

## LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Wednesday, October 19, 1983 2:30 p.m.

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

## PRAYERS

[Mr. Speaker in the Chair]

## head: INTRODUCTION OF VISITORS

MR. HORSMAN: Mr. Speaker, I am pleased today to introduce to you and to members of the Assembly the newly appointed Consul General from the United States of America, Mr. David Swartz, seated in your gallery. He is accompanied by the Consul General from the United Kingdom, Mr. Malcolm Holding, as well as, I should point out, Mr. Herbert Pickering, the most recently appointed Chief of Protocol of the government of Alberta. I would ask that they rise and receive the welcome of the Assembly.

MR. SCHMID: Mr. Speaker, it is a special privilege for me today to be able to introduce to you and to members of this Assembly Mr. Roland Haufe, the Commercial Counsellor of the Canadian section of the German Democratic Republic.

While it took a number of meetings and the involvement of many officials, I can assure you that all involved agree that the push and outstanding support of Mr. Haufe contributed a great deal to the agreement which was recently signed between Canada and the German Democratic Republic for the supply of wheat and barley over a three-year period, with a value in excess of \$450 million: 1 million tonnes of grain per year, which I am sure is welcome news for our farmers.

*Darf ich deshalb im Namen dieses Parlamentes und der Regierung Albertas, Ihnen, Herr Haufe, unseren besten Dank aussprechen, Ihnen fuer die Zukunft viel Glueck wuenschen, aber vor allem Gesundheit und verdienten Erfolg. Herr Haufe, darf ich sie auch bitten besonders Herrn Dr. Gerhard Beil und Herrn Christian Meyer ihres Aussenhandelsministeriums besonders herzlich zu gruessen und ihnen Alles Gute ueberbringen.* [as submitted]

Mr. Speaker, Mr. Haufe is accompanied in the gallery by his wife, and I would like to ask them to rise to receive the appreciation and welcome of this Assembly.

MR. HORSMAN: Mr. Speaker, I am pleased to rise again to introduce some distinguished visitors from the United States of America who are with us today, from the 49th Parallel Institute, which is located at Montana State University in Bozeman, Montana. I would ask that the following rise as I call their names and receive the welcome of the Assembly: Dr. Lauren McKinsey, the director of the 49th Parallel Institute; Mr. Stephen Maly, the research associate to the institute; Alice Stanley; Sandy Courtnage; Julie Rathert; Mark Anderson; and Charles Primm. All the students introduced have taken courses on Canada and have been involved in Canadian projects as interns with the Montana government or as research associates with the 49th Parallel Institute. I would ask that they now collectively rise and receive the welcome of the Assembly.

MR. ALGER: Mr. Speaker, I am delighted to reintroduce to you and the members of the Assembly a former member of

this Assembly in the person of Mr. George Wolstenholme, from our constituency of Highwood. George was a very fine politician, as you know, and I find his shoes extremely hard to fill. I would ask you now to help me in welcoming him to the Assembly.

MR. McPHERSON: Mr. Speaker, I too have the pleasure today to introduce to you, and through you to hon. members, the former MLA for the constituency of Red Deer and his fine wife, Mr. and Mrs. Norm and Kay Magee. They are seated in the members gallery, and I would ask them to stand and receive the warm accord of the Assembly.

MRS. OSTERMAN: Mr. Speaker, it's my privilege also to introduce a former member of this House, here today from the illustrious constituency of Three Hills, Dr. Allan Warrack.

## head: TABLING RETURNS AND REPORTS

MR. FJORDBOTTEN: Mr. Speaker, I wish to file with the Assembly the government of Alberta submission to the House of Commons Standing Committee on Transport.

MR. HORSMAN: Mr. Speaker, I table Motion for a Return No. 171.

MR. CRAWFORD: Mr. Speaker, I'd like to table the reply to Motion for a Return No. 153.

MR. RUSSELL: Mr. Speaker, I'd like to table financial statements for five of the Crown hospitals for the year ended March 31, 1983.

MR. BOGLE: Mr. Speaker, I wish to file with the Legislative Assembly four copies of the Alberta Government Telephones and 'edmonton telephones' joint study committee report and recommendations released July 19, 1983, and the joint news release of the same date by the mayor of Edmonton and myself.

## head: INTRODUCTION OF SPECIAL GUESTS

MR. SHABEN: Mr. Speaker, I would like to introduce to you and to members of the Assembly 12 students from the Sucker Creek Training School, from the Sucker Creek Indian Reserve. They are accompanied by their director, Les Clayton, and their instructor, Peter Freeman. They are seated in the public gallery, and I would ask that they rise and receive the welcome of the Assembly.

MR. NELSON: Mr. Speaker, I would like today to introduce to you, and through you to members of the Assembly, two special guests of mine who are two special people. They've travelled from the constituency of Calgary McCall to view the Assembly this day. I would ask them to rise and the Assembly to recognize their attendance.

AN HON. MEMBER: You didn't tell what their names are.

MR. NELSON: I'm sorry; Ila and Stan Mlynarski. I forgot everything but their names.

MR. JOHNSTON: Mr. Speaker, it's a particular pleasure for me, along with the Member for Three Hills, to introduce some distinguished visitors who are in our gallery this afternoon.

You've already met the distinguished member from Three Hills who served from 1971 to 1979, the hon. Allan Warrack. He is now the associate dean and director of the public administration program. Many of you know him from his term here as being very astute, and of course he always coaches his students on the importance of the Premier's speech on the first day of the fall session.

DR. BUCK: It's always too short.

MR. JOHNSTON: I am reminded, Mr. Speaker, of the famous Warrack Law, which was the question of double jeopardy. I don't think there's any double jeopardy in introducing him twice. I would also like to introduce with him the students, who are members of the public administration program. I ask them to stand, along with our distinguished colleague Dr. Allan Warrack, and receive the welcome of this Assembly.

MR. JONSON: Mr. Speaker, I'd like to introduce to you, and through you to members of the House, two ladies seated in your gallery. One is Mrs. Else Pedersen, and the other is Mrs. Pat Ferguson. Mrs. Pedersen is a businesswoman in the town of Ponoka and the recipient of the chamber of commerce businesswoman, I guess you would say, of the year award during the past year. Mrs. Ferguson is a newly elected school trustee, I think emblematic of the local elections held this week. I'd like to commend them to the House.

#### head: ORAL QUESTION PERIOD

##### Personal Income Tax Increase

MR. NOTLEY: Mr. Speaker, I'd like to direct the first question to the Provincial Treasurer. It's with respect to the rather unpleasant news yesterday, the massive personal income tax increase. I'd like to ask the Provincial Treasurer to advise the House what forecast was used by the government to come to the conclusion that there should be this increase. Was it a substantial increase in expenditures beyond the budget, or was it lower revenue than anticipated?

MR. HYNDMAN: Mr. Speaker, as hon. members know, in the last fiscal year there was a deficit exceeding \$2 billion, and in the spring budget of this year a deficit of some \$845 million was predicted for this fiscal year. As well, hon. members will note that special warrants — among them, particularly, those for the hospital system and for extra students at our universities — will now push the total of the predicted deficit for this year to somewhere in the order of \$1 billion. So that is the basis on which the estimates were made.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could the minister outline to the Assembly why, in his statement of yesterday, a one-month period was used for consumer purchases as opposed to the Conference Board of Canada survey of retail sales, the difference being, of course, that the Conference Board points out that Alberta ranks 10th among the 10 provinces in increase in retail sales?

MR. HYNDMAN: Mr. Speaker, the meaningful figure is the one which relates to the per capita expenditure for retail sales across Canada by Canadians in various provinces. Not only in the month of August was Alberta far ahead of the national average, and indeed other provinces, at \$399 per person, indicating a very significant retail sales approach; as well, in terms

of retail sales per capita, Albertans have been number one in Canada for each of the last six to nine months.

MR. NOTLEY: Mr. Speaker, a supplementary question. One wonders how long we'll be number one after the increase in taxes. But I put to the minister: what assessment was made by the government of the rather disturbing conclusions in the Conference Board report, indicating that the recovery in fact is weak by historical standards? Was there any consideration given to the impact of this kind of substantial increase in personal income tax on consumer purchases at a time when the recovery is at least open to some doubt by financial and economic analysts?

MR. HYNDMAN: Mr. Speaker, there are a number of predictions by a number of financial and economic analysts in North America. However, it's clear that in the United States, generally in the world, and generally in Canada, the recovery is taking hold. Certainly in the province of Alberta, although the recovery probably will be uneven, there are an ever-increasing number of indicators that we're on that road to recovery. With the indication of the highest per capita retail expenditures as well as disposable incomes in Alberta the highest of any province in Canada, it is our considered view that that will not affect the recovery that is moving ahead in the province of Alberta.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Treasurer. What assessment was made of the cumulative impact of the massive increases proposed by the provincial government plus the fact that the federal budget increases are scheduled to come into effect on January 1? Albertans will not only be facing higher personal income taxes provincially, but the federal budget will be coming into effect. Was there any specific assessment of those changes and the cumulative impact of the two?

MR. HYNDMAN: Mr. Speaker, we made an assessment of all the factors. But certainly if you look at the fact of the unique position in Canada of the province of Alberta, having, even as of today with the increase, the lowest personal taxes in Canada, no gasoline tax, no sales tax, and having other benefits, certainly that assessment will not call into question the impact of this tax on the recovery.

I might mention as well that in terms of the amount, we're looking at for, say, a family income of \$30,000, an increase of \$16 a month or about \$4 a week.

