

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Friday, April 8, 1983 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Deputy Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 40****Alberta Corporate Income Tax
Amendment Act, 1983**

MR. HYNDMAN: Mr. Speaker, I beg leave to introduce a Bill, being the Alberta Corporate Income Tax Amendment Act, 1983.

The purpose of this Bill is: firstly, to clarify provisions of the royalty tax credit with regard to eligibility, reflecting my August 1982 announcement in that regard; secondly, to allow for faster refunds of income tax instalments where taxpayer businessmen are in a hardship situation financially and were not taxable; and thirdly, to simplify for businesses the administrative mechanism for determining when financial books and records may be destroyed.

[Leave granted; Bill 40 read a first time]

Bill 41**Alberta Income Tax
Amendment Act, 1983**

MR. HYNDMAN: Mr. Speaker, I request leave to introduce Bill No. 41, the Alberta Income Tax Amendment Act, 1983.

The purpose of this Bill is essentially threefold: firstly, to implement the significant enrichment of the renter assistance tax credit, beginning for the taxation year 1983 and for subsequent years, as announced in October 1982; secondly, to implement the clarification of the royalty tax credit eligibility, as announced in August of last year; and thirdly, to make minor technical corrections and maintain appropriate uniformity, as required by the tax collection agreement.

[Leave granted; Bill 41 read a first time]

Bill 42**Tobacco Tax Act**

MR. HYNDMAN: Mr. Speaker, I request leave to introduce Bill No. 42, the Tobacco Tax Act.

The purpose of this new Act, which is a total rewrite — it's similar to tobacco tax legislation in virtually all other provinces — is to implement the significant tobacco tax increases announced in the recent budget; secondly, to remove a major paperwork and red tape burden from thousands of retail outlets, which in future will no longer have to file any of those forms; and thirdly, to provide a new appeal mechanism in the case of suspension or cancellation of permits of wholesalers.

[Leave granted; Bill 42 read a first time]

Bill 227**Community Crime Prevention Act**

MR. MARTIN: Mr. Speaker, I beg leave to introduce Bill 227, the Community Crime Prevention Act.

This Bill would establish a community crime prevention division in the Department of the Solicitor General. This new division would be charged with overseeing a number of community crime prevention programs to counteract the growing crime problem in the province.

[Leave granted; Bill 227 read a first time]

Bill 235**An Act to Amend
the Alberta Evidence Act**

MR. GOGO: Mr. Speaker, I beg leave to introduce Bill 235, an Act to Amend the Alberta Evidence Act.

The purpose of this Bill is to recognize, with modern times, the types of communication that go on between constituents and members of the Assembly. This would allow communications between constituents and members of this Assembly to be considered privileged information.

[Leave granted; Bill 235 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. RUSSELL: Mr. Speaker, I beg leave to table the annual report of the Alberta Health Care Insurance Plan.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. SZWENDER: Mr. Speaker, I would like to introduce to you and to members of the Assembly 26 students from the North Edmonton Christian school. Seated in the members gallery, they are accompanied by their teacher Mr. Stolte and by their supervisor Mr. Schouten. I ask members to give a warm round of applause to these lovers of learning.

MRS. LeMESSURIER: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Assembly, 11 students from the continuing education class in the constituency of Edmonton Centre. These students represent many parts of the world, including Poland, Chile, Brazil, mainland China, Hong Kong, Taiwan, Vietnam, and the province of Quebec. Accompanied by their teacher Mr. Scragg, they are seated in the members gallery. I ask the students to rise and receive the warm welcome of this Assembly.

MR. ALEXANDER: Mr. Speaker, I request leave to introduce to you, and through you to the Assembly, 50 grade 6 students from Richard Secord school, in the Edmonton Whitemud constituency. They are accompanied by two teachers, Mrs. Ursula Buffi and Mrs. Laura Meadows, parent Mrs. Alice Mitchell, and bus driver Mr. Bill VanderWoude. These students are seated in both the members and public galleries, and I ask them to stand and receive the welcome of the Assembly.

MR. MUSGROVE: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, Mr. Jack Edworthy and his son Heath. Jack is the executive director of the Alberta Association of Municipal Districts and Counties. The Edworthy family are into their 100th year in Alberta. They came to Alberta in 1883, and their original homestead is known as Edworthy Park in Calgary. I ask them to stand and receive the warm welcome of the Assembly.

MR. HORSMAN: Mr. Speaker, I am pleased today to introduce to you, and through you to members of the Assembly, His Worship the Mayor of Medicine Hat, Ted Grimm, accompanied by Alderman Dr. Ken Sauer. It's a pleasure for me to welcome them to this Assembly, and I ask that members do the same.

MRS. FYFE: Mr. Speaker, this morning I would like to introduce to you and to members of the Assembly 55 grade 6 students from W.D. Cuts school, in the city of St. Albert. They're accompanied by their teacher, Shirley Welsh. They're sitting in the members gallery, and I ask them to stand and be recognized by the Assembly.

MR. ALEXANDER: Mr. Speaker, I request the further privilege today of introducing to you, and through you to the Assembly, some foreign visitors. These people are staff members from Uganda College of Commerce and Uganda Technical College. They are here on a staff development program funded by the Canadian International Development Agency in co-operation with Grant MacEwan College. They're here under the guidance of Dr. Collin, who lives in Edmonton Whitemud constituency. He is the co-ordinator of program development and evaluation at the Mill Woods campus of Grant MacEwan College.

Mr. Speaker, I have not been briefed on the proper pronunciation of Ugandan names, but these people have come a long way to be introduced and so I am going to try. They are: from Uganda College of Commerce, Mr. Vincent Owor-Adipa, Mr. Michael Elasu, Mr. Rogers Mukiibi, and Mr. Stanley Bmaleero; and from the Technical College, Mr. Gideon Igaba, Mr. Joseph Kisuule, Mr. Nuwa Kajubi, and Mr. Joseph Kasozi. I ask these people to stand and receive a special welcome from the Assembly.

head: ORAL QUESTION PERIOD

Crime Prevention

MR. MARTIN: Mr. Speaker, I'd like to direct my first question to the Solicitor General. Has the Solicitor General had an opportunity to review the January statistics which indicate a 13 per cent increase in violent crime in Edmonton?

MR. HARLE: Mr. Speaker, I get reports from the department on the statistical material that's gathered from the various police agencies across Alberta, including the cities of Edmonton and Calgary.

MR. MARTIN: A supplementary question, Mr. Speaker. I'll put this very bluntly: what is the government going to do about this growing problem in this particular city and across the province?

MR. HARLE: Mr. Speaker, the position the government of Alberta has taken is to ensure that funding is available to assist municipalities that have their own police forces with the cost of operating police departments. We also ensure that there is funding available to pay for the RCMP services that we acquire from the federal government. We are also developing various programs the police can use, in terms of preventive action citizens can take in order to ensure their own safety.

MR. MARTIN: Obviously we haven't been too successful.

A supplementary question, Mr. Speaker. Has the Solicitor General asked his officials to do a study of violent crime in Edmonton, seeing that in this city we have twice the national average?

MR. HARLE: Mr. Speaker, one of the difficulties with crime statistics is, first of all, that the reporting processes used by various police forces are not consistent. A great deal of work is being done in order to try to gather more consistent statistics from the various forces. The other point to note is that maybe there are rises in various categories of offences and decreases in other categories, and perhaps generalizations are subject to very careful assessment.

MR. MARTIN: A supplementary question. I was talking specifically about violent crime, and that's fairly clear. I note a 12.3 increase in the budget estimates for construction of jails. Has the minister had occasion to review neighborhood policing and community supervision as established in places like Detroit and San Francisco, to see if that model could be used in preventing crime in Alberta, rather than building jails?

MR. HARLE: Mr. Speaker, I am sure all police forces are continuously reviewing their approach to crime in each city and municipality. I'm sure — in fact, I have seen the various amount of work being done in watching developments in other jurisdictions, keeping in mind the differences that exist in this country, and particularly in the province of Alberta, with conditions that exist in other jurisdictions.

MR. MARTIN: A supplementary question, Mr. Speaker. I was not asking what the police forces did; I was asking you as the crime leader, as the Solicitor General. Have you, specifically, looked into these policies?

MR. HARLE: Mr. Speaker, I didn't think I was a crime leader.

MR. MARTIN: Specifically, then . . .

MR. DEPUTY SPEAKER: Would the hon. member kindly address his questions through the Chair, in the proper form.

MR. MARTIN: Mr. Speaker, I will rephrase the question to the Solicitor General. What are you doing, specifically? Have you looked into these projects that seem to be working in the United States?

MR. HARLE: No, I personally have not.

MR. MARTIN: A supplementary question. Has the minister given any consideration to establishing in his de-

partment a crime prevention division, which would encourage community-based and -controlled crime prevention programs in Alberta?

MR. HARLE: Mr. Speaker, we have in fact developed a number of crime prevention programs, and I believe they have been very successful. The Lady Beware program, a brochure about which I tabled in this House earlier in this session, and the Neighbourhood Watch programs have been well accepted and are promoted by all the police forces in the province.

MR. MARTIN: One final supplementary.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton Norwood could ask one more supplementary, followed by a supplementary by the Member for Clover Bar.

MR. MARTIN: Then would the minister make a commitment to look into successful community prevention schemes elsewhere, with the idea of bringing in legislation to help prevent crime?

MR. HARLE: Mr. Speaker, we continually review the proposals that are made in other jurisdictions and, as I said, compare those proposals with what we're doing in this province. Officials from the department attend the international meetings of criminologists who look into such matters. We very recently took the opportunity to support the Crime Stoppers program, that was recently introduced in the city of Edmonton and has been going on for some months in the cities of Calgary and Lethbridge.

DR. BUCK: Mr. Speaker, I'd like to ask a supplementary question of the hon. Solicitor General. Also, I'd like to indicate to the Assembly that the rural crime stop program is working quite efficiently in the areas where they are using it.

Can the minister indicate what steps his department is taking to decentralize RCMP detachments so that we can get them into the smaller rural communities, as they were before we started the centralization program?

MR. HARLE: I don't have the numbers immediately at hand, Mr. Speaker, but we have established, and have reinforced by additional personnel, detachments throughout Alberta. The RCMP keep me posted as to the advisability of establishing new detachment areas. I could get some details on that if the hon. member wishes.

MR. PAPROSKI: A supplementary, Mr. Speaker. Does the Solicitor General meet with the police chief of the city of Edmonton on a regular basis to discuss issues like crime in this city?

MR. HARLE: Mr. Speaker, I have meetings with all the police chiefs in the province of Alberta on a regular basis, and also meet with the chief of police of the city of Edmonton at any time that either he or I have any concerns.

MR. NELSON: A supplementary, Mr. Speaker. Could the Solicitor General indicate whether our hon. Member for Edmonton Norwood has made any effort to obtain the information relevant to the efforts the police services

in the communities are placing in the area of crime prevention in the communities?

MR. DEPUTY SPEAKER: I think that question could be asked directly by the member to the hon. Acting Leader of the Opposition.

Public Works, Supply and Services Layoffs

MR. MARTIN: I would like to refer to a couple of weeks ago. The Minister of Public Works, Supply and Services hasn't got back to me, so I'll ask the question again; perhaps he has the answer. Could the minister advise the Assembly why 14 members of the accommodation services division of the Department of Public Works, Supply and Services have been given layoff notices as of March 31, 1983, and other staff, both permanent and non-permanent, for July 1, 1983?

MR. CHAMBERS: Mr. Speaker, the 14 members referred to were temporary employees, and at this point in time their services are no longer required.

MR. MARTIN: A supplementary question. I'll refer to the second part of it. I understand permanent staff were given notice for July 1, 1983. Could the minister indicate the reasons for those layoffs?

MR. CHAMBERS: Mr. Speaker, at this point in time I'm not aware of permanent staff having been given notice. However, I point out that certainly I am aware of temporary employees who've been given notice. Every effort has been made to place people in appropriate jobs to the maximum extent possible. But when those opportunities don't exist, then the other course of action becomes necessary.

MR. MARTIN: A supplementary question. I assure the minister that permanent people were given notice. Can the minister inform the Assembly — and I refer to the report by K. Mark about his department, which said "incredible delays in projects", bogged down in paperwork, and . . .

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: Would the hon. Acting Leader of the Opposition go directly to the question. There's no need to read from any report.

MR. MARTIN: On a point of order, I wasn't sure he was aware of the report, Mr. Speaker. How can cutbacks possibly make his department more efficient?

MR. CHAMBERS: Mr. Speaker, I assure the hon. member that I am very aware on the subject of efficiency and that I strive to make the department as efficient as possible. Unfortunately those cutbacks are a necessary part of that thrust.

In terms of that specific report, I said I would confer with my colleague who accepted the question, and I will do that. I have not had a chance to peruse that report. I would say, though, that that report was a relatively narrow sort of consulting job. It was an administrative type of report that was requested for a specific purpose by a member of the department. It was not at my request, nor do I particularly require that sort of information. However, I'm assured that my deputy does not agree with

recommendations of the report. I've had a lot of other reports to consider, and I haven't assigned it necessarily that sort of priority. But I will read it as soon as I get a chance to, and I will confer with my colleague and get back.

MR. MARTIN: I can understand the minister not wanting to read the report; it's pretty damning.

