay, which is downstream from the plant, as it relates to a supply of fresh water? Is there going to be any move by this government to assist the residents of that community, who are more than just a little concerned about the spills?

MR. COOKSON: First of all, Mr. Speaker, referring to the member's comments on public admission. If that's the situation the member refers to, I think it is excellent on the part of the company to admit that there is a problem and that they wish to deal with it.

Insofar as those downstream, we again have to review the quantities or quality of the material. I have no indication as yet that there was in any way a health hazard or environmental problem insofar as those kinds of emissions. If the people at Fort MacKay have a problem, they should immediately correspond with us. We will follow through on their problem and deal with it accordingly.

MR. MOORE: Mr. Speaker, I wonder if I might supplement the answer by the hon. Minister of the Environment with respect to water supplies available in the hamlet of Fort MacKay, which is in Improvement District No. 18.

There are two water supply points in the community of Fort MacKay, commonly known as the southern and northern supply points. On December 29, there was a fire in one of the water supply points that destroyed the pump house, leaving the community with one independent supply of water separate and apart from the river. That situation was corrected on January 18, about 19 days later, when the community once again had two water supply points. Later on, between February 1 and 3, one of the water supply points became inoperational because of freezing and was restored on February 10. Since February 10, both water supply points in the community have been operational. They are separate and independent from the river.

Mr. Speaker, I bring these matters to the attention of the hon. member because the Department of Municipal Affairs, because of its responsibility for the operation of improvement districts, is involved in the operation of one of the water supply points — the federal Department of Indian Affairs and Northern Development on the other one, with some assistance from the band. In summary, the matter of a good, clean water supply to the residents of Fort MacKay is in place now. While the quality of the river water is very important, as the hon. Minister of the Environment said, my information is that it presently is not affecting the band members.

MR. NOTLEY: Mr. Speaker, a supplementary question. The hon. Minister of the Environment indicated that the department was going to review reports with respect to the spill from the Suncor plant. If I recollect his words in the House, he indicated that he would be meeting with company officials on this matter, or at least that officials of the department would be meeting with company officials. Will there be any discussions with the band at Fort MacKay? Have there been any discussions between any member of the Department of the Environment in this province and the band at Fort MacKay?

MR. COOKSON: Mr. Speaker, I could check to see if there has been any dialogue with my own department officials. As far as I know, I haven't been contacted by

the members from Fort MacKay. However, I understand they have been in discussion directly with the company concerned.

Lumber Industry

DR. BUCK: Mr. Speaker, my question to the hon. Minister of Energy and Natural Resources has to do with the Blue Ridge Lumber company at Blue Ridge in the Mayerthorpe area. Can the minister indicate what has happened in that project? Is the plant going to close down, or has there been a reprieve for the people who are going to be laid off from that lumber project?

MR. LEITCH: Mr. Speaker, my understanding is that there was an initial announcement to phase down operations during the month of March, with a closure toward the end of March, as I recall. I believe that has now been reconsidered and an extension granted with respect to the closure of those operations. The short response to the question is: my information is that there has been an extension.

DR. BUCK: Mr. Speaker, has the minister had any communications with the owners, the Alberta Energy Company, as to the long-term approach? Is this just an interim program, or are the government and the company looking at some type of long-term project to make sure these people retain their jobs?

MR. LEITCH: Mr. Speaker, I don't have discussions with the Alberta Energy Company in areas that really involve management decisions. I should draw to the hon. member's attention that this industry is very much a cyclical one: it does have its good times and bad times. We are now experiencing a very difficult time.

Mr. Speaker, it has been relieved to a very significant extent by the program we brought in last fall, whereby the government provided payment in respect of lumber that was salvaged from logs that had been fire-killed and killed by pine bark beetle damage. That has been a very important factor in keeping the industry functioning at its appreciable level in Alberta during the past winter.

There are other things we are looking at and may be able to do. But when the hon. member refers to a long-range program, Mr. Speaker, I am not exactly sure what time frame he has in mind. I do want to stress again that this is very much a cyclical business. We appreciated the problem the industry was going to have this winter and for that reason brought in the program of salvaging the fire- and beetle-killed timber, which I think has been very successful.

In that respect, Mr. Speaker, in looking over the statistics recently, I was pleased to note that we are operating at a higher percentage of capacity in Alberta, for example, in this ...