MR. NOTLEY: Mr. Speaker, for a lot of people that's a lot of money. I would just ask the hon. Provincial Treasurer what assessment has been made by this government of the cumulative impact of both those tax increases on the real domestic product which, according to the Conference Board report, this year ranked 10th among the 10 provinces? And the prognosis is that we might improve slightly; we'll rank ninth among the 10 provinces, only P.E.I. behind us. What assessment was given of the impact of these tax increases on the real domestic product in this province next year?

MR. SPEAKER: Order please. Obviously the hon. Provincial Treasurer is going to have to have an opportunity to reply. But what we're getting is a series of debating speeches, which would be quite in order if the hon. leader would like to put the topic on the Order Paper for debate; no doubt it will be discussed. What's happening is that these debating items are coming up one after the other, each being introduced by a question

as to what assessment has been made of them. That's a rather thin disguise.

MR. NOTLEY: Mr. Speaker, let me put the question too . . .

MR. SPEAKER: Order please. I believe the question has been put, and we'll now give the hon. Provincial Treasurer a chance to answer it.

MR. HYNDMAN: Mr. Speaker, as Albertans know, we are going through a period of adjustment and correction. But looking at the province of Alberta as compared to other provinces, we have the strongest economy of any province in this country. I might mention that unless we have a tax and expenditure and revenue situation where we live within our means, we run the risk of foreclosing on those opportunities for recovery and on permanent job benefits. That is what getting the revenue and expenditure in balance is going to bring about and ensure.

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

MR. SPEAKER: Might this be the last supplementary by the hon. leader, followed by a supplementary by the hon. Member for Little Bow.

MR. NOTLEY: Mr. Speaker, what appraisal was undertaken by the Treasury Department and what advice did the Treasurer give his colleagues with respect to options to tax increases, in particular a surtax on high income as opposed to a general increase in personal income tax with the exemption for low income?

MR. HYNDMAN: Mr. Speaker, all options were reviewed. I might mention, though — and I'm glad the hon. member brought this up — that under the special Alberta low-income benefit, 500,000 Albertans in the low-income level will not be paying tax, by reason of an enrichment together with this program.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to page 28 of the Budget Address of 1983-84. The minister predicted that we would have some \$4.8 billion of non-renewable resource revenue flowing into the province. The minister didn't comment on that in his first answer. Could the minister indicate whether that estimate is still accurate or whether there will be less funds than predicted at that time?

MR. HYNDMAN: Mr. Speaker, as I indicated in the spring budget — and the situation is certainly the case in a province that depends on decisions made outside Canada with respect to the prices and volumes of its exported resources — it's very hard to predict what any incomes might be from time to time. However, the predictions which were made in the budget at that time were based on what we thought would be the outcome for the whole of this fiscal year. It hasn't yet occurred, but we're holding to those at the moment.

MR. R. SPEAKER: Mr. Speaker, a supplementary question.

MR. SPEAKER: Followed by a supplementary by the hon. Member for Calgary Millican.

MR. R. SPEAKER: It's with regard to a statement of the minister on page 25 of his Budget Address: "There will be no increase in personal income taxes and no increase in corporate income taxes in 1983." One, the statement is deceptive in light

of the information today. Secondly, my question to the hon. minister is: will any of the funds that are derived from the personal income tax that will be implemented as of January 1, 1984, go into the current fiscal budget, or are those funds being retained for use in the 1984-85 fiscal budget?

MR. HYNDMAN: Mr. Speaker, under the Canada/Alberta tax collection agreement, the moneys would start to flow on March 1, 1984. That is when those revenues for, in effect, one month of the 12 of this fiscal year would go into the General Revenue Fund.

MR. SHRAKE: Mr. Speaker, I have a supplementary question for the hon. minister. Why did we not use the 15 per cent revenue from our non-renewable resources that's going into the heritage trust fund to defer the deficits we're running, instead of the 5 per cent increase on our income tax?

MR. HYNDMAN: That's an important question, Mr. Speaker, because there's been some misunderstanding on that point. The hon. member is correct that under the budget as presented in the spring, some 15 per cent of non-renewable resource revenues are going into the heritage fund. However, it's crucially important to realize that every one of those dollars is fully committed to projects such as senior citizens' lodges, the completion of the Mackenzie Health Sciences Centre, irrigation projects, the Prince Rupert terminal, the Alberta Opportunity Company, and the Agricultural Development Corporation. So to argue that those dollars should go into the General Revenue Fund would mean that all those projects would have to cease now, and that is certainly not what Albertans want.

MR. SPEAKER: Order please. I overlooked the hon. Leader of the Opposition's second question in recognizing the hon. Member for Little Bow. Perhaps we could have a final supplementary on this by the hon. Member for Clover Bar, followed by the hon. Leader of the Opposition's second question. I have a long list; I'm going to have to be frugal with supplementaries.

DR. BUCK: Mr. Speaker, a supplementary question for the Provincial Treasurer. Has the government given any consideration to putting an upper limit, say \$15 billion, so that once we reach that figure in the heritage fund, all the funds from that day on will go into general revenues? It appears that the way this government's budgeting, that is going to have to happen anyway.

MR. HYNDMAN: Mr. Speaker, I think I would welcome a debate on that topic when we bring forward the Heritage Savings Trust Fund Amendment Act with respect to what happens to the fund in the ensuing year. This is traditional every fall, and a wide-ranging debate incorporating that item would be useful at that time.

#### Health Care Insurance — Blue Cards

MR. NOTLEY: Mr. Speaker, I'd like to direct the second question to the Minister of Hospitals and Medical Care, and ask what considerations led to the minister's decision to implement the so-called "blue card" system on October 1, even though at that time it must have been clear to the government that there were many thousands of Albertans . . .

MR. SPEAKER: Order please. We're debating the topic. The question is about the blue card system; it's been asked.

MR. NOTLEY: Mr. Speaker, then I wouldn't want the minister not to have the question put to him. The question was really: with large numbers of Albertans not insured . . .

MR. SPEAKER: Order please. We're going ahead with the debate. Would the hon. leader kindly allow the minister to answer the question.

We've just gone through a mini-debate on provincial finances between the hon. Leader of the Opposition and the hon. Provincial Treasurer. I'm sure there are many members in the House who, under proper circumstances, would have been delighted to enter that debate. But within the confines of the question period, that's not allowed. So let's stick to the question period.

DR. BUCK: Make the questions so they can answer yes or no.

MR. SPEAKER: Order please. Let's stick to the question period as a question period. The hon. Minister for Hospitals and Medical Care.

MR. RUSSELL: It appears that the hon. leader has forgotten how to ask questions after their little . . . [interjections]

MR. SPEAKER: Order please. If the hon. Leader of the Opposition has recovered from his amazement, may I tell him that I wasn't quick enough on my feet to call the hon. minister to order, so I did it from my seat, but I couldn't be heard because of the intervention of the hon. Leader of the Opposition.

MR. RUSSELL: I'll answer the question, Mr. Speaker, now that we're all recovered from the end of the boycott. [interjections]

I did give notice, on several earlier occasions in the House, about the growing amount of funds that were in the accounts receivable in the Alberta health care insurance plan. During the latter years, when there was such a rapidly growing population and a very mobile one, particularly related to the construction industry and the great amount of activity in the province, it became apparent that the leniency that had previously been in effect with respect to those people in arrears on their accounts was very unfair to the 96 per cent of Albertans who had kept their accounts up to date. At the same time, that was coupled with rapidly escalating health care costs combined with a very alarming increase in utilization rates. So it became apparent, and the fact was advertised to the public through posters, the radio, and the newspapers, that we were going to go after the premium accounts and use the system that had been in effect in Ontario for several years; that is, if a person allowed their premium payments to lapse, they were then responsible for their own health care bills.

MR. NOTLEY: Mr. Speaker, now I'd like to ask the question I wanted to ask the first time. Can the minister advise the House why October 1 was set as a date, when it was obvious that there were many people who had paid their premiums but didn't have the cards because of mix-ups in the mailing? That's the question.

MR. RUSSELL: Well, if that's the question, I don't understand it, because the two items that the hon. leader linked are unrelated. October 1 is the anniversary of the midpoint of the fiscal year. We took June 30, the traditional anniversary date of medicare that had been in effect since 1969. From that point on, anybody that was in arrears after June 30 had that quarter. It gave the department time to get the new cards ready for

mailing for the anniversary date of the next fiscal year. Many people pay on a quarterly basis, particularly those covered by groups, so it was a very logical date to pick.

MR. NOTLEY: Mr. Speaker, a supplementary. The question is: because people do change addresses and locations, why were the cards not mailed so that we didn't have this massive mix-up which occurred on October 1?

MR. RUSSELL: I disagree that there was a massive mix-up, Mr. Speaker. Again I have to go back to the element of personal responsibility. There's a notification form on the health care cards. If a person changes their address, just like with your automobile insurance or anything else, for everybody's convenience you're supposed to notify the insurer. Now, over the 12 years that medicare has been in effect, a lot of people haven't done that. As far as we can ascertain, the bulk of the mix-ups occurred where groups were involved. In many cases, the group director or manager had not advised the insurer of changes of address of members of the groups.

It's being straightened out very quickly. In the meantime, nobody is being denied health care coverage and nobody is paying twice. We've had good co-operation from the doctors. When they see patients coming in that they know are obviously good customers, if I can use that term, the doctors aren't billing.

MR. NOTLEY: Mr. Speaker, a supplementary.

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

MR. NOTLEY: I understand that it's possible to pick up a temporary emergency card if premiums have been paid but the card hasn't arrived — and there are quite a number of them that haven't arrived. However, can the minister advise this Assembly what arrangements have been made, other than asking for charity from the doctors or a special appeal to the doctors, for rural Albertans who aren't able to drop into health care centres in Edmonton or Calgary to pick up their emergency card? Has there been any special program for those many thousands of Albertans who can't pop into this city or into the city of Calgary?