I'll ask the minister a supplementary question. Will the minister advise the Assembly whether or not it is the intention of his department to bring in private consultants to work in place of those people laid off?

MR. CHAMBERS: Mr. Speaker, consultants are used extensively by the department because of specific areas of expertise or need at a given point in time. There may not be a requirement for a certain area of expertise or a certain type of personnel, whereas another area where we don't have on staff that type of personnel might require it; therefore, we use consultants. Wherever practical, we try to use consultants, and I think that system has worked very well over the years.

MR. MARTIN: A supplementary question. I'll ask it again. Specifically in this issue, are you going to bring in private consultants to work in place of the people who are laid off? I know the hon. minister brings in private consultants. I am asking specifically about the jobs these people were doing.

MR. CHAMBERS: Mr. Speaker, I thought I had answered that; I surely tried to. In other words, if we had people on staff who were doing a certain job, we would not lay them off and then hire consultants to replace them. However, what I tried to point out is that we have to look at areas of need and expertise, in terms of personnel. That covers a very broad spectrum in my department, and we require the services of consultants to cover various areas of expertise from time to time in an ongoing way.

MR. MARTIN: A supplementary question. Would the minister commit his department to finding other jobs in the government for those laid off in his department?

MR. CHAMBERS: No, Mr. Speaker, I answered that. If jobs become redundant in a certain area, wherever possible we try — and certainly did try — to find jobs in another area for those people. If that opportunity doesn't exist, then we have to exercise the other alternative.

MR. MARTIN: One final supplementary, Mr. Speaker. Could the minister indicate when he might get back to us on this report? He said he would have some discussion. Can he give us a relative idea when we'll know what they're doing about his department?

MR. CHAMBERS: I expect fairly soon, Mr. Speaker.

Calgary Olympics — Ski Site

DR. BUCK: Mr. Speaker, my question to the Minister of Recreation and Parks has to do with the proposed Olympic downhill site selection. Can the minister indicate if he will be meeting with the international Olympic group when they are discussing site selection with the Calgary Olympic group? Will the minister be involved in those discussions?

MR. TRYNCHY: No, Mr. Speaker, I've had no invitation to be present. But if the invitation were awarded to me, I would certainly take that under consideration.

DR. BUCK: Mr. Speaker, can the hon. Minister of Recreation and Parks indicate at this time that he will be giving any direction to the Calgary Olympic committee to tour the proposed sites in conjunction with the International Olympic Committee and the minister's department? Would the minister give any consideration to that?

MR. TRYNCHY: No, Mr. Speaker, I would not direct the Calgary Olympic Development Association to make a tour. They are the ones who will be deciding where the sites are and coming back to this government with that information. So it would not be my intention to direct them to go and visit the site, but I imagine they would do it anyway.

DR. BUCK: Mr. Speaker, a supplementary question. Can the minister indicate if he or his department has had anyone looking at the snow at Mount Allan at this time? Can the minister report to the Assembly the snow conditions at Mount Allan at this time?

MR. TRYNCHY: Mr. Speaker, a number of studies with regard to snow in Kananaskis Country are being considered at this time, under the direction of the Minister of Tourism and Small Business. Possibly he wants to enlarge on the answer to that question.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. minister, for clarification. Is it my understanding that the government of Alberta will have no authority, no veto power, or no say with regard to the location of any of the facilities related to the Olympic games? Is that an accurate statement?

MR. TRYNCHY: No, Mr. Speaker. We have asked the Olympic committee to come back to us with the specific sites, and after that we will review them. We have people on staff, such as a new person just having been taken on as co-ordinator of the games, working with the committees on our behalf. Certainly when the Calgary Olympic Development Association tells us that these are the sites they'd like to go to, naturally we will be involved in making sure they are the sites that will be a long-term benefit to the people of Alberta.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. The final decision with regard to the mountain that will be used for the downhill or the location of other facilities for the Olympic games, rests with the cabinet of the province of Alberta. Is that what the minister is saying to me?

MR. TRYNCHY: Not entirely, Mr. Speaker. We will work with the committee in Calgary and with other people, and I think it will be a joint effort. Whether it's a final decision by government or in conjunction with them, remains to be seen.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. The answer to the question is not clear at this point. I still feel that in the final analysis, one body must have the authority to make the decision. Would that authority be the Premier and cabinet ministers? Or does the final authority to determine the site for

the Olympic games, specifically the downhill run, rest with the Olympic committee?

MR. LOUGHEED: Mr. Speaker, I believe the Minister of Recreation and Parks was very accurate in his response, because it really is a joint decision. From the province's point of view, if we are involved in funding, as we have undertaken to do, we have to assure that a long-term recreation use is available for the citizens of our province. But under the rules of the International Olympic Committee, it is the organizing committee itself that makes decisions with regard to venue. So clearly when there is a necessity to mesh these two, as there is in this case, it has to be a joint decision. I believe that was the answer given by the hon. minister.

DR. BUCK: Mr. Speaker, a supplementary. Can the hon. Minister of Tourism and Small Business indicate what the snow conditions are at Mount Allan at this time?

MR. ADAIR: Mr. Speaker, I haven't been down to Mount Allan in recent weeks. But as of last week, my information was that 20 centimetres of snow fell in Kananaskis Country, and I assume that some of that fell on Mount Allan.

DR. BUCK: Mr. Speaker, if we're going to spend that money, you'd better not be assuming too many things.

My question is to the Minister of Federal and Intergovernmental Affairs. Can the minister indicate what studies have been done with the people in Lake Louise, Sunshine, and in the Banff area, as to what effect the proposed facilities in Kananaskis Country will have on the usage of the facilities in the Banff area?

MR. HORSMAN: Mr. Speaker, that question should properly be addressed to my colleague who just referred to the snow conditions at Mount Allan.

MR. ADAIR: Mr. Speaker, as Minister of Tourism and Small Business, my responsibilities in relation to the recreation ski area proposals we are looking at right now and the indirect connection they may well have with the Olympic package that has been awarded to the city of Calgary, are such that we have been taking into consideration the recreational ski opportunities of the Eastern Slopes; I think it would be fair to say that. That would include ski facilities from as far north as Jasper, the Marmot Basin, as well as the immediate ski areas around Banff National Park and south of that as well.

In short, Mr. Speaker, the answer is yes, there is consideration of the impact of recreation ski opportunities on the existing facilities as well.

DR. BUCK: Mr. Speaker, my question to the Minister of Federal and Intergovernmental Affairs is one I think he can handle. Can the minister indicate what discussions are going on with his federal counterpart as to the use of Lake Louise and Mount Norquay for some of the Olympic events that will be taking place? In light of the fact that we're in a budget downturn, have there been any negotiations as to the use of the sites in the national park?

MR. HORSMAN: Mr. Speaker, the subject of the use of national park facilities for the Olympic games has not been pursued through the Department of Federal and Intergovernmental Affairs. The subject matter would logically be discussed by one of my other colleagues, relative

to the federal ministers who are directly involved, and there are a number who are involved. [interjection] As usual, the hon. member is interjecting sotto voce, and I didn't quite catch what he said.

The fact of the matter is that there is a committee of the government, and there are responsible ministers at the provincial government level. As has already been indicated, there is a co-ordinator employed by the government of Alberta to work with the Olympic developers. That committee will be liaising with the appropriate representatives at the federal government level. A federal government co-ordinator has been appointed and a federal government officer has been located, I believe in Ottawa, to work with the province in developing appropriate actions relative to the two levels of government.

So I am being kept informed as to what is taking place, but the direction as to the decisions will not be made by the Department of Federal and Intergovernmental Affairs but, as has already been answered, by my colleagues in Recreation and Parks, and Tourism and Small Business.

Mortgage Interest Reduction Program

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Housing is with regard to the mortgage interest reduction program, where there is a great concern with regard to the program costing taxpayers more than it is saving taxpayers. I wonder if the minister could indicate the reason for the limit of \$200 being paid toward administrative fees where there are no pay-out penalties in that program. Under some circumstances the pay-out fees are higher than that. Can the minister indicate the reason for the limit of \$200?

MR. SHABEN: Mr. Speaker, the hon. member referred to the mortgage interest reduction program, and I believe the member is referring to the renegotiation option available. The program of mortgage interest reduction, which was announced on September 7, has been very successful and well received by Albertans. To date, we have received about 135,000 applications and have processed 134,000.

As we gained experience with the program, Mr. Speaker, the government felt it was appropriate to provide some incentive to Albertans who hold mortgages to assist them in renegotiating their loans, where their interest rates would remain high after the conclusion of the program on August 31, 1984. It was clearly our intention — and I believe it was noted when we announced the renegotiation option — that it was an incentive for individuals to renegotiate. Therefore we provided an upfront payment, or the capacity to provide a home-owner a payment of \$200 to assist them, as well as ongoing assistance to cover the penalty.

One of the criteria of the program was that it provide the mortgage interest reduction plan a saving of at least \$100. To date, we haven't had sufficient experience with the mortgage renegotiation option to know whether or not our guidelines are appropriate, so we're watching it.

We've received a large number of inquiries. As a result of those inquiries, we have mailed out 5,000 forms to home-owners, who are now in the process of applying. I believe there are about 1,100 in process. So it would be too soon for us to judge whether or not our criteria need to be adjusted.

DR. BUCK: Mr. Speaker, is the minister aware that where he is offering \$200 to people looking at renegotiating their mortgages, the legal and administrative fees are

higher than that? Therefore the person says, I might as well just go along and have it shielded from 19 per cent down to 12.5 per cent, because I'm going to have to go into my own pocket to come up with that additional \$300 or \$400. So what it's doing is costing the taxpayer much more money, because the mortgage is not renegotiated. Is the minister aware of that, Mr. Speaker?

MR. SHABEN: Mr. Speaker, I thought I dealt with that in my earlier answer, that we don't as yet have sufficient experience to know whether or not any adjustments are required. Clearly, when we announced the mortgage renegotiation assistance from the government, it was announced as an incentive; it was never announced as providing all the costs of renegotiation. It is an incentive to assist people to move out of high interest rate mortgages. As we gain more experience with the program, the government will assess it.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister do an immediate review of the program and report back to the Legislature next week? In terms of what is happening, I think the dollar consequence is serious. For example, I have before me a worksheet indicating a \$700 pay-out charge. If the person doesn't renegotiate the mortgage, the cost to the government over the next 16 months will be 16 times \$223 or some \$3,500. In this case the person says, I'm not paying the pay-out because it's costing me more; why not let the government pay?

So could the minister do an immediate review and report back to the Legislature on cases such as this, and possibly adjust the program to the benefit of the taxpayers?

MR. SHABEN: Mr. Speaker, I'd be pleased to report back to the Assembly any useful information and any assessment as it develops.

There are two aspects to the mortgage renegotiation option, though. One is the capacity for the government to assist in providing up to \$200 assistance up front, as well as offsetting interest penalties that the home-owner may be subject to. Those are paid over a period of months, in a manner similar to the mortgage interest reduction payments. I hope the hon. member separates the two.

MR. GOGO: A supplementary question, Mr. Speaker. Has the hon. Minister of Housing held meetings with the major lenders in the province of Alberta with regard to mortgage renegotiation, with particular emphasis on the trust companies?

MR. SHABEN: I have not, Mr. Speaker, although senior members of the department keep in close contact with individuals from the lending institutions, including the trust companies.

MR. GOGO: A supplementary, Mr. Speaker. Has the minister received any specific communications from major lenders in the province, whereby they object to the government renegotiating these mortgages at the so-called expense of the private sector?

MR. SHABEN: No, Mr. Speaker.

MR. GOGO: A final supplementary, Mr. Speaker. Has the minister received any specific indication that Royal

Trust Company in the province of Alberta will not participate in the program?

MR. SHABEN: No, I have not received any such information from any company.

Crime Prevention (continued)

MR. MARTIN: Mr. Speaker, I'd like to direct this question to the Solicitor General again. I believe the hon. minister referred to the Lady Beware pamphlet as an example of a prevention program. I suggest to the minister that it simply advises women of what steps to . . .

SOME HON. MEMBERS: Question.

MR. MARTIN: Mr. Speaker, I have to make the point to get to the question. [interjections]

MR. DEPUTY SPEAKER: I have some difficulty — and Speaker Amerongen has had the same difficulty — with trying to establish the traditions and procedures during the question period. Normally in the statement there will be a brief question, and there could be a brief preamble to it. There should be no preamble whatsoever in supplementaries. I'd like to re-emphasize that this morning. It should be a very short statement, if it is necessary, before the question is asked.

DR. BUCK: Mr. Speaker, on a point of order. Can the hon. Deputy Speaker indicate to the Assembly if, when the Speaker and Deputy Speaker are trying to arrive at this decision, they watch the House of Commons in action? [interjections]

MR. DEPUTY SPEAKER: I think the Chair can reply to that in a very positive manner. That is why we're trying to follow the traditional rules in this Assembly as they are established, particularly as from time to time we have to refer to the fifth edition of *Beauchesne*. That is our standard for rules that are not covered in our own standing rules for this Assembly. We try to adhere to those as greatly as possible, and we really respect and hope we have the full co-operation of all the members in the House.