MR. SPEAKER: It would appear to the Chair that the hon. minister is going considerably beyond the scope of the question.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Recreation and Parks, the MLA for the area. Can the minister indicate if he has had any discussions with the 23 workers who have been laid off and will not be getting back, to see if they can be placed either back in the same industry or other areas?

AN HON. MEMBER: Order.

MR. TRYNCHY: Mr. Speaker, I met with a delegate body of five workers last Saturday. They represent all the workers who were laid off before, and the ones contemplated to be laid off sometime in the future. They are working with me to see if we can work out something that is satisfactory to all.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. . . .

MR. CRAWFORD: [Inaudible] . . . making the observation that the hon. member well knows he does not have . . . [interjections]

MR. SPEAKER: Order please. Would the hon. leader give the Chair an opportunity to hear what the hon. Government House Leader has to say. I haven't heard a word of it.

DR. BUCK: Mr. Speaker, is he speaking on a point of order, is what . . .

MR. SPEAKER: Order please. How do we know what he's speaking to until he can be heard.

DR. BUCK: [Inaudible] . . . address the question on a point of order or on a point of something, not get up and make a speech. That's what the Leader of the Opposition is asking.

MR. SPEAKER: Order please. Let's look at the contents, then we can label it. [interjections]

DR. BUCK: Mr. Speaker, on a point of order. When an hon. member gets up to interrupt another hon. member speaking, he says, "Mr. Speaker, on a point of order" or "a point of privilege". What we're asking is, on what order is he rising? [interjections]

MR. CRAWFORD: Mr. Speaker, I want to thank the hon. Member for Clover Bar for what guidance is evident. . . .

DR. BUCK: Mr. Speaker, what is the hon. member rising on?

MR. CRAWFORD: Mr. Speaker, on a point of order. [interjections] I want to say what all members well know in respect of this point of order: as a very experienced member, the hon. Member for Clover Bar knows that he can only ask a minister a question on a matter that relates to his responsibilities here or in the sense of his governmental responsibilities. Any questions in regard to discussions relative to economic matters in the hon. member's constituency can only be relevant if they relate to his portfolio of Recreation and Parks.

MR. NOTLEY: Mr. Speaker, perhaps I could put a supplementary question to the hon. Minister of Energy and Natural Resources. In light of some plant closures and the decision to cut back on the shift in Grande Prairie, is the government now giving any consideration to a lumber inventory financing scheme which might make it possible for some of these operations to continue, and stockpiling lumber for which there will be a market somewhere?

MR. LEITCH: Mr. Speaker, there is such a program through the Alberta Opportunity Company, and we have been examining it to ascertain whether there might be changes in it. We haven't completed our examination yet, but it is ongoing.

MR. NOTLEY: A supplementary question. Is the minister in a position to give the House any indication as to when a decision will be made on this matter, in view of the situation in Blue Ridge, Grande Prairie, and the forestry industry generally?

MR. LEITCH: Mr. Speaker, it would be in the very near future.

DR. BUCK: Mr. Speaker, a supplementary question to the minister responsible for business development and small business. Can the minister indicate if his department has done any studies on the impact on these communities if these people were laid off. What studies has the minister done as to what impact there could be from these layoffs?

MR. ADAIR: Mr. Speaker, I might mention to the hon. Member for Clover Bar that the department is Tourism and Small Business.

I should point out that in December we started working with the Department of Energy and Natural Resources and the lumber industry itself to put in place a program for inventory financing, and that is basically almost ready to go. We're doing some final touches with the industry itself.

Federal Funding Cutbacks

MR. ZAOZIRNY: Mr. Speaker, my question is to the Minister of Advanced Education and Manpower. It arises from recent statements by the Hon. Gerald Regan, minister of the federal government, to the effect that payments made to the provinces in the near future in respect of education will be dramatically reduced, and similar statements made by the Prime Minister of this country with respect to the status of co-operative federalism. In that regard, could the minister indicate to the Assembly whether the government has as yet had an opportunity to put in place a strategy to respond to these latest federal moves?

MR. HORSMAN: Mr. Speaker, the matter of renegotiating the entire package of established programs financing is the responsibility of the Provincial Treasurer on the part of this government. That arises from a unanimous agreement of the provincial first ministers and finance ministers, meeting in Victoria last year. That remains the position of this government.