MR. RUSSELL: Mr. Speaker, there is a variety of things being done. A person can use the RITE system and phone in and get a temporary card mailed to them within a few days.

MR. NOTLEY: Within a few days?

MR. RUSSELL: Within a few days.

Secondly, the payment for claim procedure has been moved back by more than five weeks for those cards that are in dispute, so there will be no mechanical mix-up in the claims section in the health care insurance plan. Thirdly, and quite important, is the assistance we have been having from the medical profession, whose status is much improved, by the way, from previous to October 1, when they had no idea whose card was valid. Now at least they know.

MR. McPHERSON: Mr. Speaker, I have a supplementary to the Minister of Hospitals and Medical Care. He did provide an answer; however, I might just ask very quickly. He indicated that no one has been denied service with respect to medicare. I wonder if he has any particular knowledge of any individuals who have allowed their premiums to lapse being refused by emergency departments of hospitals.

MR. RUSSELL: Mr. Speaker, not to my knowledge. This is something the officials of the department have been working on closely with hospital administrators. As far as I know, as of today nobody has been refused genuine emergency service at an Alberta hospital.

MR. SPEAKER: A final supplementary by the hon. Member for Edmonton Norwood.

MR. MARTIN: Mr. Speaker, to the minister: have any special arrangements been made for the chronically mentally ill who do not live in an institution but may have some difficulty organizing matters such as up-to-date cards and premiums?

MR. RUSSELL: Mr. Speaker, if the member is referring to a person in that category who is living in a private residence without a guardian or help of some kind, then of course I would have no way of answering that question.

**Personal Income Tax Increase**  
(continued)

MR. R. SPEAKER: Mr. Speaker, my question is with regard to the oppressive personal income tax we've been talking about. I'd like to direct my question to a number of ministers, first of all to the Minister of Agriculture. What information was considered by the Minister of Agriculture to support a 13 per cent increase in personal income tax, when farm net income is down some 32.7 per cent and is down by the admission of the government's own budget speech as well.

MR. SPEAKER: Here we go again on a debate. The hon. member starts off by saying "oppressive tax". Obviously a minister is going to explain that it's not oppressive. Then he will go on to debate the topic further by saying the tax is too high considering farm income. That's not what the question period is for, and it's not fair to the members who are in the House and who would like to debate these topics when they come up. If the hon. Member for Little Bow wishes to have some information, then I invite him most cordially to ask for it.

MR. R. SPEAKER: Mr. Speaker, on a point of order. First of all, that's the question being asked by Albertans. They're saying: my income is going down, and this rotten government is increasing my taxes.

MR. SPEAKER: Order please.

DR. BUCK: And that's not even debatable.

MR. SPEAKER: The Albertan that I'm concerned with at the moment is the hon. Member for Little Bow. The hon. Member for Calgary Currie.

MR. R. SPEAKER: Mr. Speaker, on a point of order. Are you saying that I can't ask a question at this point in time?

MR. SPEAKER: I'd be glad to recognize . . .

MR. R. SPEAKER: The Minister of Agriculture should have that answer for the farmers.

MR. SPEAKER: If the hon. member persists in being out of order and I persist in recognizing him, then I'm a party to his being out of order. If he wants to change his mind and adhere

to the rules of the question period, I'll be glad to recognize him later on. The hon. Member for Calgary Currie.

MR. R. SPEAKER: Mr. Speaker, on a point of order. On many occasions and in many precedents, members in this House have risen and the question has been questioned by you as to whether it was in order or not. There was always a chance for that particular member to reword the question and ask it. Are we setting a precedent at this time that that opportunity is not available? If so, that's a court that's occurring without any way of appealing that decision, and I'm a little concerned about that.

MR. SPEAKER: With respect to the hon. member, if the reworded question is worse than its predecessor, the rule doesn't apply.

**Cruise Missile Testing**

MR. ANDERSON: Mr. Speaker, my question is to the hon. Premier. Can the Premier indicate if the government now has a position with respect to cruise missile testing in this province and, if so, what that position might be?

MR. LOUGHEED: Mr. Speaker, I presume the hon. member is alluding to a comment I made a few weeks ago in answer to some skilful questioning which asked what the position was with regard to the government of Alberta on the matter of cruise missile testing in this province. I replied that the government of Alberta supported the government of Canada in this important matter, that we thought it was clearly part of Canada's commitment to the North American treaty alliance, NATO, and that we felt it had the strong support of the majority of the citizens of the province.

MR. ANDERSON: Mr. Speaker, a supplementary question. Can the hon. Premier or the Minister of Federal and Intergovernmental Affairs assure the House that no Albertans will suffer as a result of the testing that is proposed to take place?

MR. LOUGHEED: I refer the question to the Minister of Federal and Intergovernmental Affairs.

MR. HORSMAN: Mr. Speaker, the government has consistently taken the position that consultation with the government of Canada is of great importance. First of all, I have discussed the need for a full public information program with the new Minister of National Defence, the Hon. Jean-Jacques Blais, and with his predecessor, and have been assured that Albertans will be fully informed of the nature of the tests prior to their commencement and that all efforts will be made to ensure that these tests are carried out in safety.

MR. ANDERSON: Mr. Speaker, one final supplementary question. Can the hon. Minister of Federal and Intergovernmental Affairs then give this House the assurance that his department will closely monitor that testing and the information to be received by Albertans throughout the process?

MR. HORSMAN: Yes, Mr. Speaker. I wish to re-emphasize the fact that the federal government has indeed committed itself to conducting these briefings and to informing not only the government of Alberta but the people of Alberta in a very effective and worth-while, clear manner relative to the testing when it does begin. And I want to emphasize the fact that not just the government will be kept informed but indeed the

people, through a series of information briefings and meetings which will take place in the areas which might be affected by the testing program.

MR. LOUGHEED: Mr. Speaker, I wonder if I might just correct what I inadvertently answered there. I said the North "American" treaty organization; I meant the North Atlantic Treaty Organization.

MR. SPEAKER: The hon. Member for Calgary Egmont, with a final supplementary.

DR. CARTER: Mr. Speaker, to the Minister of Federal and Intergovernmental Affairs. Is there any projected time line as to when the tests might take place, in terms of this winter or next year?

MR. HORSMAN: Mr. Speaker, that matter is currently under discussion between the government of Canada and the government of the United States, and no definite date has yet been established. It is anticipated that they would like to begin the testing program during the next few months, certainly within the next calendar year.

#### **Document Delivery to Premier**

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the hon. Premier. Can the Premier confirm that his press secretary flew to Hawaii, at a cost of about \$1,500 of taxpayers' money, to deliver documents to the Premier?

MR. LOUGHEED: Yes, Mr. Speaker. This is a practice that I've used on many occasions when I require documents and a briefing. In almost every case, I ask a member of my staff to come, bring a fairly large brief case, and review the brief case with me. I was out of the country for over five weeks, and I wanted to have a full briefing of events that occurred in this province before I returned, in preparation not only for the normal course of business but for a meeting with the Prime Minister of Canada and the Prime Minister of the United Kingdom.

MR. MARTIN: A supplementary question, Mr. Speaker. In this time of restraint, which includes proposed user fees ...

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

MR. MARTIN: Okay. He gets the picture. How can the Premier possibly justify the cost of \$1,500 of taxpayers' money, so this press agent can hand deliver these documents?

MR. SPEAKER: Order please. Obviously the hon. Premier is going to have to be given an opportunity to reply, but that is the most obvious debating question that has been asked for some time.

MR. LOUGHEED: Mr. Speaker, it's my view that in terms of the responsibility I have, quite clearly I have to be fully informed of these matters. I can't come back after a five-week trip and catch up with the desk work or the events that have occurred, unless I'm properly briefed. I do this at least once or twice every year, and I'll continue to do it, because I think the people of this province want their leader of government to know what's going on. [interjections]

MR. MARTIN: A supplementary question to the Premier. Given the fact that even the Prime Minister of Canada ...

MR. SPEAKER: Order please. There was some question as to whether the question itself was in order. To start with, it's not an urgent matter. It's supposed to be an urgent matter to qualify for the question period. It could have been put on the Order Paper. Now if the hon. member wishes to ask a proper final supplementary, I'll be glad to recognize him.

MR. MARTIN: A supplementary question, Mr. Speaker. I'm not sure what I should ask [interjections] but it seems to me that in times of restraint ...

MR. SPEAKER: Order please.

MR. NOTLEY: Mr. Speaker, perhaps I could put a supplementary question to the hon. Premier, and ask whether or not the government has considered following the practice of the Prime Minister of Canada whereby, rather than having officials hand deliver documents, confidential telexes are used?

MR. LOUGHEED: Mr. Speaker, it would have been a very long telex — probably about 100 miles long if we added it up — so I really doubt that that would have been covered that way.

DR. BUCK: Was it about the sand in the sand traps?

#### **Pacific Rim Trade Opportunities**

MRS. CRIPPS: Mr. Speaker, my question is addressed to the Minister of Agriculture. An important conference on export to the Pacific Rim — Japan, to be exact — was held in Edmonton this week. Does the government have information pertaining to Alberta's competitive position on red meats and other agricultural products?

MR. FJORDBOTEN: Mr. Speaker, I expect the hon. Member for Drayton Valley is alluding to the entire Pacific Rim. We are certainly competitive there because of the geographic location.