DR. BUCK: Mr. Speaker, on the point of order again. Can the hon. Deputy Speaker indicate if the Deputy Speaker and the Speaker have looked at other legislatures in the Dominion of Canada as to their practices in regard to the question period? What latitudes are available in those assemblies? [interjections]

MR. DEPUTY SPEAKER: I don't want to unduly delay the question period this morning, but I would also like to say that from time to time the Speaker has consulted with me in reviewing the proceedings in many of the legislatures in this Dominion and in the House of Commons in Ottawa. The Alberta Legislature has been received throughout the nation and the Commonwealth as quite a model institution, in the manner and decorum in which it's traditionally been operated. We intend to try to keep that procedure as traditional as possible.

MR. MARTIN: I'll try to get a supplementary question directed without getting interrupted by the baboons in the back here. [interjections]

SOME HON. MEMBERS: Retract.

MR. DEPUTY SPEAKER: Order please. Order please. I suggest to the hon. member that the remark regarding the other members was really not in keeping with procedures in this House. Perhaps he would like to retract that.

MR. MARTIN: I'll retract it. I wouldn't want to insult baboons. [interjections]

I'll direct my question about the Lady Beware pamphlet to the Solicitor General. Nowhere in the pamphlet does it have to do with male responsibility in cases of rape. With that in mind, would the minister look into reviewing the pamphlet?

MR. HARLE: Mr. Speaker, the pamphlet in question is designed for women in this province.

MR. MARTIN: A supplementary question, Mr. Speaker. What this pamphlet does is provide a limitation on women's freedom. I'm sure the problem should lie with the attacker. So I ask the minister if they would look into this again and revise the pamphlet to bring that to mind.

MR. HARLE: Mr. Speaker, pamphlets are continually reviewed.

MR. MARTIN: Supplementary question to the Solicitor General, Mr. Speaker. The pamphlet talks about the fear of rape from a stranger. I'm sure the Solicitor General is aware that in most cases it is done by acquaintances, known people. Will the minister look into this aspect of the pamphlet to bring it up to date?

MR. HARLE: Mr. Speaker, we continually review pamphlets. Depending on events that occur, obviously changes are made in these as they are used up and come up for republication.

MRS. FYFE: A supplementary question, Mr. Speaker. I wonder if the minister could advise what kind of distribution this pamphlet is receiving in Alberta. I've seen a copy of it, and I think it's excellent. Is it distributed each year throughout the province and made available on a general basis?

MR. HARLE: Mr. Speaker, the pamphlet is made available to police forces to assist them with their crime prevention programs.

Nurses' Legislation

MRS. EMBURY: Mr. Speaker, my question is to the Minister of Education, in his capacity as the minister responsible for professions and occupations. Will new legislation replacing the present Registered Nurses Act be introduced in the Assembly this spring?

MR. KING: Mr. Speaker, as the result of recent progress that has been made in discussions, it is my intention to recommend to my government colleagues that new legislation governing the nursing profession be introduced to the Legislature this spring.

MRS. EMBURY: A supplementary question, Mr. Speaker. I understand there are some outstanding issues between the Alberta Association of Registered Nurses and the government. I wonder if the minister would iden-

tify the issues and what is happening vis-a-vis meetings to resolve these issues.

MR. KING: Mr. Speaker, I prefer to think that at the moment no outstanding issues remain. There has been discussion about what is described as the definition of the field of practice, about professional control of the educational process, and about whether or not the professional legislation would be binding on employers and to what extent. There have been some other issues under discussion as well. I believe it is fair to say that at this moment the issues appear to have been resolved, and it is on that basis that I would recommend to my colleagues that the legislation be introduced.

ORDERS OF THE DAY

head: COMMITTEE OF SUPPLY

[Mr. Purdy in the Chair]

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

Department of Economic Development

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

MR. PLANCHE: Mr. Chairman, I'm going to make a couple of brief remarks, and then my colleague will speak to Vote 1.

In the first estimates of a new sitting, it is important to go through the mandate of the Department of Economic Development so that the new members, and indeed the older members, will have some idea of the parameters within which we operate.

DR. BUCK: We've waited for three years, Hugh.

MR. PLANCHE: You can wait a little while longer, Walter.

DR. BUCK: We still don't know why we need two guys doing half a man's job.

MR. DEPUTY CHAIRMAN: Order please.

MR. PLANCHE: Had it been done in the '60s, we wouldn't have had to do it at all, Walter.

The first part of our mandate is to maximize the province's natural economic advantages. Secondly, it's to identify future opportunities for economic development and the appropriate means to promote such development. Thirdly, it's the expansion of the processing of renewable and non-renewable resources, particularly agricultural production and petrochemicals. Fourthly, it's the minimization of transportation problems, with special attention to rate and service issues. Fifthly, it's the encouragement of further investment in Alberta by overseas risk investors. It's the reduction of tariff and non-tariff barriers to exports of Alberta products and services. Finally, it's the expansion of foreign markets for Alberta output.

Before I take my seat, Mr. Chairman, I think it's important to notice that in our estimates this year, the actual increase in costs that can be attributed to the

operation of the department is under 5 per cent, and there's been a freeze in manpower requirements.

1 — Economic Development and International Trade

MR. SCHMID: Mr. Chairman, under the circumstances, because of the extent of our missions overseas, I thought I should make a few remarks on our successful trade accomplishments, especially in the past year — and maybe I should even say since 1979. I feel that one of the major decisions our Premier made — and, without any question, one of the most successful ones — was his decision to establish a ministry of international trade, which has helped immensely in diversifying our economy and assuring our manufacturers additional markets. I am saying that, Mr. Chairman, because there's no question in my mind that the aggressiveness of international trade is only accomplished if one goes to the people. One cannot make sales by telephone and one cannot make sales by letters. One has to go there to assure not only the opening of doors but also the follow-up thereafter.

Mr. Chairman, I say that it is important to go to those countries because I think it is only in North America where private-sector companies negotiate from company to company. Most of the other world markets are influenced in one way or another by their governments. Therefore it is important to open the door, so to speak, with a government mission and, from there, start introducing the private sector to the government and then to private-sector companies, if they exist in some countries. I also say that because my philosophy, which I usually inform our mission members of, is that we as a government can only lead the horses to water; they have to drink it themselves. But I have to say there have been some very excellent and successful waters and, of course, some very excellent results.

I'm proud to say that Alberta's exports have grown faster than those of any other province. The major proof of that is the effectiveness of the department and its special division of International Trade. When I say that they have grown faster than any other province, I have to say that in fact they doubled between 1979 and 1981. We are strongly diversifying our export markets. Initially the United States received most of our manufactured goods. In 1980 Australia wasn't even in the 15 largest markets of Alberta; now they are our third largest customer. Subsequent to our mission to India, a Calgary company that was along received an \$8.5 million order. Only last week, I was informed that another company received a \$12 million order from India, which is making that country our eighth largest market.

Mr. Chairman, I would be remiss not to mention the excellent and outstanding co-operation we receive from every single ambassador and trade commissioner representing Canada in other countries. They were encouraged by the minister of trade, Ed Lumley, who is now in a different position. We are now working with the Hon. Gerald Regan, again very successfully. In this regard, he is represented in Alberta by Mr. Doug Branion who, to us in International Trade, has done an outstanding job of co-operation, so much so that some of our missions are being helped financially by the federal government program in co-operation with the provincial government.

It has been mentioned in many letters from ambassadors, to Ottawa and to me, that they have been most successful missions. Maybe I should read a couple of those, Mr. Chairman, if you will permit me:

RELATIONS HAVE BEEN ENHANCED BY

PASSAGE OF ONE OF MOST PROFESSIONAL TRADE/INVESTMENT MISSIONS TO EM-BARK FROM CDA — THE OIL AND GAS SECTOR MISSION LED BY ALBERTA MIN . . . HORST A. SCHMID. DEPTH/INTENSITY OF SEMINAR PRESENTATIONS AND ENSUING DISCUSSIONS/SPECIFICITY OF APPLICATIONS/RELEVANCE TO CLEARLY FOCUSED LOCAL NEEDS AND PROBLEMS/ MINISTERS DETAILED KNOWLEDGE OF RANGE AND QUALITIES OF WORLD CLASS TECHNOLOGY POSSESSED BY ALTA INDUSTRY/QUALITY AND MANIFEST EXPERTISE OF PRIVATE SECTOR MISSION MEMBERS COALESCED INTO A REMARKABLE TOUR DE FORCE. . .

Mr. Chairman, I'm not reading that in order to compliment myself but to show how excellent the co-operation is between the private members, the staff of our department, and the embassy members in other nations.

I can read another one of these letters, wherein an ambassador mentions:

It was by far and away the best organized mission we have received from anywhere in Canada, federal or provincial, in my three and one-half years [in this post]. It showed what can be achieved by the combination of effective ministerial leadership, a dedicated team of officials, and a first class group of businessmen.

Mr. Chairman, from the private sector — and by the way, I'm doing this because I had the pleasure of receiving a note from one of the opposition members who said that maybe I should elaborate on some of the aspects of International Trade. One of the private sector members wrote to us after a mission:

It is with great pleasure I wish to advise you that [our company] has successfully negotiated a \$5 million contract to undertake this project.

Please accept my sincere gratitude for the tremendous assistance provided by yourself and your Department during the ministerial [mission] . . .

And here's another one:

I would like to take this opportunity at this time to say 'thanks' to you and your staff, all of whom worked very hard and enthusiastically toward making our Mission a success. I for one, and I think I speak for the rest of the private sector who accompanied the Alberta Government on this Mission, were really honoured and proud to be on such a Mission.

That particular company had sales of \$4,790,000.

Mr. Chairman, I could go on reading letters like this, but I would like to emphasize why I'm doing it. It shows that it is important to have missions like ours going to the different countries to aggressively advertise what Alberta can do, because we have found that our technology in many areas is without question the best in the world.

Having said that, Mr. Chairman, I see our Deputy Minister Dallas Gendall up there. You can see that his hair is gray. Others would say it's silver. Only yesterday I told him it's a good thing his hair is gray; otherwise it would be getting much grayer because of the workload he has. I also see our Deputy Minister Clarence Roth. He and Mr. Shaske represented Alberta during the GATT negotiations in Geneva. To give an idea of how important the GATT negotiations are to Alberta, we're trying to reduce not only our tariffs on petrochemicals and agricultural products to the United States and other countries

but also the non-tariff barriers. Only last night, a very famous statesman said, regarding GATT, that as far as he's concerned we have mutual protectionism or else, if we do that, we have collective suicide.

Mr. Roth, Brian Sullivan, and Ed Shaske are working on helping us develop a trade policy which I think will have an effect not only here in Alberta but I'm quite sure will influence the trade policies of the rest of Canada as well. I'm also very proud to have on our staff Mr. Ken Broadfoot who, to me and I'm sure to my colleague the Hon. Hugh Planche, is the acknowledged world expert on coal. I know that because he was invited by many other countries, after our discussions with those countries, to go and inform their governments and private sectors on the development and availability of coal from Alberta.

One of the projects we are looking into, which you have been informed about, is our methanol coal slurry program. At one time, we were told around the world that it wasn't possible. Now an Alberta company, with a Japanese company, is looking into this very technology which, again, is unique in the world and has not only been tested in Japan and Germany but I think will give our coal sector, if there's an additional market for coal, the opportunity to compete in the transportation systems in order to be shipped to those countries. In fact, Mr. Broadfoot just came back from a mission I asked him to take to Portugal. He continued to negotiate with the prospective markets we have that would be opened there. Hopefully, in the near future, there will be successful completion of a contract Portugal is looking at.

I should not forget to mention Mr. Lack, who is the Assistant Deputy Minister of International Trade and who is doing an excellent job. Not only that but he is our expert on the Middle East. He just came back from a mission there with me, and I can only say that our exports to Saudi Arabia as a result of a mission were \$51 million in the last year.

Looking at just a few trade missions we were on within the last few months, we went to Kenya, Sudan, and Egypt. There again, our results have been such that we are looking at about \$500 million worth of negotiations and contracts. In fact, one Alberta company, which was looking at participating in the renovation of a refinery, had to decline because the tender date was up too fast and they couldn't get into that. However, on that same mission, we sold President Moi of Kenya one million Alberta root trainers.

Mr. Chairman, I took the liberty of bringing these root trainers into the House, because I'm quite sure not even the members here know what a root trainer really is. It is a unique Alberta product, invented in Alberta. I know the hon. Deputy Chairman is smiling, but I thought I should show members what it really is.

AN HON. MEMBER: What's a root trainer?

MR. SCHMID: Mr. Chairman, a root trainer is exactly what it says. In reforestation the seed is normally either put into the ground — and probably birds then come and pick it up or rodents eat it — or it's put into little round pots which supposedly disintegrate when they are put in the ground, but of course they sometimes don't. Even when they're put into the pot, the roots grow round and round. When they're transplanted, they still grow round and round and don't seek the moisture down below.

The root trainer, invented by an Alberta company — that's really all it is. You put the soil inside these cabinets,

put the seed inside, and as it grows — as you in fact watch it grow, because you can open it up and see whether the seed is growing — the grooves that run down this piece of plastic material make sure that the roots are trained to grow down straight. So all anyone has to do when the time comes to transplant the seedling — it just takes a laborer — is open it up, take out the seedling, transplant it, and make sure the seedling, be it a tree or something else, grows. That's the root trainer. I usually tell the people overseas that this is for soil that is maybe not very productive and very dry, whereas a productive soil or a good soil will take the smaller ones. It's manufactured here, and one million of those sold to Kenya. Of course, one of our international trade directors, Dr. Adorjany, was along with us on that mission.