At a meeting of the Council of Ministers of Education for Canada last Wednesday in Toronto, that principle was unanimously reaffirmed by the provincial and territorial governments in attendance. The subject matter of the Regan proposal put before the council of ministers — I should say initially as ministers individually, rather than as the council — was the subject of intense discussion. The ultimatum set forward in the proposal of a reply by March 3 this year was rejected unanimously by the provincial ministers of education. As far as our government is concerned, it remains a matter for negotiation by the provincial treasurers with the federal finance minister.

MR. ZAOZIRNY: Supplementary question to the Provincial Treasurer, then, Mr. Speaker. Could the Provincial Treasurer indicate whether a specific strategy has been agreed upon at this point in time to respond to these federal moves, in the fields of both education and health?

MR. HYNDMAN: Mr. Speaker, there is of course co-ordination between the various ministries of the government of the province of Alberta in dealing with Ottawa. As has been indicated by my colleague the Minister of Advanced Education and Manpower, and as the various ministers of finance and provincial treasurers have followed over the past number of months, we are not prepared to accept ultimatums. At a meeting recently in Ottawa, all 10 provinces put together a package of proposals which would have been a compromise plan to carry on further negotiations. We hope there can be further negotiations. That's the way disputes and negotiations of this kind should be settled in Canada.

MR. ZAOZIRNY: One further supplementary, Mr. Speaker. Could the Provincial Treasurer indicate whether one of the policy alternatives under consideration is a direct court challenge to the constitutionality of the federal government significantly reducing these payments unilaterally, given that while the responsibility for the areas of health and education is with the provinces, the federal government has the power of the purse to invoke personal taxation and thus control so much of the revenue. Is a court challenge one of the policy alternatives under consideration?

MR. HYNDMAN: Mr. Speaker, the legal situation between the question of equalization and that of established programs financing is somewhat different. We would presume and hope that the federal government would act in a legal way with respect to any initiatives they take. If they do not do so, then we would follow up all options available to us in ensuring that they carry out the obligations they have.

MR. KESLER: A supplementary question to the hon. minister. If in fact the federal government goes ahead with unilateral decisions, I'd like to ask the hon. minister if the provincial government is prepared to do the same.

MR. HYNDMAN: I think the question is hypothetical, Mr. Speaker. We'd have to wait and see what the federal government does and then, as we've indicated in the past, this government will act strongly and in an appropriate fashion.

Crowsnest Pass Freight Rates

MR. MANDEVILLE: Mr. Speaker, my question to the hon. Minister of Agriculture is with regard to the Crow rates. Has the provincial government made any representation to Ottawa with regard to the proposed changes in the Crowsnest rates?

MR. SCHMIDT: Mr. Speaker, over the period of both 1980 and specifically during 1981, through not only the

Department of Agriculture, the province has had the opportunity to make representations to the federal government on the total transportation package and to offer views on behalf of the producers of this province on that portion that the Crow rate itself affects the total transportation package.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the provincial government come up with a proposal to the changes in the Crowsnest rates as they relate to the proposals from the federal government? Do they agree with their proposals?

MR. SCHMIDT: Mr. Speaker, we agree with the move that has been made to start a total review of the transportation package as it affects western Canada and also that portion that the Crow rate plays, and had the opportunity to present to the federal government sometime ago the view, as we see it, of the producers within the province.

It falls into four basic areas. The province agrees that the Crow benefit itself should be maintained and stay with the producer. Secondly, the processing industry should have that opportunity and not be penalized for the upgrading of agricultural products within the province. The differential between the benefit and the actual cost of moving the commodity should be borne by the federal government. There should be some guarantees, first of all for the longevity of whatever programs are instituted on behalf of the producer and, secondly, not only for the cost of the movement of products but also on behalf of the railroad for providing upgraded service.

MR. MANDEVILLE: A further supplementary question, Mr. Speaker. The federal Minister of Transport has indicated that they would like to come up with some proposed changes in the Crowsnest rates by spring. He wants approval of the provinces to go ahead with this. Has the minister set up any committee, or will he be meeting with federal officials to determine whether this agreement can be made by spring this year?

MR. SCHMIDT: Mr. Speaker, the opportunity for producers throughout the province to present their views is of course available through Dr. Gilson. It's my understanding that the provinces collectively will have that opportunity to make presentations to the federal government. I'm not aware of the timing of that presentation being set.

ORDERS OF THE DAY

head: **PROROGATION**

MR. CRAWFORD: Mr. Speaker, it is His Honour the Lieutenant-Governor's will and pleasure that the Legislative Assembly be now prorogued, and this Assembly is accordingly prorogued.

[The House prorogued at 3:22 p.m.]