From time to time, like presently, there are some concerns that come up because of labor rates compared to nations that compete with us — that our labor rates are a little higher — or the transportation costs vary from time to time because of the competitive rates of ocean transport. But we have been very competitive. In the last two years, we have exported something in the neighborhood of 23,000 head of livestock to Korea. We've exported peat moss to Japan; it's a new market that's opened up. There is a new market for hides that has opened up in China. So we are very competitive in that market.

MRS. CRIPPS: A supplementary to the minister, and maybe to the Minister of Economic Development. How does transportation, especially the use of containers, affect our ability to export our products?

MR. PLANCHE: Mr. Speaker, the use of containers is a cause of some concern to us, because there are some conference rates on water/land and backhauling containers that afford opportunities for some eastern Canadian shippers, for instance, to ship less expensively to Japan than from Edmonton to Japan. So that's part of the reason we're concerning ourselves with a study on a container port. But there are some anomalies beyond published rates that are causing us some concern, and we're going to continue to investigate those.

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

MRS. CRIPPS: A supplementary to the Premier, then. Could the Premier give the Assembly any information on trade opportunities available to Alberta as a result of his recent mission to that area?

DR. BUCK: He's going to give us a travelogue.

MR. SPEAKER: With great respect, my perception of the possible answer to that question would be that it would be very extensive.

DR. BUCK: And expensive.

MR. SPEAKER: I wonder if the hon. member might wish to zero in on some particular point of concern.

MRS. CRIPPS: Yes, Mr. Speaker. I would like to zero in on agricultural production export possibilities.

MR. LOUGHEED: I would have to be very brief in an answer in the question period. With regard to China, quite clearly a very important market, the key there is preserving our wheat market, extending our efforts with regard to an animal breeding agreement, and looking at the potential for barley and hides and a few other products that are involved. The opportunities are great; the difficulties are quite considerable because of the competitive circumstances involved. In terms of Japan, which I visited, there is certainly a very important market for us for agricultural products, both wheat, barley, and canola oil, and livestock products. I don't believe I can do justice to the question in the question period and will try to respond to it in some other way.

#### **Hazardous Waste Disposal**

DR. BUCK: Mr. Speaker, my question is to the illustrious Minister of the Environment, Ready Freddy. Can the minister indicate when we are going to get a date set for the location of a hazardous waste disposal site?

MR. BRADLEY: Mr. Speaker, it will be my intention to deal with that matter before the end of this year.

DR. BUCK: Mr. Speaker, can the minister indicate if his department has done an inventory of hazardous wastes in this province to know where they're located and what the volumes are, so people can have some indication as to what they can do with them until the minister makes this momentous decision?

MR. BRADLEY: Mr. Speaker, the question with regard to inventory is certainly under consideration. We have in place within the department a system we are operating under, a voluntary manifest system. So we are keeping track of the movement of these wastes until we have a site located at which we can properly dispose of these substances.

DR. BUCK: Mr. Speaker, a supplementary question. Can the minister indicate if he or his department has now narrowed the locations where the proposed site is going to be? Is it down to two, three, one, or still a multitude of sites?

MR. BRADLEY: Mr. Speaker, we have under consideration the five sites which I indicated earlier. The reason we have not been able to make a decision as yet is that we have not received all the final hydro-geological reports that we require. A decision of this nature is very important, that we have a site which meets

our technical requirements. This information is in the finalization stage, and then we'll be prepared to make a decision out of the five sites we presently have under consideration.

DR. BUCK: Mr. Speaker, Freddy is not ready.

#### **Hire-a-Student Program**

MR. PAPROSKI: Mr. Speaker, I would like to address my question to the Minister of Manpower. It pertains to the 1983 hire-a-student program. Would the minister please comment on the use of hire-a-student offices by students and the placement of students in employment during the 1983 year.

MR. ISLEY: Mr. Speaker, the hire-a-student program that we participate in jointly with the federal government and the local chamber of commerce, operated during the indicated time period in 74 communities. The usage or registration was approximately 36,000; placements, 30,000.

MR. PAPROSKI: A supplementary question, Mr. Speaker. Due to the extreme demand by students for services ...

MR. SPEAKER: Could the hon. member just come directly to the question.

MR. PAPROSKI: Thank you, Mr. Speaker. Has there been any consideration by the minister of having hire-a-student offices open all year?

MR. ISLEY: Mr. Speaker, requests have been received on a number of occasions to give that matter consideration. Currently the Canada Employment and Immigration offices in Edmonton and Calgary offer a special service to students. At this point in time, we feel we shouldn't be duplicating in those two cities, and the need hasn't been demonstrated significantly in other locations.

MR. COOK: A supplementary question, Mr. Speaker. I wonder if the minister could comment on whether or not, given the high rate of youth unemployment, some consideration has been given to a program modelled on the California conservation corps, perhaps, where young people are employed year round?

MR. ISLEY: Mr. Speaker, in the recently announced priority employment program for the upcoming winter, there is a special thrust to young people in the part of the industrial training program that is designed to encourage the retention of apprentices. Also, the research and development component of the industrial training program and one of the target groups of our small business and farm support programs, where we share the wages fifty-fifty with the private sector, is aimed at the young people of this province.

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

MR. COOK: I wonder if the minister could indicate roughly how many young people might be involved and what that might mean in terms of the total youth unemployment in the province.

MR. ISLEY: Mr. Speaker, I think we should all recognize that the number of youths in this province declaring themselves as part of the labor force dropped very dramatically this past month as a result of the number of students attending postsecondary

institutions, which is creating a problem that my hon. colleague must deal with.

I can't give you the numbers those three sections I identified will generate, because we haven't really 'quotaed' them. We predict that the 1983-84 priority employment program will touch on close to 10,000 individuals.

#### **Ram Steel**

MR. McPHERSON: Mr. Speaker, my question is to the Minister of Tourism and Small Business. Can the minister indicate if he is in a position to assure this House that any and all offers put before the receiver of the Ram Steel Corporation in Red Deer will ultimately be given fair consideration by the Alberta Opportunity Company?

MR. ADAIR: Mr. Speaker, inasmuch as that particular case is still before the courts, I am not able to respond to it.

MR. McPHERSON: A supplementary. Is the minister in a position to advise if the IPSCO offer that is outstanding still stands?

MR. ADAIR: Mr. Speaker, to my knowledge, yes. It's in the hands of the receiver and before the courts.

#### **Teacher Certification**

MR. JONSON: Mr. Speaker, I wish to direct a question to the Minister of Education. In view of the fact that the Board of Teacher Education and Certification is being disbanded, what provisions are in place to deal with the business of this important board in the interim?

MR. KING: Mr. Speaker, the Board of Teacher Education and Certification was principally responsible for advising the minister on matters of policy, and then for making recommendations to the minister about the ways in which policy could be implemented. The result is that over many years I have acted on their advice, as did my predecessors, and there are systems in place in the department that continue to operate, notwithstanding the fact that the Board of Teacher Education and Certification has been disbanded.

The regulations are still in place. The policies and administrative procedures that have been followed by the registrar continue to be followed by the registrar. We don't envision any serious policy questions that would require the attention of a group like the board within the next two months, and it is our expectation that a successor board will be in place on or shortly after January 1, 1984.

MR. JONSON: One supplementary, Mr. Speaker. I wish to ask the minister what the nature of the replacement board might be.

MR. KING: Mr. Speaker, the teaching profession is in an almost unique situation in this province in that, by law and tradition, the Minister of Education is exclusively responsible for certifying and decertifying teachers. In most other professional situations, the professionals themselves have some control — generally quite extensive control — over the process of certification and decertification of their members. What we would like to get to is a situation in which teachers, as practising professionals, would have a greater say in the process of certification, discipline proceedings, and decertification. But because they have no legal involvement at all in this at the

present time, it's necessary to move toward that goal in steps. I hope our successor organization in 1984 will be the first of a number of steps directed toward giving teachers a greater voice in the certification and decertification of the members of their profession.

#### **Illegal Private Schools**

MR. PENGELLY: Mr. Speaker, my question is also to the Minister of Education. Do illegal schools operate in Alberta? If so, what are they?

MR. KING: Mr. Speaker, the answer is yes. We are aware that there are schools operating in the province which the Department of Education and the government consider to be illegal schools. An action has been taken in the courts to have the courts make a judgment on this matter, because quite clearly the people operating such schools do not believe they are operating illegally. So there has been a case in Calgary that the hon. member may be familiar with. It is being appealed at the present time, and the case is going to be reheard. The government is not in a position to act on any of the other so-called illegal private schools until we have the benefit of the judgment of the court in the trial case being heard in Calgary.

#### **Human Rights**

MR. LEE: Mr. Speaker, my question is for the Minister of Labour, responsible for the Alberta Human Rights Commission. Is the minister aware of information that two taxi companies in the city of Calgary do not hire Canadians of East Indian origin?

MR. YOUNG: Mr. Speaker, the hon. Member for Calgary Buffalo gave me some notice of the question, a very few minutes. I regret to indicate that in those few minutes, I have been unable to contact anyone in the commission with the responsibility who might be able to advise me as to the commission's information.

I should indicate to hon. members that it is my practice not to take an interest in the complaints coming before the commission because of the very nature of those complaints, unless I am asked as to the progress of a complaint, in which case I make inquiries as to the progress. In this instance, I would have to take the matter as notice. I will do so and will report back.

#### **Treasury Branch Loan**

MR. SZWENDER: Mr. Speaker, my question to the Provincial Treasurer is with respect to the \$11 million loan by the treasury branch to a certain Mr. Peter Pocklington. Could the minister indicate whether it is the new policy of the government to own or to invest in successful sports franchises in Alberta?