Mr. Chairman, I have to say that on another mission, when we were again in Dr. Adorjany's area, of the 12 companies along — and I could now go into individual companies; let's take one company. Since that mission alone, one company has sold to that particular country \$30 million worth of Alberta natural gas processing equipment, and that's only one company. In fact there are six or seven other companies that have also sold to that country in the millions.

I can go on, for instance, to Mr. Jim Perret, who is responsible for our exhibition sector. We were in Bahrain just two weeks ago, where we had 12 Alberta companies with expected sales — I will explain in a minute — within 12 months, in the amount of about \$92,972,000. You ask, what are expected sales? We ask the companies: considering the present negotiations, what is the amount of sales that you expect within the next 12 months? Those are the figures they give us.

Only the day before yesterday, I had a call from one of the companies that went along with us. They told me: Horst, we just now concluded our contract for \$750,000 for another part of the equipment we are selling to Bahrain. In Bahrain, one of the exhibitors who was along sold his entire exhibit to another country. And one of the companies from Red Deer which was in Bahrain was asked by Saudi Arabia to take their — well, I might as well say what it was — stack igniter into Saudi Arabia for field testing, because Saudi Arabia felt it was a very important part of the modernization of the associated gas components of their oil production.

Mr. Chairman, I have mentioned only one of the exhibitions, but we had about 19 exhibitions in the last year that we participated in. The actual sales on those exhibitions were about \$36 million, with expected sales of close to \$1 billion over a number of years.

This year we were also in Venezuela. I have to say that among other equipment which Venezuela is looking at — in fact they have a delegation here today, and we are going to have dinner with them on Monday or Tuesday — is a slant-hole drilling rig, again expertise that we had to develop in Alberta because of our sour gas fields. Because of that expertise, we have without question the best in the world. It's an Alberta company that is drilling in the Philippines for the steam power — what is it called exactly? There's a different word for it.

AN HON. MEMBER: Geothermal.

MR. SCHMID: Geothermal power generation. Thank you, my colleagues. It's an Alberta company that is doing that drilling; it's an Alberta company that is doing the training of people in the Philippines. There again we can say that we have the best in the world. And that's only

one.

While we were in Venezuela, I told my colleague the Minister of Agriculture, we found that only recently Venezuela has removed the tariff on imported meal, and we now have a chance of bidding for about 400,000 metric tonnes per year of canola meal.

Coming back via Mexico to introduce ourselves to the new government there, we had the pleasure of having at one of our missions *The Calgary Herald*, *Edmonton Journal*, and the CBC. That mission alone resulted in \$18 million worth of sales. We uncovered down there that Mexico is looking at equipment imports next year in the value of about \$3 billion. We know of course that Mexico has financial difficulties. In order to overcome those difficulties, they have to import that equipment in order to keep producing the oil they have to sell and, that way, pay off international debts. So I am saying that there is a market for us. It may not appear strong because of our caution, I would have to say, of trading with Mexico. But let's not forget that Canada just recently granted \$150 million credit to Mexico. So let's use that credit for Alberta manufacturers to be able to export from our province the equipment they have available.

I can go to the Far East, where Mr. Gerry Wolf is international trade director. Let's again pick one country — Thailand — where one of the major Alberta companies is right now involved in training and supplying equipment to the Thailand government for their gas processing and transmission program. Last night I met the vice president of the company, who told me was leaving today for Thailand to negotiate another contract in that area.

Only last week, under World Bank jurisdiction, we had here a Chinese delegation from the Heilongjiang province specifically regarding the Daqing oil field. The World Bank is financing, with the agreement of China — which I think is a tremendous step forward — about \$900 million in equipment purchases, which will be tendered some time in May or June. These companies were here. Mr. Aki Nawata with Mr. Lack had been on a mission before in Heilongjiang.

The members of the Chinese delegation have told us very specifically that they were very happy to have come to Alberta because they have found technology which is important to them because they hadn't seen it anywhere else. They were in the United States; they were in Europe. But specifically, the Daqing field is very similar to the Pembina oil field in its geological formations. Therefore, they're very happy to see that we have technology that they can use in their enhanced recovery program, their natural gas processing programs, and especially in their tertiary recovery projects, because the oil field is coming down to a much lower production rate since they have been trying to pump it for quite a while without using the latest reservoir engineering available from our province.

There again I have to commend our Minister of Energy and Natural Resources, his department, and specifically AOSTRA, because that expenditure that we are matching with the private sector here in Alberta to produce heavy oil and do research into the production of heavy oil and oil from oil sands, again makes us the most effective country in the world in that area. We have signed contracts, as you well know, in South America, Europe, and other places where our technology is the best available.

Last but not least I should mention our Mr. Herman Young, who is in our financial sector and is doing his best to make sure that the money available for these international missions is in fact there. Mr. Chairman, as we all

know, it is not as much as it could be, because one could always go on another mission; one could always know of another mission to be successfully concluded if more money were available. I can only say this to you: it has been a very successful year for us, and we know that the private sector of Alberta appreciates the opportunity that the Premier and all my colleagues here in this Legislature have given us to market overseas Alberta manufactured goods, Alberta technology and Alberta experience, which I can say again is the best in the world.

Thank you, Mr. Chairman.

MR. HYLAND: Mr. Chairman, a speech like that is a pretty tough act to follow.

I'd like to make some remarks relating to a trip that some people from my constituency took and what they found. The minister made some of the comments in the first part of his speech when he said you have to be there to sell; you can't depend on telex, telephone calls, or letters to do your selling. This was exactly what one gentleman who just came back from a mission said to me: that's why the Americans beat us, and they were dealing with beans. He said: we have a better product than they have, at competitive prices, but we're not always there; we try to do it through telex, letter, et cetera. He found that being there made a difference, and because of their trip they did get some contracts. I support what the minister said in that regard.

After he came back, this gentleman said that he thought the trip was very worth while. It found them some markets and also some contacts they can use later as they pursue markets. I think it just proves what has been said previously, Mr. Chairman. In many cases, Americans are often successful sellers in the market because they're always there; they're all over the world with all their products. I think one place the minister and the department should receive praise for is that they are now all over the world showing our technology and products and making sales of them. That's why we're getting ahead.

Thank you.

MR. R. SPEAKER: I just want to make one or two remarks. I appreciate the report of the hon. minister. I requested that the hon. minister report in more detail, and I thought he might. I would like to say that I think it's very important at this point, with the turndown of the economy, that Alberta is put into the world market. One of the ways of maintaining viability to the greatest extent possible is to be able to compete in the world market and sell our expertise and products. On that basis, I certainly support what the minister has been doing and attempting to do through moving the private sector of Alberta into that world market.

I recall being in the Scandinavian countries in the 1970s and meeting with some of the consulate. The problem was brought very abruptly to my attention in a discussion I remember having with the people at the consulate with regard to Alberta wood products, oil products, and coal availability. Other ambassadors were there at that time. They said very clearly to me: this is the first time we have heard something about the potential of Alberta; the material that comes to us from Canada always comes from Ontario and Quebec; we didn't know what you were doing in western Canada. That was in 1970. I remember that shortly thereafter we had an election and no longer had that responsibility. But at that time, I felt very strongly about the fact that we should

have an international presence and that Ottawa was a stumbling block. There were people in Alberta representing Ottawa, but I don't think they could move through the Ottawa bureaucracy to tell the story about what we had in Alberta.

So I say to the minister: continue to tell that story, to sell our goods and keep us in the international market place.

As a bit of advice to the minister at this time, I say very strongly that there should be more reporting sessions to this Legislature with regard to what the minister is doing. Not only can we as members of this Legislature be in contact with our various private sector entrepreneurs, that can be an extension of what the minister is doing. I think that is a weakness in the scheduling of the minister. In reporting back and also utilizing each and every one of us as members of this Legislature to take details or information back to our constituents as well as to bring it back to the minister, we can strengthen that process to a greater detail. I only make that as a suggestion. I'm sure the minister can work on that in some way.

In terms of the details of expenditure, certainly I hope that type of accountability is there. With these kinds of missions it's very difficult to determine what is expenditure, what bears the most rewards or gets the most return. That's a value judgment, of course. But I want to say to the minister that I appreciate the extent of his report and certainly encourage the minister to continue.

MR. SCHMID: Mr. Chairman, if I might respond to the hon. member first of all. Of course I appreciate the remarks regarding his support for our international trade efforts, but he will be very happy to hear that on our return to Scandinavia we were shown the first interest in wood products from Alberta. Just recently an Edmonton company exported its first plywood to Great Britain and France; again, a first has been accomplished as a result of one of our trade missions to that area.

It's sometimes difficult to report during the session of the House, but I also appreciate the suggestion that maybe I should write a report every once in a while to the members of the Legislature, and thereby keep in contact, through them, with the private sector about the possibilities in international trade. I thank the member very much.

MR. KOWALSKI: Mr. Chairman, a few brief comments and some questions to both the Minister of Economic Development and the Minister of International Trade.

On March 10 in the Legislative Assembly, three priorities were outlined in the Speech from the Throne. Priority number one was economic resurgence. It basically indicated that we're going to be supplementing these programs

... with intensive efforts to assist our private sector to market, both within Canada and throughout the world, our oil, natural gas, coal, grain, red meats, forest and other products.

I ask either minister if they could be so kind as to outline the new initiatives and efforts they're going to be advancing in the current fiscal year to intensify those efforts, and how the efforts in the upcoming fiscal year might be different as compared to the efforts in the past. I ask for clarification on that point.

Secondly, I ask either of the ministers to outline what the efforts might be within Canada for market development of Alberta products. I think there is an opportunity within this country. I do not minimize at all the very

important efforts that our government has made on the international level in the past, but I wonder what areas, what jurisdictions within Canada, might be targeted for extra-special, intensive efforts, and what particular types of products we might be wanting to ship to other parts of Canada where markets perhaps have not been exploited to the degree they might have been in the past.

Thirdly, Mr. Chairman, I ask either minister to outline the new directions we want to be taking with respect to agricultural products. Are we looking essentially at North American, Far Eastern, Middle Eastern, European, or South American markets? What might be our particular efforts in terms of red meats and the alfalfa industry? That industry has been developed in this province in the last 10 years. From an economic point of view, it has had some problems sustaining markets and keeping those markets. What might our special new initiatives be in that area?

As well, I would also ask that either minister bring us up to date on the current situation with respect to Alberta sulphur, and what some of the new initiatives might be in that area. I understand there is a rumor going throughout the country that when the federal government brings down its new budget within a short number of days, they might very well slap an export tax against sulphur. That export tax concerns me, as Alberta has a ready market of sulphur available. It's my understanding as well that there is a worldwide market for sulphur.

The last area I would like some clarification on is with respect to international aid. Without doubt, that is one of the most important programs we have, particularly the cost-sharing one where, for a variety of volunteer groups in the province — churches and the like — we match, on a dollar-for-dollar basis, the initiatives they've taken to provide aid to various countries in the world that have suffered disasters. In the past, I think our policy essentially has been to match it on a dollar-for-dollar basis. I wonder if we're now prepared to give some consideration to asking churches and other volunteer groups not necessarily to accept a dollar in cash but to supplement that with Alberta-based products rather than dollars, and provide some encouragement to them to provide Alberta-developed and manufactured products or homegrown products for shipment to various parts of the world where unfortunate disasters have occurred.

I want to close, Mr. Chairman, by applauding the new initiative with respect to Vencap Equities Alberta Ltd., and to point out that I think that's an exciting new approach with respect to private entrepreneurship in this province.

Thank you.

MR. DEPUTY CHAIRMAN: There are a number of other members on the list. Does the hon. minister want to respond individually?

MR. PLANCHE: Normally I would like to respond at the end, but this covers a pretty full spectrum of activities and it may be redundant.

In the issue of plans to export commodities, the hon. member will know that commodities are set on world pricing and that the demand/supply curves are outside the control, or ability to change, of a provincial jurisdiction. So the prime thrust then becomes one of being certain that marketing agencies are giving Alberta goods preferential treatment if possible, and to back up from tidewater world commodity price to the producer by eliminating any impediments there may be to maximizing his

profits. There is not a lot more you can do on commodities. My colleague will speak to specifics.

In terms of what we are doing in Canada to move commodities, we have some specialty goods here that have application in the maritimes, particularly in the oil industry. Horst's department and mine are on trade missions within the country continuously. It will be our intention to continue that same posture. As late as a couple of weeks ago when I was on my way to Ottawa, one of our officials had a group on the way to Halifax on an intra-Canadian sales mission, and I myself have been on one or two of those and have found them to be effective.

Safeway, incidentally, is doing an exceptionally good job exporting our food products within this country. Vegetables and some other things that we normally wouldn't have market access to east are going through the Safeway food chain all the way into Ontario, and indeed into seven export countries in addition to the U.S. The private sector is also, through integrated grocery chains, aiding and abetting our effort.

I want to speak briefly about the sulphur issue. My understanding is that there will not be an export tax, so that concern, based on a rumor that I also got, has been discounted by federal officials.