MR. HYNDMAN: Mr. Speaker, the hon. member is referring to secondary security which has been provided to the treasury branches with respect to a loan made by them to that corporation as one of approximately 40,000 borrowers. But I can assure hon. members that it was a business arrangement and that neither the treasury branches nor the government has any interest in acquiring any level of ownership in this franchise.

MR. SZWENDER: Mr. Speaker, a supplementary to the Provincial Treasurer. Knowing the strong lobbying powers of the Calgary members of this Assembly, what guarantees can the



minister provide to ensure that Wayne Gretzky will remain in Edmonton?

MR. HYNDMAN: Mr. Speaker, I can only say that with respect to a sports enterprise in Calgary — and to be fair and balanced, around the province — if they wish to offer themselves as further security on the loan, I'm sure the treasury branches would look at it closely.

DR. BUCK: Just trade the Saddledome for Gretzky.

MR. SZWENDER: A final supplementary, Mr. Speaker, to the Provincial Treasurer. With the way the NHL season is presently going for the Edmonton Oilers, will the Stanley Cup become the property of the provincial government at the conclusion of this hockey season?

MR. SPEAKER: That might be an appropriate introduction to Orders of the Day.

## ORDERS OF THE DAY

### head: GOVERNMENT MOTIONS

22. Moved by Mr. Lougheed:

Be it resolved that this Assembly approve in general the operations of the government since the adjournment of the spring sittings.

MR. LOUGHEED: Mr. Speaker, the purpose of this motion is to review the activities and operations of the provincial government since the adjournment of the spring session and, incidentally, to review the overall state of the province in a number of aspects. It's my intention today, in the fall of 1983, to concentrate my remarks in the following way: first of all, on the mood of Albertans; then on certain events that occurred since the adjournment of the spring session; then the response to our mandate of November 2, 1982; then on the state of the Alberta economy; then some observations with regard to Alberta economic strategy — a reassessment; and finally, priorities for action.

The emphasis today, Mr. Speaker, will be on the economic and fiscal areas. With regard to the social matters that are so important, they will be referred to peripherally in my remarks, but I'm sure, as is already the case, ministers will be prepared to respond and account during the course of the fall session.

Let me deal with the question of the mood of Albertans in the fall of 1983. My first observation, Mr. Speaker, is the quiet confidence of Albertans in the capacity of Albertans to adjust to changing circumstances. I can think of nothing that was more reflective of this than the evening we spent with the United Kingdom Prime Minister, Mrs. Thatcher. Those who were not there obviously heard about it either through the media or in other ways. She responded to that quiet mood of confidence in a way that was so stirring, in her surprise but feeling toast to the people of Alberta in a way that all of us there will remember.

The second comment I'd make about the mood of our province is the realization that, yes, a boom has many advantages, but it has many offsets too, offsets in a multitude of ways, in terms of crime, transients, and inflation. Thirdly, I read within the mood of Albertans a growing awareness that we really do live in the world, not just within our own borders within our own country, but a growing awareness of our interdependence on what goes on throughout the world — a need to require a

world perspective. I've spoken so many times in this Legislature and at other times about how affected we are in Alberta and in Canada by decisions that are made in Riyadh, Geneva, Tokyo, Beijing, Hong Kong, London, or you name it. More and more I believe Albertans are recognizing that that is so. We shouldn't stop there, though, because I think there is a great deal of further work to be done to spread that awareness, as MLAs to our constituents, as to how we're part and our future is so much linked to the world market place.

I see too, in terms of the mood of Albertans, the beginning of the reduction of expectations of what governments can do. The volunteers in the communities can do so much for themselves, and that is the Albertan way. As well, we've seen a start on the need for greater self-reliance in this province: that we live in a very competitive world, that productivity pays off, and that it is a skilled society we're involved in. I see too in this province more appreciation of the comparative quality of life we really enjoy right here in Alberta. Perhaps we should ignore the petty bickering and appreciate just how much we have, both in freedoms and in economic opportunity.

Mr. Speaker, I believe as well that there's acceptance by Albertans of the continuing leadership role by the people of the province and the government of the province on national issues — issues such as the Constitution, resource development, fiscal management, and trade policy. We are still and will remain a province of doers and not knockers. That's the overwhelming position of the province of Alberta and its people. It showed on November 2, 1982, and it will continue to show.

DR. BUCK: Throw a little money at 'em.

MR. LOUGHEED: If the hon. member has to look around the room to get the evidence, he can just look around the room. In my view, support of the provincial government is as strong as it was in terms of showing our capacity to adjust to changing circumstances.

There were a number of events this summer that reflect this mood. First of all, in terms of volunteerism, the essence of Alberta's way of life was shown in the university student games with the thousands of volunteers, the Western Canada Games and, yes, I'd mention very importantly the Alberta Summer Games organized by a number of rural communities. Another special one, the Boy Scout jamboree in Kananaskis Country, and many others showed what volunteerism is all about in Alberta and the feelings of the people as well.

In community involvement, there are so many I could mention, so many fine examples over the course of the summer months. With the Member of the Legislative Assembly for Medicine Hat, I had the opportunity to visit first-hand the 100th anniversary of their community, where my grandfather first came to this province 100 years ago, and to see the way in which that community was involved. There are many other examples of community involvement that I'm sure members could bring forward.

The enjoyment of the outdoors was so well illustrated in the life style of our people, and I personally had the opportunity both in Cypress and in Kananaskis Country to get an appreciation of the beauty and of the many Albertans who enjoy that particular life style.

MR. MARTIN: They like the sand on the golf course.

MR. LOUGHEED: You know, they'll stay as four for a long time on that basis.

Also, the question of skills that are needed is shown in terms of the enrolment at our postsecondary institutions. The nega-

tives of the boom have been reflected in the decline in the transients and the indications we have with regard to reduced crime. A respect for our institutions, so much a part of Alberta, clearly showed for all of us in the important visit we had by the Prince and Princess of Wales this summer. The awareness of the interdependence was reflected personally by myself in so many citizens responding so significantly to my being involved in an extended trip, being involved on behalf of the people of Alberta and recognizing the importance of international marketing.

While there are many manifestations of the confidence of Albertans, I thought one that could be mentioned is the way in which the citizens of the province oversubscribed just recently in the Vencap issue that was presented in this Legislature by the Minister of Economic Development.

Events since the adjournment are numerous, Mr. Speaker, but some deserve comment. In terms of international perspective, perhaps the most important comment that could be made is the United States economic recovery. The United States economy has certainly pulled out of the '81-82 recession and is showing signs of a fairly vigorous recovery, in that world economic performance is projected to improve significantly in 1984. Here in Alberta we had involvement in a number of international affairs this past year, and I say don't underestimate the long-term significance of having visitors coming here, whether it's at the World Student Games or the world Scout jamboree. The leaders who came were impressed with Alberta. The hospitality involved was significant and will pay its dividends in many ways.

After the United States, Mr. Speaker, the Pacific Rim is the market of the future. In the mission I made there during the course of August and September, I gained a number of conclusions that I'll deal with in part today and more at a later date. Just a specific one is to have gathered here in your gallery, Mr. Speaker, the 49th Parallel Institute, another reflection of how this province is involved in international affairs. I recall very well the delightful hospitality I received at the western governors' conference in Kalispell, Montana, when I was there in the month of June.

In addition to that, the recognition by world leaders of the unique Canadian federal system. In travels I've had both this year and in previous years, it was always important to me to start by explaining the unique nature of the Canadian federal system. I think that is evident by the response that was made here by the United Kingdom Prime Minister, Mrs. Thatcher, when she commented in an answer at a news conference:

[It's] not for me to get into the differences but one can only be impressed by both the strength and power of the provinces in the life of Canada. When you start to fly over the immense distances you begin to understand why it must be that way. You cannot possibly run things wholly from the centre.

The importance of the recognition of that by people throughout the world helps this province in our marketing and other activities.

There were a number of significant Canadian events. One that I want to mention particularly was the premiers' conference which we held in mid-August, the importance of international trade and economic recovery, and I'd like to highlight the communique. The communique dealt with some suggestions by all 10 premiers as to [our] approach with regard to economic recovery strategy and permanent job creation, which would go a long way to sustaining consumer confidence and rebuilding investor confidence.

I'd like to quote quickly the points that were emphasized by the 10 premiers in their communique:

- improvements in Canada's international competitiveness;
- expanded international marketing activities;
- controlling government deficits; controlling the aggregate size of government relative to the total economy;
- discouraging a resurgence of inflation and high interest rates;
- cooperation among governments, business and labour;
- adapting the manufacturing and resources sectors to changing Canadian and world economic opportunities;
- renewed priority to applied research and development;
- refocussing provincial education and training programs to serve these new industrial initiatives.

Mr. Speaker, those observations from the premiers' conference communique reflect many of the things we've raised in this Legislature and, very clearly, the policy views of the government of Alberta.

The other elements of importance during the course of the summer involve the energy agreement between the government of Alberta and the government of Canada, that was signed on June 30, 1983 — and I'll come back to that in some detail — and then the important developments of the federal Bill with regard to grain transportation, the process of the hearings. In this case, I think it was very important that the government of Alberta made a decision here to approach it in a different way than we had in the past and to have our Minister of Agriculture, with the support of the Agriculture caucus, provide a very effective document, which has been filed in the Legislature today and sets forth on page 4 the Alberta objectives, as is well-known by the citizens here, in the important area of grain transportation.

In terms of Alberta, there have been many developments by the various departments over the period of time, and I've decided this year that rather than review them department by department, I'd leave the ministers to respond to specific inquiries that may be made.

I'd like to deal next, Mr. Speaker, with the response to our mandate of November 2, 1982. First of all, our commitments with regard to the election itself. For senior citizens, we expanded the renter assistance for \$40 million. The greater natural gas price protection plan — 74,500 senior citizens benefit; reduced property tax — \$65 million benefit; the home improvement program: over 41,000, and they will stay in their homes longer. Even in restraint, these programs have been well accepted as priorities by our government. The widows' pension plan, which I think has been very well received, for over 2,000 citizens in very difficult circumstances to improve their financial, housing, and health position; the extensions and developments of our natural gas price protection plan to our greenhouse industry and to over 4,000 farms who were heavy users; our economic resurgence plan which was implemented; our interest-shielding program for home-owners, small business, and farm operators, and many other measures that we mentioned, such as establishing a venture capital fund; a better deal for surface rights owners, which was set forth in the legislation this spring. All in all, Mr. Speaker, it's clear that we met all our election commitments.

Mr. Speaker, our mandate as sound managers is to respond to the dynamic economic conditions of this province.

DR. BUCK: Is there a deficit in the budget?

MR. LOUGHEED: The most challenging situation we have is that we've gone through an extremely difficult winter of '82-83, and in our budget we outlined on page 8 the circumstances that were involved.

Three energy-related events came to a head in the past few months and have delayed Alberta's economic recovery:

- the world and United States demand for energy, especially oil, declined sharply;
- the inability in January of the Organization of Petroleum Exporting Countries to reach agreement on production quotas and prices set in motion a downward trend in world oil prices; and
- low priced residual fuel oil in the United States captured a significant portion of Alberta's industrial market for natural gas.

These developments have adversely affected our basic oil and gas industry; economic recovery has been delayed. The forecast for Alberta is for modest real growth in 1983.

MR. MARTIN: Very modest.

MR. LOUGHEED: Mr. Speaker, our mandate as well is to continue our leadership role in a number of areas as we've done in the past. We did it in the constitution on provincial resource development. We're now following through in terms of international marketing and trade policy. The idea with regard to export cartels that's reflected in the Canadian trade paper is one that members will recall we've raised here from time to time and on other occasions as well. It's beginning to come forward as an idea whose time has come in terms of marketing of our products. As well as that, we worked during the course of the summer with the Minister of Energy and Natural Resources on a natural gas incentive pricing plan for selling our natural gas into the United States, and I'll come back to that.

In terms of fiscal management, we have been involved in a very extensive effort to control the escalating health care cost, which is what I believe the people of the province expect us to do. [They] expect us to do it in terms of being sound financial managers and caring about the magnitude of expenditures involved. I think our support last November 2 — and I think the reflection of that support is indicated in the make-up of this Legislature — was very well involved in a number of factors that we were not prepared to take ... [interjections]

MR. SPEAKER: Order please.

MR. LOUGHEED: ... factors that we were prepared to be sensitive to the views of others who have varying interests, and that we would reach a pragmatic resolution. We will be prepared on this occasion, and on any occasion, to take on the people that are involved in issues that are made within this Legislature. I have the ultimate confidence in the people of Alberta ...

MR. MARTIN: So do we. So do we.

MR. LOUGHEED: ... that they do. [interjections] If they have the confidence of the people of Alberta, I say they have only one place to ... [interjections]

MR. SPEAKER: Order please.

MR. LOUGHEED: ... look, at the Legislature. Look at the degree to which we have the support here.

Mr. Speaker, I realize it is a difficult time for the four members of the opposition, but it is my intention to make the comments that I intend to make and ignore the comments they make. If they have comments to make in debate, I'm sure the hon. members will be interested.

MR. MARTIN: Don't be touchy, Peter.

MR. LOUGHEED: The state of Alberta is what I wish to discuss. I wish to discuss the economy of this province. Every provincial economy in Canada is dependent upon primary industries to a larger or lesser degree, and hence directly affected by world and United States economic conditions. Alberta's economy is basically as strong, if not stronger, than any provincial economy in Canada. It's already more diversified than all but Ontario. And even in comparison to Ontario, much of our industrial basis is more competitively structured to meet the new and different economic order of the future. We're going through a necessary period of adjustment and correction which is due to the overbuilding, the overmigration, and overheating in some sectors over the past few years.

On November 21, 1978, I dealt with this matter in Spruce Grove, Alberta — an interesting place to make a speech, hon. member. I made the remarks there that the Alberta economy could be in serious trouble unless sales of natural gas increased. I warned that none of the major projects now proposed for Alberta — a third oil sands plant, heavy oil development, and the Alaska gas pipeline — were definitive. Well, the overheating was compounded by Alberta's struggle to overcome the serious setbacks caused by the national energy program. We have overcome that national energy program step by step in the almost three-year period, and that is a story in itself, one of the most remarkable stories ... [interjections]

MR. SPEAKER: Order please.

DR. BUCK: What do you mean, order?

MR. SPEAKER: Order. The hon. Member for Clover Bar will undoubtedly have his opportunity to tell his side of the story, but it has been customary in the Assembly for us to allow members to make their speeches without undue interruption. There has been thus far this afternoon a most unusual level of interruption. I haven't intervened, except perhaps once or twice recently. There's no reason at all why, if the hon. members have all these ideas they're bubbling over with, they can't put them into prepared speeches later on, and we'll all be glad to listen to them.

MR. LOUGHEED: Mr. Speaker, I just want to ...

MR. R. SPEAKER: Mr. Speaker, on a point of order, for clarification. I fail to always understand the rulings of the Speaker in situations such as this. Are you saying in your ruling at the moment that heckling is not allowed in the Alberta Legislature? That's the feeling I got from that decision, that if we have something to say we can't say it until we are able to stand in our place and have your approval. Heckling is part of the historic legislative process, and I hope that's not what you're saying.

MR. SPEAKER: Order please. The hon. member well knows that although a certain amount of disorder is tolerated in most parliaments, there has to be a sense of a limit. Now I don't know how many cracks he's gotten off this afternoon, but I should think he's getting near his quota.

MR. NOTLEY: On a point of order.

MR. SPEAKER: Order please. There is nothing under discussion. I ask the hon. Premier to continue with his ... There's been some catcalling and I've commented on it and that's the end of the matter. Would the hon. leader kindly ...

MR. NOTLEY: Mr. Speaker, on a point of order. I'd like you to cite section 12(2) of our *Standing Orders*. I'd like the explanation, the reasons, and the precedents for the ruling.

MR. SPEAKER: Simply that when an hon. member has the floor, he's entitled to speak, and he's entitled to be heard courteously and in silence. That has always been afforded to the hon. Leader of the Opposition and to every other member of this House. There have been catcalls once in a while, but let's get on with the business of the House.

MR. NOTLEY: Mr. Speaker, just on the point of order.

MR. SPEAKER: I've dealt with the point of order, and I've given my ... Would the hon. leader resume his seat.

MR. NOTLEY: Mr. Speaker, on a point of privilege then, I ask the Speaker whether or not the statement the Speaker has just made will then be applied equally to all members of the Assembly.

MR. SPEAKER: The hon. leader can judge that for himself when the occasions arise.

MR. LOUGHEED: Mr. Speaker, continuing with my report to the Legislature. On October 6, 1980, during a cabinet tour in southern Alberta, I made a clear and explicit warning to the people of this province about what I thought was coming, particularly in terms of what did happen with the national energy program but was just happening with regard to constitutional matters in another way. I said then: there is a storm coming up; I have confidence the people of Alberta will rise and will weather the storm. Mr. Speaker, they have.

Mr. Speaker, the labor force situation in this province. Alberta's population grew, in my judgment, far too rapidly in the past few years, more than double other parts of Canada — mainly in-migration, much of it unwarranted by the realities of primary job creation as distinguished from service or construction areas. I warned about this in the Legislature on October 10, 1979, against people coming to this province if they were unskilled. But unfortunately they kept coming as the boom was blown out of all proportion, just the same way some would blow out of proportion the present downturn. Fortunately in Canada there is a reasonably high degree of labor mobility, one in which we see many people returning from this province to the province whence they came. This is not to say — and should not be misunderstood — that Alberta has not benefited greatly from many, many skilled people who came here and are fully and securely employed in the province today in a wide variety of fields.

But it is the overbuilt areas that are really creating the dislocation today. In construction, for example, we have a decline in the labor force of over 19 per cent, some 22,000 people. Despite this, Alberta still remains in a strong position in terms of employment. The key data to me is the one I look at every month. That's the the number of people employed in relationship to the population, a key factor to consider. Alberta has consistently been at the top of that list, the number of people working in relationship to the population.

As mentioned earlier on a number of occasions, there's likely to be an overhang in unemployment of significant proportions in this province, because we're going to go through a period of adjustment and we have to absorb the overbuilding and overmigration. We oppose the view that government can artificially cure this situation. The permanent jobs, the lasting jobs, will come from the private sector. There are some special ways in which the government can respond, but only in a special way and not overall. It's been responded to already in the question period by the Minister of Manpower — programs such as the student temporary employment program, the priority employment program, the very important significance of our large capital budget, and a number of other special programs. We have a responsibility to respond as well, which we've done in terms of student assistance and those returning from post-secondary with the special warrant brought forward by the Minister of Advanced Education recently for some \$29 million involving student assistance.

Now, Mr. Speaker, I'd like to move to my sectoral analysis of the state of the Alberta economy and start with agriculture. We are very fortunate in this province to be low-cost producers on a worldwide basis. On the other hand, because of the magnitude of the export market, agriculture faces cyclical markets that depend upon both climatic situations and the degree of foreign exchange that purchasing countries are able to arrange from time to time. On the grain side, we've had a harvest that's 98 per cent complete. And although there are some spots that are not that good, overall it's been a good harvest and compares well with the last five-year average.