Finally, in international aid we have a \$7 million cap on that, but it is more dollars than the other provinces collectively put into such a program. We are very proud of it, and we are particularly proud of being able to contribute on a fifty-fifty basis with our citizens who have a similar concern. We follow their lead, and they are very active in that area. I agree with you that the in-kind/in-cash issue should have another look. Wherever possible, we're going to request assistance from our balancing contributors to aid and abet our industry, particularly our agricultural industry and, wherever manufactured products of equal quality can be secured in Alberta, to buy Alberta products. We'll be watching very carefully for that.

MR. SCHMID: Mr. Chairman, the hon. Member for Barrhead asked about the marketing of red meats and other agricultural products. As the member may know, he could maybe take it up with my colleague the Minister of Agriculture during the discussion of his budget. While we have had the pleasure of having representatives of his department along with us on our international trade missions, successfully so in South America and the Middle East, again I think the direct reply should be given by my colleague the Minister of Agriculture.

However, as far as farm machinery is concerned, we are the responsible department. We have been very successful, specifically in Australia and the United States, with our program. For the information of my colleagues, a grain dryer that is being developed and has already been manufactured in Alberta is internationally considered one of the best, because it is portable. Right now, Costa Rica transports its grain or its corn from the east coast to the west coast to be dried. They are looking to buy one of those portable grain dryers to go from village to village to do the drying.

During the agrifarm exhibition in Tulare, California, a month ago, we had from Alberta one of the most unique farm machinery components there. It's called a seed picker. It goes over the stalks and guarantees to pick up to 95 per cent of the seed. No other country in the world has the kind of machinery. It was, I'm quite sure, one of the successes of the trade show there.

As far as priorities are concerned, which country should be used as a priority? It is very, very difficult. Because of the technology we have in farming, as my colleague will tell you, in cattle breeding — I think all my colleagues know that we shipped about 23,000 head of live cattle to Korea to improve their cattle-breeding program. I was in the Philippines giving a lunch for the swine breeders. At that time they bought \$200,000 worth of breeding stock from Alberta because of our good stock of swine. At an agricultural exhibition I was at in Hungary, all the bulls that were there from Alberta were bought because of the excellence of their breeding stock.

So one could go on in that area, and also in farm machinery, where we are successful in the States and in Australia, but particularly in the oil and gas equipment area because of the requirement and desire of other countries to produce their own energy in the area of natural gas and oil. I have to take Sudan. When we planned our mission to Egypt and Kenya, I felt we should include Sudan. If you ask me, was that a priority, I would have to say no. But it so happened that Chevron had discovered a field of 60,000 barrels per day production in Sudan. Instead of building a refinery, because of the refinery problems there are around the world, they decided to build a pipeline. The only engineering and pipeline company in the world that ever built a pipeline to the specifications they require was right here in Alberta. In fact it was taken into commission not very long ago. That company that was along with us was asked to immediately contact the companies on the short list who built the pipeline to be a sub-contractor to make sure that the pipeline was being built correctly.

These are the kinds of opportunities you have. So if you say, what is a priority country, it is very difficult to say. Sudan, if it wanted to, could be the breadbasket of the Middle East, and they are asking us to help them develop that kind of expertise. I have a telegram on my desk now where a company is asking: can we work together with an Alberta partner engineering company in the agricultural sector to develop a segment of Sudan's agricultural production industry? It is very difficult to say which has priority.

What are our plans? Within the context of our available budget, our plans are to go to the countries where we feel we have the best opportunity to expose to those countries Alberta manufacturers, engineers, architects, farm machinery manufacturers, and of course in conjunction with Alberta Agriculture, Alberta producers. It seems there is a market wherever we go, but we have to go there in order to open those doors.

As far as sulphur is concerned, we all know that Alberta is the largest sulphur exporter in the world. There again, we have stock in Alberta, about 16 or 17 million tonnes, but the production of sulphur right now is much lower than it was last year or the year before because of the lower natural gas and oil production. So right now there is a higher use than production of sulphur, and that could strengthen the market. We are very much dependent on the sulphur market because of the income to Alberta companies. Then again, we have to be careful to make sure the marketing is being done correctly and that the countries buying from us know that they have a secure supplier.

[Mr. Appleby in the Chair]

MR. CLARK: Just one question to the minister, and I apologize if he mentioned this in his remarks. I might

have missed it. It has to do with small companies that manufacture a product in Alberta and find themselves with a very small market. Some of them would like to expand into foreign countries with their product. I wonder if there is any policy within his department that these sorts of manufacturers could be exposed to the market without it costing them an arm and a leg. Do you have any programs that would allow them to demonstrate their product, and is there any help for them to demonstrate it?

MR. SCHMID: Mr. Chairman, first of all, I should mention that on one of our missions — in fact I think it was to Malaysia and Indonesia — we had a sole proprietor along who was making his own tools and instruments. Whenever he gave a presentation of his instruments, he very proudly showed a picture of his testing bench, which was a kitchen table. I was sometimes wincing when he showed that because I thought, my God, what do the people think of the kind of operation we have. He happened to be one of the most successful marketers of products that we had along on that mission. So if you're only a one-man operation, it doesn't mean you cannot be successful.

My good colleague from Drumheller, I would have to say that I think it is important that the company contact us to let us know that they are in existence and what their product is. We will then include them in what we call our BOSS system, which is really a computerized information retrieval system. For instance, when we are being asked for a certain product, we will find out if it is available in Alberta. At the same time, of course, if we know that person is interested in exporting, our international trade directors will take that along with them when they are on a mission and being asked for a product like that or offering the product in other countries.

But at the same time, when you ask, is there assistance for these kinds of companies to join a trade mission, I would have to say yes. That's in fact what I was referring to before, where the co-operation between the federal government and our provincial government is very excellent. That person would first apply to Ottawa, through Edmonton, to what we call a PEMD. If they are successful, that will pay part of their travel. If they are not, we would look at the same application here in Alberta through our department. If we find the product is worth promoting, we will pay part of the cost of that company coming along with us once to market their product overseas.

MR. MARTIN: Mr. Chairman, I have some specific questions I'd like to direct to the minister, and they flow from a report that was just released this morning. I am sure the minister is aware of it. Maybe the simplest way is to ask about three or four, get the answers, and then come back.

Can the minister give a rough percentage of Alberta's international exports which are currently accounted for by petroleum, natural gas, and coal? Similarly, what percentage is currently accounted for by grains and what percentage is accounted for by manufactured goods? Can I get a rough figure?

MR. SCHMID: Mr. Chairman, it would be difficult for me to say the percentage in grains. We have to quote '81 statistics, because '82 are not available. In 1981 the export of grains from Alberta amounted to about \$1 billion, if I'm not mistaken. The total exports of agricultural goods was about \$3.5 billion.

As far as the component part of fabricated materials is concerned, by commodities, if you take natural gas and oil together — in other words, call it crude materials — I think in 1981 it amounted to exactly \$6.566 billion. Fabricated materials were \$1.665 billion, 17.6 per cent. The crude material, oil and gas, was 69.2 per cent. Food, beverages, and so on and so forth, were 5.27 per cent; live animals, .5 per cent; and end products, 6.4 per cent. Special transactions, which for instance would have included some of the drilling rigs which moved south and then came back again under special transaction permits, amounted to 4.9 per cent.

If the hon. member is interested, I have to say that all our exports of oil and natural gas go to the United States, and the percentage of our exports to the United States is 88.3 per cent. In 1981, we exported natural gas of a total value of \$3.950 billion and crude petroleum, \$1,620,711,000 to the United States, which would make it 17.16 per cent for petroleum and 41.83 per cent for natural gas.

MR. MARTIN: Mr. Chairman, I thank the minister for those numbers. Just going along on this, how would these relative percentages have changed in relationship to each other in the last five years? Can the minister offer what he thinks will happen to these relative percentages in, say, the next five years? I know it's a difficult question, but could he give us his opinion?

MR. SCHMID: As I mentioned in my opening remarks, Mr. Chairman, if we take the last 15 years, exports from Alberta have increased from, I think, \$49 million at that time to \$9.44 billion in 1981. That's the amount of exports. I know that we doubled our exports between '78 and '81 alone. If you take into consideration the downturn in the world economy and in the general export market, we still have done quite well. Hopefully, through our endeavors, we will be able to at least have consistent exports of our manufactured goods, which of course does not take into our export figures the export of natural gas and petroleum. As the hon. member may know, that may have had a downturn in 1982 and, in fact, could still be in a downturn type of situation in 1983. Hopefully, through the efforts of my colleagues the Minister of Energy and Natural Resources and the hon. Premier, this figure will reverse itself in the future, which of course we need as our market for material that we export from Alberta.

MR. MARTIN: I will just come back. I heard the total projections. I don't know if you heard the report today from the Conference Board. It is my understanding that they reached some rather pessimistic conclusions about Alberta. I am sure the minister is aware. It was entitled Migration and a Small, Long-Term Econometric Model of Alberta, by Schweitzer. His conclusion, as I understand it — maybe the minister can correct me if it's not correct — is that the oil and gas industry cannot be the engine of whatever economic resurgence Alberta might come to enjoy. I guess that's why I was asking about the relative percentages of our major commodities we had faced in the five years and the minister's projections in terms of those percentages.

The other question is, has the minister looked at this report? Does the government buy it as being true? If so, what will he be doing in the future in other commodity groups, specifically grains and manufactured goods?

MR. HYNDMAN: Mr. Chairman, on a point of order. That report is not one of the Conference Board of Canada; it is not one of the Economic Council of Canada. It was done by one individual in Canada. In fact the Economic Council says it will not and does not support that report. So I think the weight it has to be given is equivalent. It's certainly not in accord with most of the other major and responsible forecasting agencies in Canada or in Alberta as to Alberta's future.

MR. SCHMID: Mr. Chairman, maybe I should add that, as I mentioned before, the responsibility for natural gas and oil is in the hands of my other colleagues. I also have to emphasize that the endeavor of this government is specifically to try to, if not increase, at least hold at level or endeavor as much as possible to support our better manufacturers — as mentioned before, engineers and other export-oriented companies — to help them, especially during this difficult time, to find markets outside the borders of Alberta and especially outside the borders of Canada. Again, we have been very successful in doing so.

If you ask me what the five-year forecast is in that area, I would only have to say this much. With the kind of fantastic enterprise that Alberta companies have, I have no hesitation in saying that no matter what comes to us in a world economy, especially in the areas of oil and gas equipment, farm machinery, and engineering services, we know we will continue to be successful in all areas.

MR. MARTIN: I'll conclude with just two or three things in that area. I take it then — I guess the Treasurer would be involved in this — that you reject the conclusion that economic resurgence will not come through the oil and gas industry.

Secondly, the reason I was asking about the relative percentages in various areas — of course, we're getting into diversification and the sorts of things the Treasurer has talked about before. But what product areas would the minister see himself more involved in as the Minister of International Trade in the future? What areas would he see if it's not oil and gas? If it is, then fine. But if they are saying, for example, that oil and gas might not be the vehicle to get us out of the recession, or might lead us into recession, what areas would he see as the Minister of International Trade that he will be involved in?

MR. SCHMID: As I mentioned before, Mr. Chairman, as far as international trade is concerned, manufacturing, specifically of machinery, equipment, and technology involved in the exploration, drilling for, and production and processing of natural gas and crude oil; and farm machinery and especially engineering. But as far as the internal development of our economy is concerned, I think my colleague the Hon. Hugh Planche should answer that question.

MR. PLANCHE: I'd just make a comment, if I may, Mr. Chairman. When you're talking about percentages of exports over time, there's some danger in comparing sectors when there's such a turbulence in oil and gas pricing. It should be recognized that those are difficult numbers to extrapolate.

The second comment I'd like to make is that it's fairly easy to make a simplistic forecast — we frequently see those in the newspaper — that presumes fluctuations in a sector and doesn't show growth or shrinkage of a market in another sector. We've seen frequent referrals to the

potential of oil and gas as the engine of the economy, but they don't take into account the balance of the other sectors that are involved and that are growing.

So on those reports, I caution you also to look for a balanced view before you draw a conclusion. That's how we would see it.

Finally, I'd just like to comment that, because our prime thrust is in energy and food and likely will continue to be because those are our two most naturally advantageous commodities, it's clear that we're becoming tariffed out of the EEC, which has been our traditional market, and that Asia is opening up, not only because they have hard currency but because the People's Republic of China is trying to bring itself up to contemporary standards of consumer goods and consumption in a variety of ways. In that market, we are compatible, not competitive. We are located well, not only in terms of our politics and our history with those countries but also geographically. So if anyone in Canada could afford to be optimistic, I think it would be Alberta.

DR. BUCK: Mr. Chairman, I'd like to make one or two comments. First of all, to the hon. Minister of International Trade, he wonders why the deputy minister's hair is gray. The hon. Minister of Economic Development, Mr. Gendall, and I all went to university together. We know why his hair is gray, but we're not telling. [interjections]

I think that what I'm going to say to the Minister of International Trade is going to really shock him out of his boots, because we've had differences of opinion over the many years that we've been in this Assembly. But this is one time when I am going to say unequivocally that I think the government, in setting up this department, and the minister, in heading it, are doing an excellent job. We can't depend on somebody else to do our job for us. We do have technology and expertise in this province that is exportable, and we are exporting it. It's always quite difficult, really, to look at a stack of statistics. I have statistics here from the department. When the minister goes over to a foreign country, you can't really tell what dollars and cents are going to be directly shown that we've sold something.

My colleague the Member for Little Bow gave me a "for instance". When he was a minister of the Crown, at a social event in Sweden, he said this man who was quite highly placed — I don't think he was an elected person — was discussing with Mr. Speaker what we do in Alberta. He knew that we had a few bushels of grain and a few cattle. But he was quite flabbergasted when we told him that we were the largest producer of gas and oil in Canada, that we had coal and all these other things. From that social conversation, Swedish interests came over here and got involved in our economy. You just can't measure some of these indirect things in dollars and cents. But we know that they are happening.

In case I get too maudlin, I just want to say again that this department is doing a good job. We can't expect the Canadian government to do it for us. We have to do it. So that's my brief general comment.

I would like to address a question to the Minister of Economic Development. If the minister touched on this, I apologize, and I'll read it in *Hansard*. I had to be out for a minute or two. I asked the question last night. What is the trackage situation and the carrying capacity of the lines to the new terminal, as well as to Vancouver? I know from discussions I had with CN and CP two or three years ago, they were just terrified that they weren't going to be able to move this stuff to the west coast. So I

would like to know if the Minister of Economic Development can enlighten me on that matter. If he has said it before, that's fine.

With those few, brief comments, Mr. Chairman, I say to both ministers that I'm not entirely sold that we need two people doing that kind of a job, but that's the Premier's decision, not mine. But as far as setting up the Department of International Trade, I think it's an excellent idea, and I sincerely compliment the minister.

MR. ZIP: Mr. Chairman, as a former business development economist with the city of Calgary, and having long experience in business myself, I know the extreme importance of an active program of promotion of the economy of either a province or city, or whatever it happens to be. I also know from direct experience as well that the policies of the federal government have impacted very negatively on investor attitudes towards Canada and this province. I've talked to dozens of those investors and businessmen who have come to Calgary. I saw a very marked change in their attitudes toward Canada. Needless to say, with the damage done by the federal government's interventionist and socialist policies, along with the downturn in the agricultural, oil, and natural gas industries of this province, active promotion of Alberta's economy is now more important than ever.

DR. BUCK: Easy, that's John Kushner's speech.

MR. ZIP: I note that when the close to \$35 million increase in budget provisions for grain handling is taken out, there's actually a decrease in budgetary provisions for economic development and international trade promotion. I would urge that we expand that budget at the present time in this crucial area and look at what our friends south of the border are doing in this vital area. Americans are doing a lot more than we are, and we have the money to do it.

I would like to mention that the city of Calgary is looking at stepping up the role of the city business development department at the present time in order to draw more business to the city. A very important point about the need for new initiatives and for involvement on the part of all members of this Assembly in this vital area was brought up by hon. members this morning. I for one am keenly interested and more than willing to help in this area of business development and promotion. This past Tuesday, I met with a group of small business men who are very concerned about the present state of Calgary's economy and the sharp cutbacks in lines of credit that have been imposed on them by their bankers. It's a fact of life that they can't pursue new business opportunities, even though they are there, when lines of credit are cut back. I'm meeting tomorrow with the Portuguese consul in Calgary to discuss business opportunities with him. I know the possibilities are there, but the doors have to be opened and personal contacts have to be made.

In closing, I wish to compliment both ministers for the fine jobs they are doing in their respective fields in promoting Calgary. What they had to say today was very interesting. I just wish we had looked a lot more seriously at expanding the budget, not only in areas of meeting the people but having the information well documented and attractively packaged so people can see that we have a lot to offer here in Alberta.

Thank you.

MR. TOPOLNISKY: Mr. Chairman, I have a short but very important question for the Minister of Economic Development, the front rank minister. What is the status of the proposed Biewag methanol plant near Waskatenau, in the county of Lamont?

MR. PAPROSKI: Mr. Chairman, I would like to congratulate the Minister of International Trade for his enthusiasm, leadership, and expertise in the wide and varied duties in his portfolio. So many in the constituency of Edmonton Kingsway, and indeed throughout the city of Edmonton, have applauded the minister for his efforts on behalf of all Albertans. I wish him an additional four, five, six, or 10 years in his portfolio.

I have one specific question for the minister. It relates to high technology throughout the world, specifically as it pertains to robotics, or the utilization of computerized robots, in business and industry. This area is indeed booming throughout the world. However, it is very slow in this country. It's my understanding that approximately 80 per cent of all robots are in Japan. I wonder why this is so, and why we do not have more in this particular country. Would the minister comment on this new technology: whether imports of this technology have been considered by our government or whether Alberta could show some development of this technology in the immediate future, perhaps for export.

Lastly, I had a question that the hon. Member for Drumheller brought up regarding the accessibility of individuals who cannot afford to market their own products internationally. I'm extremely pleased that they have access to the minister's department to perhaps get some assistance.

MRS. CRIPPS: Mr. Chairman, I'd like to compliment the ministers and the department for the program. There is no doubt that the minister is not only a trade missionary but also a good will ambassador. That was certainly borne out when the surface rights committee was in Europe in 1981.

The role of the minister is key in the commitments by this government to improved markets for our products. I support the comments of the members for Little Bow and Clover Bar, and I don't often do that. I also support the remarks of the Member for Barrhead regarding marketing of agricultural, oil and gas, and manufactured products in the province. I'd like to encourage the Minister of Economic Development to look at the difficulties some outlying areas are having at the present time, and I know that he is.

I appreciate the work that the minister and the department are doing, but certainly the trade generated is not generally known. I didn't hear the minister's comment on the dollar value of the products exported. I think it's important to know what kind of value we're getting for this vote and, also from the Minister of Economic Development, what kind of value is coming into this country in terms of investment. I'm not sure those figures were made available, and I think it's important for us to know.

MR. FISCHER: Mr. Chairman, I would like to commend both ministers on the fine work they have done in marketing the products of this country. It is a very important job that somehow or other seemed to have been forgotten years ago.

I would like to ask the Minister of Economic Development about the Prince Rupert terminal. I may not be very familiar with everything that goes on there. I'd like

to know where the tracks are going, how we're coming out budgetwise, the completion dates, and what impact the Prince Rupert terminal would have if we had no Crow change. Would all the Peace River grain be going to Prince Rupert? What kind of saving will we have when we get this project in full operation?

I also have a question on our foreign marketing for the Minister of International Trade. After you get a buyer and seller together and kind of make arrangements so they can go ahead with things, is there any help or supervision from your department that would give an individual a bit of help getting through the red tape, foreign regulations, and general problems you would get in a foreign country?

MR. ANDERSON: Mr. Chairman, I'd like to participate briefly in the discussion on this estimate. I would like to associate myself very directly with the remarks of the hon. Member for Clover Bar, who I think outlined very well why the international trade aspect of the Economic Development Department is essential for Alberta. I've always been of that opinion, but I became much more convinced of that when I had an opportunity to travel with the minister on a recent trade mission. Indeed I have no doubt whatsoever that the establishment of that department has improved the economic situation for Albertans and, in the long term, provided an outlet for our products and our expertise across the world that otherwise would not have been available to us.

I recall one situation in going through Egypt. In discussion with a minister of that government, he indicated that they were looking at, and in fact had been involved with, a company in Europe on a particular bit of technology dealing with the petroleum industry. It was our Minister of International Trade who pointed out quite quickly that that technology in fact came from us, that we had taught that company what they know. Now I understand there's consideration of using us more directly in that regard.

The only part of the comments of the hon. Member for Clover Bar that I didn't agree with was an indication of no need for the two ministers. On the surface, I can see where that might seem to be the case to Albertans. But we went through the country of Kenya, and I recall the high commissioner there talking to me about what a good job the federal minister of international trade had done, that he'd in fact carried out more trade missions than any minister he has ever been aware of in the world. I was happy to be able to say that our minister had carried out more than four times the number of missions he'd indicated the federal minister had been able to deal with.

No doubt everybody knows that the hon. minister travels constantly. I don't know if everybody realizes what kind of hours he puts in during that commitment, the kind of day he goes through and, most of all, the types of representations he makes.

[Mr. Purdy in the Chair]

In Kenya the high commissioner said that we were the most enthusiastic, most productive mission he had yet seen in that country. While that can be attributed in part to the excellent private-sector people who were with us, the very good staff people there, in my opinion the enthusiasm, the dedication to long hours of work, and the knowledge of the products all came from one catalyst, the Minister of International Trade.

I have one aspect of the estimates that I'd like that particular minister to expand upon, however. That's how

we are doing with third-world countries specifically. Before going on that trade mission, it was my opinion that our best possibilities were in developed countries that had a good deal of money and could operate effectively. In fact after having visited two countries that receive a good percentage of their money, if not a great deal, from international agencies, it's my opinion that we have a great deal to accomplish in those nations, a great deal in terms of having our share of the international dollars that are available — some which we provide directly through Alberta and through the Canadian International Development Agency.

With that question, I'd just like to emphasize again that I wholeheartedly support the department. I believe that at this time of economic difficulty it's even more important that the Department of Economic Development, in particular the international trade aspect, be expanded and in fact look at dealing with our products on an international level so we aren't tied just to the economic fluctuations in our own economy. I congratulate the minister in that regard.

MR. MARTIN: I just have one question again. I apologize that I had to go out too. The minister mentioned Asia, that we have some links there. What about South America? It seems to be a growing market. Has much work been done in that area?

DR. BUCK: They can't afford to pay.

MR. ALGER: Mr. Chairman, to the Minister of International Trade. I wonder if the minister would describe to the Legislature the wide uses of sulphur. Will he express how strong the demand for this product is? Will he discuss the price structure of this element from, say, 1950 to the present time? When I get answers to those, I'll ask some more.

Thank you.

MR. DEPUTY CHAIRMAN: Would the ministers like to conclude?

MR. PLANCHE: Mr. Chairman, I'll try to answer the questions in the order they came. From Clover Bar: the track situation in Rupert is well in hand. The CNR assures me, as do the members of the consortium, that the way the yard is laid out will be satisfactory not only for present use but for expansion. The one issue that remains is who is going to pay for it. That's a dispute that will be settled by the CTC, but it is not interfering with the construction.

The lower mainland and Vancouver is a different story altogether. We've long recognized and protested the lack of activity by the National Harbours Board in that area. There is congestion. There is not the ability to handle the unit trains or to effectively move rail cars, nor is there opportunity for intermodal transportation. The first report on that issue is out now, and it's in the department for study. It's a federal report. We will continue to lobby, although it's outside our jurisdictional area. We share your concerns, and we're watching it very carefully. So I do appreciate those comments.

From Redwater-Andrew: the company has requested a deferral on its commitments for permits, both on the declaration of Canadian content and the pricing of natural gas inputs that are required by the Energy and Natural Resources Department, and the approval of those deferrals is under consideration.

From Drayton Valley: that's a little tougher question to answer, the quantifying investment that comes in. But I guess I could answer it best by saying that we are running into some resistance because of FIRA and federal governmental policies, in a variety of ways. For the last 24 months this has not been a preferred economy to invest in, relatively. We've had some successes, though, and we are particularly attracted to those who want to invest in a way that there will be a technology transfer and a joint venture opportunity for Canadian citizens. The member well knows what restrictions there are on foreign investment. Unfortunately it's not quantifiable.

For the Member for Wainwright: we're expecting a 1984 completion. The port facility generally is on time and under budget. We expect to be shipping grain in '84. The rates, as specified under Crow, are generally distance related. It's well to know that it will be important for the success of Rupert that the natural marketing basin for grains is received by both railroads with rate parity with Vancouver. That's an issue we're constantly working on, and we expect to have that in hand. In terms of capacity, it will increase the west coast capacity by some considerable amount. The problem is that when we began the planning for Rupert, there was a very real priority for grain capacity because it was being carried at less than a compensatory rate. It's now clear that the capacity of the grain system to grow and to ship west will increase, and Rupert will become a very valuable part of the mosaic of agricultural economics for Albertans.

For Kingsway: just briefly, on the robotics. Japan would be a much more natural development ground for robotics, simply because they're totally involved in heavy manufacturing and labor-intensive industry. But more than that, the Japanese have a sense of direction that their central government involves them in, where there is a very real understanding and thrust among industry, government, and banks. To that end, they have developed a research city outside Tokyo called Tsukuba. The prime directions that the government and industry of Japan are taking there are in the business of industrial ceramics for vehicle engines, robotics, and C1 chemistry so they can develop their own indigenous hydrocarbons from renewable resources. There is no question that they're light years ahead of us, and our applications are limited. As a government, it's fairly difficult in Alberta to direct robotics installations without affecting natural economics and investment. But when an opportunity presents itself, we would like to see what effect robotics would have on agricultural processing. We're watching for that and, if it should occur, we will actively solicit a robotic experiment in that area.

The question on South America from Edmonton Norwood properly belongs to my colleague. I just want to comment that I wasn't talking about Asia in terms of exclusion of others. It is just an enormous population concentration where there is a demand for the kinds of things we're proficient in selling. I think that far outstrips others.