One of the most important events for the members of the Legislature is to recognize that in the United States — our competitor in many agricultural products and in many ways involved in price setting — the drought and the heat wave this past summer have caused a notable shift in the expectations of our grain growers here. There should be and there have already been better spot prices for canola and barley; the Canadian Wheat Board is referring to higher Wheat Board payments as well as better local prices. But the competition in the world wheat markets remains keen. The Soviet harvest, as of this particular day, is still a matter of some uncertainty.

A word about the market in China, Mr. Speaker. One-third of their imports of wheat come from Canada; one-quarter of our exports go there. It's certainly not a market to take for granted. It's certainly important for us to encourage products from China to come here to this country, to be sold here to change the present imbalance that favors Canada so significantly in terms of trade between our two countries.

On livestock, we've seen fluctuating markets and prices, and we've seen some new trends in consumer demand. World events, of course, have a bearing upon the livestock industry as well. The drought in Australia is important, perhaps reducing their mid-term potential for offshore competition for us, but has some concern with regard to short-term distress sales.

We have a situation with regard to net farm income, which has declined from the previous high levels for the second year in a row. The expenses that are involved have, of course, been markedly assisted by our interest-shielding program, which has been very helpful. Some 20,000 farmers are involved in that. Interest expense is not anticipated to equal the levels of '81 or '82. The mid-term outlook and the forecast for world markets for both our grain and our livestock are improving. The sectors are more favorable. The United States drought and its impact on farm pricing is probably the key factor. It's important to note how much more diversified the Alberta agricultural econ-

omy is than that of the provinces to the east of us — Saskatchewan and Manitoba — and the impact of that diversity.

Let me move next to the oil and gas sector and deal with the benefits of the agreement of June 30, 1983, between the government of Canada and the government of Alberta. First of all, we were able to establish that there would be no rollback of the price of conventional oil from the amount of \$29.75 a barrel; next, that there would be an expansion of the oil receiving market price, now some 37 per cent — which is a long way in terms of improvement from October 28, 1980; and again, that the federal tax on natural gas would be phased out and we would have stability over the next 18 months to December 31, 1984, which of course is obviously an important timetable for members of the Legislature.

At the end of the amended agreement we will see a reversion to the 25 cents a thousand cubic feet for every six months for our domestic natural gas. So as I say, just thinking about it, days [from] reaching the anniversary of the National Energy Program — the significance of that upon this province and the way in which this government and the industry and the people have worked their way back so effectively from the very serious damage that program did to our province.

Mr. Speaker, the next one I'd like to refer to, in terms of the oil and gas sector, is industry cash flow. It's clear from the data we've got that there's been a very substantial improvement in industry cash flow, particularly at the upstream end, in the first six months of 1983. When I refer to upstream, I mean the exploration and development portion involved. And why is that important? That's important because the companies that were involved, and are involved today, in planning exploration and development programs are looking at them in a more favorable basis. They're concentrating more on geology and marketing, because the cash flow has been there and their debt positions have been improved, and their concern about what they went through in 1982, particularly in terms of interest expense, is much less. So we're facing a situation of improved cash flow with the overriding position of decisions involved being decisions that relate to markets and to geology.

The stock market itself has been a positive factor for the industry, because there's been an altered perception with regard to the future. The Toronto oil and gas index has been up markedly, and again that's an encouraging factor for the decision-makers looking and assessing the question of exploration and development activity in their province.

There is a continuing discouraging factor though, Mr. Speaker, that I spoke to the Prime Minister about. I think we're all aware, but it needs to be underlined here. There's no industry that faces a taxation system like the oil and gas industry, with the petroleum gas revenue tax being a tax on gross revenue as distinguished from a net profit position. That's the fundamental position that weakens an overall, longer term recovery, and we won't see a recovery of the magnitude we want until we see a change in that situation of the petroleum gas revenue tax. For those — and I suppose there are some in this room — that support the National Energy Program, that was the most fundamental weakness that was involved in it. There were many, but that's the one that had the real devastating damage upon this industry. What we have to establish is that the industry should not be discriminated against in the way that it is, compared to industries elsewhere.

There are a number of other comments that I'd make with regard to the oil scene, first of all with regard to prices. The OPEC stability is very fragile. There's no question that the demand issue is before all of us. The demand issue is important because what is not yet clear is whether the drop in demand is cyclical or structural, and it will take some time for the industry

worldwide to be able to make that assessment. The general view on oil prices, though, is that they will be relatively stable over the immediate years ahead.

On Canadian production, we came through a difficult winter and a difficult '82, with a significant degree of shut-in production — some 61,000 barrels a day as an average in 1982. That cost the people and the Legislature of this province some half a billion dollars. As a result of the very effective work by the industry with the Alberta government, we've seen some major changes in policy by the federal government with regard to oil exports and imports. And we've seen unrestricted production since June which, again, is very favorable in terms of the cash flow of this important industry. It is still a concern though, and the minister mentioned to me this winter that it's important for us to keep up the pressure.

On oil markets generally, the major factor — I would believe perhaps few members here in the Legislature are fully aware of its implications, but it's very important to Alberta — the decision that is involved is the decision of the United States government with regard to a transportation tax, and flowing from that tax is a very expanded program of road-building in the United States that requires very large quantities of asphalt and hence opens up a very important market at a crucial time for us in terms of sale of our heavy oil.

Something else that's happened ... [interjection]

MR. SPEAKER: Order please.

MR. LOUGHEED: ... [inaudible] oil recovery project. We mentioned this in the election campaign, October 18, 1982, the royalty relief provisions for enhanced oil recovery. We see a large number of projects getting under way in one of the most important areas of concern, because you have to keep in mind that with our existing oil fields we get under 40 per cent of the actual potential in terms of present technology of recovery.

Mr. Speaker and members of the Assembly, there's also been some very important developments over the summer in oil sands and heavy oils. For the first time since Syncrude in 1978, the oil sands projects have been going ahead. A major factor has been the one I mentioned, the United States demand for asphalt. As well as that, we've carefully tailored royalty and tax arrangements. There have been new approaches as well in terms of incremental investment rather than massive projects. The comment "small is beautiful" is beginning to pay off for this province, and it's better for all of us in terms of steadier growth rather than a dramatic shift in terms of very large mega-projects.

The British Petroleum decision on Wolf Lake, with thermal techniques for some 7,000 barrels a day for oil sands too deep for surface mining — the federal PGRT, the petroleum gas revenue tax, was altered in that case; a very important precedent to be calculated on a net rather than gross basis. Esso Resources modified their Cold Lake project. It is the original scheme, but constructed and financed very practically and very wisely over a longer time frame that is within the financial resources of Esso. In addition to that, both Syncrude and Suncor are upgrading their surface mining plants. These, Mr. Speaker, confirm Alberta's worldwide leadership in synthetic oil technology.

Natural gas is by far the most serious challenge and difficulty that we have for Alberta and its economy. There are certainly no simple solutions. The volumes of our natural gas sales are down. It has a great impact upon our provincial revenues and, even more important, upon the magnitude of our current economic recovery. The market in the United States is complicated and confused, and very difficult to forecast.

First of all, though, a comment about the domestic market in Canada. The strengthening economy will be positive, but manoeuvres by electrical and other competitors, as well as by transmission companies in Ontario and Quebec, are a cause of considerable concern. It will improve, but the magnitude of improvement of our domestic natural gas sales in Canada provides a wide range of forecasts.

Let me now go to the crucial question of export of natural gas to the United States. It amounts to some 28 per cent of our natural gas production this year and, at one time, was as high as 33 per cent. It is extremely valuable to us. It was a turbulent market in the United States this past winter and spring, and it remains so. It's highly regulated between federal and state authorities. What basically happened was a chain of events. It started off with declining oil prices, or a perception of declining oil prices; residual fuel oil competing with natural gas sales, really for the first time ever; a decline in terms of demand as a result of a warm winter in the United States compounded the situation; then large and significant activity by the politicians at both the federal and the state level. The impact, of course, has been in the United States market, both price cutting and force majeure provisions with regard to take-and-pay contracts and just a multitude of bills both in the United States Congress and in a number of states with regard to political action, sadly using Canada at times — not all the time, but at times — as a scapegoat for the problem.

The consequences for us are important. Four per cent of the United States market is all we have, but it's a huge market. Our market is primarily in California and the midwest. We've lost volume, we're under price pressure, and we're under political pressure. One of the things that concerns me about the pricing issue, Mr. Speaker, is that it was the United States that made the request to Canada to have a common border price. I remember discussing that in this Legislature and expressing some concern that that might have complications for us in the future, and it certainly has. It renders us at times uncompetitive in certain market areas where flexible pricing would permit us to be competitive in the market place.

We've taken a number of actions. Our co-operation in this area with the producing industry — and I'm sure they would say so — has just been excellent. We've worked together very, very closely. We've developed a common position with the industry as well as essentially the British Columbia and federal governments. Our first step was to adjust as the oil prices fell quickly in terms of the United States price, from \$4.94 per thousand cubic feet U.S. at the border to \$4.40, to reflect a market reaction. Then in July, as a result of the initiatives that we took to try to respond further to the market place with an incentive pricing provision for those who sell over 50 per cent of their annual licensed volumes, the price would be \$3.40 per thousand cubic feet. Then we could look at a situation of approaching the fall, or late fall, of 1984 and develop for Canada, with the industry and the other governments, a new market oriented approach to selling our natural gas. By then the market may have strengthened with economic recovery.