It's interesting to notice that in Hong Kong, where Fred Peacock has his office, thousands of the middle-management Chinese were educated in Canada and indeed Alberta. They have a very soft spot for being involved with Albertans. We have a history of non-contractual trade — handshaking, if you like. We've had an extended cultural history going back to Dr. Bethune and working its way through the way we've handled the PRC/Taiwan relationship. We see enormous economic activities there, but we're going to have to address our-

selves aggressively to the issue. There is no reason to believe it's going to be automatic at all. We have a lot of work to do, and we're laying the groundwork now.

MR. SCHMID: Mr. Chairman, first of all, I would like to congratulate the member who is interested in high technology, specifically robotics, because to me there is still a kind of niche we could establish for ourselves, at least as far as Canada is concerned. Of course he has spoken of the expertise Japan has developed. I have yet to go to any of the industries in the oil and gas sector and hear the word "robotics" spoken there. To me that might be a future application for this kind of high technology that no one else around the world has looked into yet. It may be a strength to continue our best, so to speak, of world expertise in that area especially. So I very much appreciate that question. As we all know, Japan is very advanced in that area, the United States is about second, and I think Germany is third. Let's hope that Canada at least, specifically Alberta, will be first in the robotics application in the oil and gas sector.

As far as the value of exports is concerned, I mentioned them during the percentage I quoted to the Member for Edmonton Norwood. Fabricated materials in 1981 amounted to \$1,665,444,000; live animals, \$49,757,000; food and beverages, \$138,994,000; and special transactions, \$464,335,000. Then let me repeat the oil and gas, which is crude materials including coal: \$6,566,328,000.

I was also asked by one of the hon. members regarding the help we provide to companies which have concluded a deal. I can say that right now we are helping about 385 different companies in their sales efforts. In other words, if they let us know what their problems are, we either refer them to the company that is able to help them and/or refer them — let's say, for instance, their contract has been completed but financing is needed. We have a specific desk office in our department that is going to help the company find financing either through EDC, Canadian banks, or international banks if necessary and thereby help to make their contract a successful one. All we have to do is be informed about it, and we will do our best to have that information available.

As far as the missions themselves are concerned, I should mention that normally we take between five and 20 Alberta companies with us. On international exhibitions, most of the time it's between 10 and 20 companies. For instance, in Houston we expect to have anywhere between 15 and 20.

The export sales — maybe I should go back to them — of fabricated machinery alone amounted to \$607 million in 1981. As far as the South American trade development is concerned, I can say we have been successful in penetrating the Mexican market. I mentioned that one of our sales missions alone resulted in about \$18 million in sales. Other sales have resulted since then. I recall one of \$10 million. While it is always difficult to assess the credit arrangements, especially with a country like Mexico, as I mentioned before, Canada is buying oil from Mexico. Mexico will also be buying from Canada. Therefore we have to try to keep selling our equipment to Mexico, because right now naturally the largest supplier of equipment to Mexico is still the United States.

Alberta companies have successfully sold deep-hole pumps to Peru, off-highway vehicles, and also enhanced recovery systems to Peru as well as Venezuela. In fact I'm speaking of a Calgary company right now, which has a unique system in the world, an enhanced recovery process

which is acidic and yet non-corrosive. That product has been very successfully tested in Venezuela, where they increased a dead reservoir to a capacity of 400 barrels per day, and another one from 300 barrels to 1,200 barrels of oil per day, and so on and so forth. So we have been very successful in testing that.

As I mentioned a while ago — in fact Mr. Herb Pickering is in Calgary today, but with Mr. Lack he will be receiving a delegation from Venezuela. They are here to look at our slant-hole drilling rig manufacturing capacity, because they are in an area right now in one of the oil fields they have where the population is very concerned about the environment. So they're using slant-hole drilling rigs to drill that reservoir. Again, it's an Alberta company that is on the final list. When I was down there I was assured we have a very good chance of getting the contract for those slant-hole drilling rigs.

Next to Peru, I should mention Trinidad-Tobago, where an Alberta engineering company is very successful. Also, we had a delegation here from Jamaica only three weeks ago to look at our capacity of manufacturing low-cost housing from fibre. Again, we are strongly looking at the South American market, with our international trade director Greg Whyte. We have had trade missions there and hope to have other trade missions going there in the future with Alberta companies.

As far as incoming missions are concerned — which are very important, especially from South America — all of them are co-ordinated by Mr. Herb Pickering, our former agent general in London and Hong Kong. Again, we have been very successful in having those people come here, because they have seen on site our manufacturing capacity and our capacity in enhanced recovery, as the Chinese delegation did recently. Of course today, as I said a minute ago, we have a Korean delegation coming through here looking at our manufacturing capacity, not only in the oil and gas sector but also in food and coal production.

So all these things are happening at one time, but South America, as you can see, is definitely not forgotten.

As far as sulphur is concerned, I had the good fortune and privilege of being in sulphur marketing myself for a number of years. All I can say is this: I got out of the sulphur market in the late 1960s just at the right time, because at that time, as my colleague may recall, the price of sulphur in Alberta was about \$35 ex-plant. In addition to that was the cost of freight to other countries, but that was about the cost at the time. In 1967-68, because of the bid of one Alberta company on a tender to an overseas customer of about \$5.30 per tonne ex-plant, the whole sulphur market in the world was in dire straits. Naturally it took quite a while to build up the value of sulphur to its present state, where it is between \$95 and \$105 a tonne f.o.b Vancouver. While sulphur to us is a by-product, and I'm afraid some companies still treat it as such, all I can say is that right now we export from Canada between 6 million and 7 million tonnes of sulphur per year to all parts of the world, be it Morocco, Korea, India, Brazil, Australia, the People's Republic of China, or the U.S.S.R.

One of the major uses of sulphur is the making of sulphuric acid for the production of fertilizer and the manufacture of steel. As we all know, and as I mentioned before, while the fertilizer market now is not the best and since the production of sulphur has dropped because of the present oil and natural gas oversupply, naturally our production of sulphur is becoming more and more important as our stockpiles still have to be reduced.

Those are the first few answers I would like to give. Maybe my colleague has more questions on that.

Agreed to:

11 — Program Support	\$3,048,400
12 — Planning and Services	\$4,796,00
13 — Development of Industrial Programs	\$5,559,100
14 — International Trade	\$5,056,700
Total Vote 1 — Economic Development and International Trade	\$18,460,200
2.1 — Railway Relocation	—
2.2 — Grain Handling/Storage Facilities	\$65,550,000
2.3 — High Technology	\$3,625,000
Total Vote 2 — Financing — Economic Development Projects	\$69,175,000
Total Vote 3 — International Assistance	\$7,103,100
Department Total	\$94,738,300

MR. PLANCHE: Mr. Chairman, I move that the votes be reported.

[Motion carried]

MR. HYNDMAN: The hon. Leader of the Opposition will be here momentarily, Mr. Chairman, and we can then continue with the Department of Agriculture.

Department of Agriculture

MR. FJORDBOTTEN: Mr. Chairman, I very much appreciated the comments members made yesterday with respect to the estimates of the Department of Agriculture. A number of areas were covered. I was most pleased to hear the positive remarks about the Agricultural Development Corporation, with respect to adjustments we've made in the program to try to serve the needs of producers in this province. Some concerns were raised with respect to what we are doing with the Agricultural Development Corporation to meet the challenges we now face. The dairy industry particularly is one members raised that I think is important to be dealt with. Some of our new beginning farmers in the dairy industry are the ones that are going to stay in the industry for a long time and be some of the better producers we will have in the future.

Members might be interested in knowing that to this point dairy producers have had problems with not having adequate quota. Through the Agricultural Development Corporation, we have made changes in how we deal with the quota situation. If in order to maintain your quota level of 95 per cent you had to buy more dairy cows, we have eliminated the need for maintenance of quota so that at the moment you do not have to buy more dairy cows. Thereby it should decrease our production a little bit. We have to try to get production down to the consumption level and, because of that reduction now, anyone who has excess quota can loan it to other producers and won't lose. We do that through the Dairy Control Board. The dairy board allocates that quota to the ones they find are in greatest need.

Some other things that have been looked at in ADC are the postponing of payments and the loan for the purchase of quota, and other financial restrictions. I

wanted to touch on that, Mr. Chairman, because members raised it yesterday.

MR. TOPOLNISKY: Mr. Chairman, just a comment on rural services. While we all accept that agriculture is the cornerstone of Alberta's economy, I want to commend the minister for the wealth of information he gave in reply to questions last night. It is also commendable that there is a 15 per cent increase in the department's budget. But looking at rural services, specifically agricultural service boards and agricultural societies, there is an increase of 2.5 per cent. The service boards do a tremendous job, and with an increased budget they will certainly get much more accomplished; the same with the agricultural societies. I certainly appreciate the \$5,000 operational grant, but an increase in that budget would be very welcome.

Thank you.

MR. NOTLEY: Mr. Chairman, I'd like to take just a few moments and make some general comments. I just came in. Are we on a particular vote? If we are . . .

MR. DEPUTY CHAIRMAN: No, we've concluded. We're on the department total now.

MR. NOTLEY: Thank you, Mr. Chairman. This then would be the appropriate time. I appreciate the indulgence of the Government House Leader in holding the matter over until I was able to return.

Mr. Chairman, in dealing with the estimates of the Department of Agriculture, let me begin by wishing the new minister well. He has a difficult assignment. Some of the things I'm going to say will indicate disagreement, but they're disagreement on principle. In terms of ability to handle the job, we're fortunate that we have a minister who, I think, is going to be a strong Minister of Agriculture. Notwithstanding the fact that we may differ from time to time, that at least is a good thing from the standpoint of Alberta farmers.

I'm not going to be quite as generous to most of the ministers during the estimates. I hope my indication of respect for his ability doesn't destroy the minister's position in caucus, but rather just a simple acknowledgement of . . . [interjection] Yes, I see the Member for Edmonton Glengarry is not here at the moment.

MR. COOK: I'm right here.

MR. NOTLEY: Oh yes. I wouldn't want the Member for Edmonton Glengarry to miss my sage advice.

Mr. Chairman, I want to begin by dealing with what I think is perhaps the most important issue facing farmers at the moment. That is the review of grain transportation and, in particular, the Pepin proposal. We have discussed this in the past, but I think it's important and relevant that I raise the issue again as it relates now to our strategy as a province. The matter is going to be before the House of Commons. I think there is at least some possibility, because of Parliament's timetable, that should the three prairie provinces stand together we might succeed in stopping this proposal. I suppose some members who might think the Pepin plan is a good plan would not like to see that happen, but for those of us who have some real concerns about the plan, frankly I'd like to see the matter go back to the drawing board.

I note that the resolution I raised in this Assembly on objections to the Pepin plan was recently debated in the Manitoba Assembly, and the same resolution that was

passed by the Saskatchewan Assembly was unanimously passed by the Assembly of the province of Manitoba. So we have two out of three legislatures, Mr. Chairman, saying in a pretty uncategorical way that they oppose the Pepin plan. The minister, in his initial ministerial statement — and I appreciate the fact that we had a ministerial statement on this matter. Too often we have major policy announcements by this government that are not in the form of ministerial statements. This time we had the courtesy of a ministerial statement and it allowed us, at least initially, to get our position on record. As far as the concerns the minister expressed in that initial statement with respect to the total amount of tonnage, I, for example, have no difficulty with some of the reservations expressed. Where I differ is with the fundamental approach that we see being proposed by the federal government.

Mr. Chairman, I'll direct this to the minister in the form of questions as well. It seems to me that we have to ask ourselves first of all what a compensatory rate is for the railroads. What are the factors that go into a rate? What are they using as a rate of return, for example? Basically the initial discussion that went into the Gilson report, and everything else, stems from the Snavely commission. As I look at the Snavely commission figures, I really wonder in this time of recession whether or not we should be paying compensatory rates that give an average return on capital of 25.4 per cent. I really wonder whether that's reasonable. If we are to look at a rate structure for the railroads, it's one thing to say a compensatory rate. But should that compensatory rate be developed on a mix of equity and debt capital to give a rate of return far above that enjoyed by the vast majority of other businesses? When one looks at the economy today, I don't think there would be too many businesses in this province that could look forward to having their prices set in a way that would give them a 25 per cent rate of return.

Mr. Chairman, it seems to me that before we jump on board this Pepin proposal, we have to ask ourselves very carefully whether the information compiled by Mr. Snavely, which is the basis for much of the reasoning behind compensatory rates, is reasonable, given the current economic conditions that face the country. I'd like the minister to outline to me what review has been made by the Department of Agriculture, specifically of the components that go into the so-called compensatory rate for the railroads.

Mr. Chairman, another factor that disturbs a lot of people in the grain business in particular, especially the pools, is the suggestion that we may not continue the concept of equal rates for equal distance. I know there are some who argue that variable rates would be a good thing because that would allow a rationalization of the system. You could have large inland terminals, you could use unit cars, and through your rate system you could provide incentives for people to truck grain to these larger centres. That may seem like a plausible approach from the railroad's point of view and perhaps from a large grain company. But from the standpoint of the efficient utilization of energy, we've got a railway system in this province, we've got an elevator system in this province. Are we going to jeopardize that with variable rates?

I don't think there's much doubt that variable rates — getting away from the principle of equal rates for equal distance — are going to spell the end of quite a number of small communities in this province. There's no doubt about that. There's no doubt as well, Mr. Chairman, that

if you get away from the principle of equal rates for equal distance, farmers are then going to be trucking their grain, and the impact on the roads is going to be felt by the Minister of Transportation because we're going to have to assume those costs.

If we find that rural branch lines are not being maintained — and they don't have to be maintained if they're not used because we've got incentive rates — then what are we doing to the entire system? What we're doing to the entire system is locking that system, as I see it anyway — other members may disagree, but the estimates are the place to discuss these disagreements — into what may be more efficient from the railway's point of view but is not going to be more efficient from the viewpoint of farmers. They're going to have to truck their grain. We all know that the energy component of trucks, even the most fuel-efficient trucks, is much, much lower than rail. So we're going to be locking the system into an energy-expensive mode.

Mr. Chairman, to the minister, if we were competing with other parts of the world where grain could be grown in land-locked areas such as Saskatchewan, Alberta, or the area I represent, the Peace River country, then perhaps we could say: let's look at the trade-off; maybe we'll have a more efficient throughput, maybe our rail system will work better, et cetera.

As I look at our competition in the world, where is it? Well, the United States is the major country, and you have the Mississippi River system — partly subsidized, but you have the competition of water. There's no mode of travel anywhere that is cheaper than water. Our first competitor, the United States, has the advantage of a river system that flows from the central heartland of the United States to the Gulf of Mexico. It makes it much cheaper to haul grain.

Let's look at another major competitor, Australia. Unlike Alberta or Saskatchewan, the grain-growing areas in Australia are close to the port. Whether it's in west Australia, south Australia, or wherever in that country, Australian farmers don't have to haul their grain the many, many miles from the interior of the continent as we do in Canada.

Let's look at Argentina. The information I have from Saskatchewan sources — I think it is quite accurate, because this information has not been challenged by the new government of Saskatchewan — is that in Argentina they have an incentive freight-rate system that would make the Crow look extremely expensive by comparison.

So you look at your major competitors in international grain movement, and you find that we are proposing a system which is going to lock grain growers in the west into a combination of modes emphasizing trucking — and that's not efficient — which is going to be considerably more expensive than our grain growing competition elsewhere in the world. Mr. Chairman, with great respect, I say to the minister that I don't think that's a very wise move.

I know arguments have been presented before by the Western Stock Growers, the Alberta Cattle Commission, and others that if we're ever going to have a value-added industry, we've got to strip away the Crow. Otherwise there's a built-in incentive to send out grain as opposed to processing in Alberta. Mr. Chairman, it seems to me that that argument would only be true if the end result of our upgrading, and getting our upgraded product to market, puts us in a competitive position with other areas of agricultural production. When I see evidence that they could process pork in Quebec and ship it to Japan for less

than it costs us, then what advantage is it going to be to Alberta to do away with the Crow rate if the competitive advantage is still with areas of the world that have closer access to cheaper modes of transportation?

I raise, because they ought to be raised in this House, the proposals that were made in 1977 by Mr. Justice Hall. There are two routes you can take: you can take away the Crow in the hope that that will encourage value-added — everyone in this House supports the concept of value-added — or you can extend the principle of the Crow to everything that is produced from grain. Mr. Chairman, that's basically the position that Justice Hall recommended in 1977. It would cost the federal government an awful lot more money than they are going to put into the Pepin plan — far more. But it could be the basis, I suggest, of a new national policy.

We've got ourselves into the 1981 energy agreement, where this government has agreed — I'm not talking about the opposition — that we will not ask for anything more than 75 per cent of the world price. We can talk about rollbacks and the way of computing it, but the agreement was 75 per cent of the world price for oil. Mr. Chairman, if Alberta and Saskatchewan are to shield energy prices for other Canadians, even by 25 per cent, what is so wrong about a trade-off, demanding in return the recommendations of Mr. Justice Hall on the transportation of grain and agricultural commodities? What is so wrong with a new national policy?

We had the Macdonald national policy that saw the west as no more than a hinterland to dump manufactured goods from Ontario. But what about a new national policy where there can be, if you like, a mutual shielding so that the products we produce, manufacture, and process in the west can get to the markets of the world at a competitive rate? Mr. Chairman, that's the sort of thing that it seems to me we should be looking at when we address the whole question of grain transportation.

I just want to make one final observation. During the time that I've been a member of this House, having some concern about the future of the Crow, it's been my view as a Peace River member that we have absolutely got to do something to improve the transportation of grain from the Peace. For a long time, Unifarm and other organizations in the Peace have advocated the construction of a railroad from Hines Creek to Fort St. John or, alternatively, from Spirit River to Dawson Creek, so that we can use the BCR. They have modified the proposal to a certain extent. They are now suggesting that with the B.C. government spending all kinds of provincial funds, supplemented by federal moneys, to bring in a railroad to Tumbler Ridge — which as hon. members who know their geography of B.C. know, is about 80 miles from Beaverlodge — the most sensible approach would be to build a railroad from Beaverlodge to Tumbler Ridge, hook up with the BCR there, which is a heavy-grade railroad, so that we could reduce the distance and the turnaround time to ship grain from the Peace block to Prince Rupert.

Mr. Chairman, specifically to the minister, I would like to know in his response what review the government has given to the Tumbler Ridge proposal by Unifarm, whether there is any review or assessment by the Department of Agriculture, and if he would share with the Assembly the information he's obtained, if any information has been obtained.

I say to members of the committee — and I'll close so the minister has an opportunity to make a few remarks — that I don't think we should ditch the Crow; I think we

should be standing with Manitoba and Saskatchewan. I want that to be a clear understanding in this Assembly as far as my colleague and I are concerned on this issue. But whether we take that stand or not, with most of our area for agricultural expansion the new land that could be opened up in the Peace block, at the very least we've got to look at this question of how we can more efficiently move grain from the Peace.

So specifically, I would like to direct to the minister: what is the government doing now with respect to the options for moving Peace grain to the west coast?

MR. FJORDBOTTEN: Mr. Chairman, I certainly appreciate the Leader of the Opposition's remarks on the tough job ahead of us; there's no doubt about that. When I'm out walking on the farm, I have the opportunity to think clearly, and I start wondering about some of the things that face us, how we might act rather than react to situations, to see that our producers aren't disadvantaged in this province and that we make use of our opportunities.

There are a number of concerns about the Crow. I really appreciate the hon. Leader of the Opposition's remarks relative to the Peace country, because that is one area I certainly share a concern about. He mentioned what our strategy would be now. I think the position paper that we put out was a reaction or a response to the Pepin policy statement. That policy statement has to translate into legislation. Now I hear there's a leaked document on the legislation, that the leak might have a leak, and that leak might have another leak. But I haven't seen the actual piece of legislation. It's very important to be ready to analyse that legislation and make sure it does the things for the people in this province that we want it to do.

I have met with the ministers of agriculture in the other provinces and shared our concerns and listened to their concerns. Each province has a little different mix agriculture-wise. In Manitoba they do most of their shipping east, and in Saskatchewan they have a different mix of what they want to do. However, there is one common thread that runs through it all; that is, the producer's ability to pay. The concern we have is that if we change something, the change has to be better than what we now have. If we're not going to end up with something better, why bother changing at all? Everybody agrees, and the other provinces also, that we need some change. Whether you stay with the Crow itself and make some modifications to the Crow or whether you change the Crow to something else, there has to be some change. The argument comes down to what that change should be.

There haven't been very many positive things from the federal government. There haven't been very many things that I feel have been positive to the province in the last while, so our immediate reaction to changing the Crow is that it's got to be bad for us because the federal government came out with it. We tried to look at it realistically and honestly, to try to see if that type of change was proper. We disagreed with parts of the Pepin proposal because they didn't meet the needs of the producers in this province, and we tried to identify them. But highlighted in the position we put out was the producer's ability to pay.

There are discussions taking place now. Should we tie the price of wheat to the freight rate so the percentage the producers pay would never exceed that? Should there be a cap or should there be a floor underneath it? When you talk about inflation, what is inflation tied to? Are you

tying it to railroad inflation, are you tying it to the CPR, or what are you tying it to? That's a concern we have. What happens if there's deflation? We talked about energy prices going up; nobody ever talked about what happens if they go down. What happens if there's deflation?

One of the areas where we've done some work and raised concerns is: if we did tie it to the price of grain, what impact would that have, for example, on our feed-grain policy? There are a number of areas. If you turn over one rock, there are two rocks below it. What do we end up with? Could we end up with something worse than what we have now?

I would like to say a little bit about variable rates. Of course that would be a concern in the Peace River area, and we recognize that problem. The participants on the task force working on the rates are aware of the problem also, particularly for the Peace River area. The Canadian Transport Commission has made a commitment, albeit an oral commitment, to review the structure. But we have to realize that changing the Crow isn't going to destroy all our local communities, because elevators have been closing over the years and there has been that rationalization taking place at any rate. For example, in 1930 we had 5,730 elevators, and at the present time we have 3,200 elevators. So there has been that rationalization taking place.

We have to look at what we do, particularly in the Peace country. I can share with the hon. member that I have been looking at what we can do about the freight distances to Pacific ports from the Peace River area. I know that from Grande Prairie to Prince Rupert via the BCR is 814 miles; Grande Prairie to Prince Rupert via the Alberta Resources Railway is 990 miles; and Grande Prairie to Prince Rupert via Edmonton is 1,359 miles.

The current rate structure is based from points west of Enilda, Alberta, moving to the west coast ports via the Alberta Resources Railway through Edmonton. Although the BCR is really 176 miles shorter, there are certain limitations that we have to recognize in using the BCR. This track can't handle solid trains of hopper cars, or even multiple hopper cars. The structured limitations of the line restrict hopper car movement. That's something we have to recognize.

I want to share with you that I understand that under the newly proposed legislation, the Canadian Transport Commission will prescribe distance for points west of Edmonton or Calgary. This may well offer an opportunity to have rates in the Peace River area adjusted to reflect the shorter BCR distances. I think that's important. I think we have to look at all of those areas.

I'm pleased to share with the hon. member that when we talk about variable rates, we have an element of variable rates even under the Crow. We have to recognize that fact. But would it be more so under the new legislation? That's something that has to be clearly and readily identified.

We talk about rehabilitating branch lines. It costs a lot of money to rehabilitate some if they're not hauling anything but grain and the traffic is very small. In fact it can be up to \$100,000 a mile just in rehabilitation. You have to look at the economics of it.

The concern I've got is that we have no change, higher grain prices, and we don't have the ability to move the product. We're landlocked here. We don't have a river system. We don't have a lot of the other advantages they have in some other countries. So we've got to build our rail system up to a point where we have that advantage,

where we can ship product. In the United States, they're paying higher rates than we are. It hasn't destroyed their agricultural base. I don't believe it will here. But I have some concerns with it. Just because we've given approval to the Pepin proposal doesn't mean that when it translates into legislation — all members have a responsibility to producers in this province to make sure that what we're looking at is accurate.

There are a number of areas I could talk about on that. But I notice on the Order Paper that we're making the material on the background available. I don't pretend to understand the whole Crow rate issue. I don't think anybody who's being totally honest can say that. When you get into constant costs, variable costs, and different rates, it's hard to understand and comprehend. We'll share that material.

Our best indications are that we have to have some change. We want to make sure that that change has a benefit, so that we're not shipping our livestock and cattle to Toronto and Quebec cheaper than we can do it right here. Those are a number of areas that we certainly will be watching for. I assure the hon. member that the last thing I want to do is see any change in this province that would put any negative impact on our producers, particularly in the Peace River area, where we have the greatest potential for the opening up of new land, products, and ways of doing things in the north. If there's a disadvantage there, I think we would destroy agriculture as a whole in the province of Alberta. So I share your concern.

Agreed to:	
Department Total	\$191,293,014

MR. FJORDBOTTEN: Mr. Chairman, before I move that the vote be reported, I'd like to say thank you very much to one member of my department who's worked hard to help me with my budget process. That's Larry Lyseng, who is in the gallery. For a new minister trying to learn the ropes, he's been extremely helpful, as have my executive assistant, Ken Moholityny, and my secretary, Barb Pelenski.

Mr. Chairman, I'd like to report that the Agriculture vote for 1983-84 be reported.

[Motion carried]

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration and reports the following resolutions, and requests leave to sit again:

Be it resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1984, sums not exceeding the following for the departments and purposes indicated:

Department of Economic Development: \$18,460,200 for economic development and international trade, \$69,175,000 for financing of economic development projects, \$7,103,100 for international assistance.

Department of Agriculture: [\$13,989,168] for departmental support services, \$33,035,117 for production assistance, \$25,911,373 for marketing assistance, \$28,965,373 for field services, \$10,814,483 for research and resource development, \$65,500,000 for agricultural development lending assistance, \$10,210,000 for hail and crop insurance assistance, \$2,867,500 for financing of Alberta grain terminals.

MR. DEPUTY SPEAKER: The Chair assumes that the committee agrees the clock stopped at one o'clock. Is it agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: You have heard the report and the request for leave to sit again. Are you all agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: It is so ordered.

MR. HYNDMAN: Mr. Speaker, on behalf of the hon. Government House Leader, on Monday afternoon the hon. House leader proposes to move to Committee of Supply. Hospitals and Medical Care is the department designated by the Leader of the Opposition. There will be no evening sitting on Monday, but there will be a sitting of the Assembly on Tuesday evening.

[At 1:03 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]