Here's the key question, probably the biggest question we face in this area: there has been a gas bubble in the United States; how large is it? Is it two years, three years, six years? Nobody really knows for sure. Lots of different views with regard to it. But the perception of that gas bubble is something that will be very important for us on a market basis. Perhaps as well, by the late fall of 1984 there will be a legislative framework in the United States that is perhaps less confused. Perhaps, too, the political pressure will be reduced. In the meantime, we've got to be careful that we don't involve ourselves in contract renegotiation, either on a specific basis or

overall, that has long-term effects in terms of price decision-making. We have to undertake and work our way through as best we can, avoiding legislative or regulatory action in the United States which discriminates against the import of natural gas from Canada.

We've been involved in an all-out effort in this area, Mr. Speaker. Our efforts involve constant meetings — I think almost daily — with the natural gas producing industry. I visited Washington last May, spent time with the elected people, and the purpose of my being involved there was to communicate what we thought were some important elements of what the arrangements were. I followed that up with a series of written communications to the legislators in the United States Congress. I wrote them about the concern I had that it would be disturbing if some of the Bills which were intended to resolve the United States natural gas market confusion would unilaterally affect existing commercial arrangements willingly entered into between a Canadian seller of natural gas and a United States buyer, and pointed out my concern of abrogation or legislative alteration of these international commercial contracts. I also went on to recognize the need for them to give consideration that any pricing regime must relate to the well-head price. If they did bring in a situation where they looked at pricing by way of legislation, they should compare their domestic wellhead price not with our border price but with our wellhead price.

I raised another issue with them that had to do with the midwest market and the circumstances of that market where we, Canada, respond to their request to build an extra-large pipeline. That extra-large pipeline, part of the prebuild portion of the Alaska pipeline project, is now reducing the competitiveness of our natural gas, as a result of their request, between \$1.50 and \$2 U.S. per thousand cubic feet.

It's apparent to me that it is important for elected people here in our government to continue these efforts in terms of communication. We then had the head of the energy regulatory authority in the United States, Mr. Rayburn Hanzlik; we had Mr. Minion of the Alberta Petroleum Marketing Commission make a presentation to his hearing, and then invited him to come up here to Canada. Our minister met with him before he made a speech here in Alberta on September 26. We were pleased with his response, and I quote from page 9:

The Reagan Administration has held firm to its position that legislation on imports is not the appropriate approach to achieving market competitive arrangements, and that this should only be accomplished through cooperative efforts.

Now there are some future developments. I'd like to inform the House. The Minister of Energy and Natural Resources will be following up on my visit by going to Washington. It's my intention to go to California to meet with the governor there. As I mentioned, over 40 per cent of our natural gas sales are into the state of California. There are a number of measures and actions taken, trying to upset our sales of natural gas in that particular state.

So the overall conclusion here is that it's a high-risk, widely variable, and very dynamic scene in the short term. But in the medium term, I believe our export of natural gas, our markets in the United States, are very promising for solid markets for expanded volumes. I'll come back to our reserve position later in my remarks.

Let me make an observation now about oil. We've seen an interesting couple of years. We've seen a couple of years in which the federal government has tried to encourage — I could use other words — the industry to shift to the northern frontier or offshore in the Atlantic. They've had some success in that,

and that success has meant a drainage, to a degree, or a constriction of activity here simply because of the budgets that are involved. But I sense that we're on the threshold of a reversal of that, for a number of different reasons. I may be premature in this judgment, but I am prepared to make it here in October 1983.

I think the prospects in the frontier and offshore are now being looked at a little more carefully in relationship to the conventional area and to the oil sands and heavy oils. This involves not just geological prospects but economic factors as well; the future of the petroleum incentive or PIP grants and also the technology that is developing with regard to the oil sands and the heavy oils. I believe the future for heavy oil and oil sands is promising in terms of markets and technology. It may take time, but I believe the real prospects for Alberta oil and gas, including oil sands and heavy oil, are as good today in the fall of '83 in the intermediate term as they have ever been. I believe that based on what has been developing in terms of the technological things going on here in our province, the market potential that is there, the transportation costs that are involved, the geological assessments that are being made, and the assessments in terms of governmental policy. That's the view that I have with regard to the oil and gas sector.

I'd like to go now to some of the other sectors in our Alberta economy. With regard to coal, thermal coal has increased significantly for our domestic utilities. I'm sure members are all aware of that. Metallurgical coal, although there are increased exports as a result of the Gregg River project — which is an excellent project, 60 per cent domestic, local people, and 40 per cent by the Japanese coal buyers or steel mills; it's an excellent mix of a project. The Minister of International Trade and the member of the Legislature for Edson and myself were there at the opening just a few weeks ago and talking to them. There's pressure. Sure, there's pressure in the world market place to change and alter contract terms. But what better position to be in than in a project that came in under budget, on time, and have 40 per cent of the equity with your buyers. That's the way I think we have to look in terms of the future.

Of course Grande Cache is still a major concern of the government, and we've responded to that community in a multitude of ways, as reported during the spring session. The forecast in regard to thermal coal: electric generation will steadily increase. But with regard to export coals, export coal production will have to wait out a period of depressed prices and markets. We have to look at the fact that it will be significant acceleration of worldwide economic activity, including steel demand, before the price situation with regard to export coals and markets improves significantly.

In the forestry area, many of the members of the Assembly are well aware of how difficult '82 and last winter was, but it's certainly been much strengthened over the past period. One of the problems we've faced up to, that members would be interested in, is the underutilization of our resources. One of the interesting projects I'd mention is the product of aspen. There's now a state-of-the-art strand board plant by an Alberta company in Edson, Pelican Spruce Mills Ltd., that is a clear example of further diversification in a very important way here in our province of Alberta.

Let me move next to petrochemicals. The industry has endured a difficult year around the world. Economic recovery, particularly of the United States, is strengthening demand. The Alberta-based industry has a real advantage though. We have state-of-the-art technology and world scale plants. There is considerable construction, contrary to what you might hear, in new products currently under way in this province. Obviously there are problems in the near term, in terms of price com-

petitiveness and also in terms of the central Canadian chemical industry, which is naphtha based, in terms of being artificially propped up by the central government. On the other hand, the rationalization in the industry that's occurring worldwide, particularly in Europe and Japan, is making areas that were formerly exporters become a major source of potential market for us by way of import, and the United States roughly moving into a balanced position.

Our challenge in petrochemicals is to be price competitive and market effective. We've come a long way since 1974. Some of the sceptics here and elsewhere said it was impossible for us to get a petrochemical industry off the ground, and now we've got a petrochemical industry that causes great consternation to those political parties that are involved in trying to support particular positions in central Canada. Yes, it is a situation in which I recall a great deal of scepticism, a great deal of criticism of every single move we made on petrochemicals over the years. I just say let's stay with the record, and the record is here.

AN HON. MEMBER: You're still doing a bad job.

MR. SPEAKER: Order please.

MR. LOUGHEED: Mr. Speaker, the record is here. Moving next to tourism, it's up 5 per cent. During the current economic conditions, I think that shows the basic strength of tourism. The Kananaskis Country is a jewel.

MR. MARTIN: Tell us about the sand.

MR. LOUGHEED: Yes, I will. Kananaskis Country is a jewel that, as it attracts Albertans, will be a very significant part of what goes on in terms of having people in this province move around the province, move to Kananaskis Country, having their own provincial park area. This and other actions that we've taken — and as the members know, you just have to travel the province and move around. You'll understand very clearly how well received that particular project is in Kananaskis. We raised this as an important issue in the last election campaign. It was an important issue, an issue of developing the potential on the eastern slopes of our province. We also made a decision to support the Edmonton Convention Centre. That was an extremely wise one as well, important for our capital city to have a convention centre of that quality.

The small business area has certainly benefited, to the extent of 23,000 small businesses, \$25 million by the small business interest-shielding programs. In terms of bankruptcies, there's been an increase. It's now .2 per cent of the total businesses in the province. The Alberta Opportunity Company has played an important role, in terms of \$47 million, and 74 per cent has been involved in expanding businesses.

But let's go to the issue of construction. Due to the overbuilding, we're going through a very major adjustment and correction period. I'd like to just go over the basic construction areas, commercial construction first. There's significant excess office and warehouse space, and it will take time to absorb it. On the industrial side, and I'm referring to private-sector plants, we'll be down from peak years but we'll still have a substantial amount compared to other parts of Canada. In the institutional area — which is government — of all the schools, hospitals, roads, and water and sewer, this remains fairly strong as a direct and primary result of the large capital budget program of the provincial government. Fourthly, in the residential area, we've come from abnormal highs to 17,000 starts, which is close to our appropriate share of Canadian population. There

has been here a large labor force decline from the overheating and overbuilding of the past few years. Yes, there has been an increasing degree of foreclosures. It's one-half of 1 per cent of total units.

In summary about our economy, Mr. Speaker, the major weak areas: gas markets and residential and commercial construction. The major strengths: first, Albertans still have the highest average family income in Canada, and they have the lowest taxes in Canada. The second strength we have is retail trade. Because of the high disposable income, we spend more per capita in this province than the citizens in any other part of Canada. Interestingly, with regard to the consumer price index one of the concerns was coming to grips with the issue of inflation. It has dropped below the Canadian average for Edmonton, and it is far below for Calgary. House prices are becoming more realistic for us. The next strength is that we have more people employed, in relation to the population, than any province.

So, Mr. Speaker, what is the assessment? Alberta's economy is as strong as any in Canada. We have adjusted well and are adjusting well to a period involving correction from the overbuilding I mentioned. Our primary industry of agriculture is stable, and oil and gas is strengthening.

What is the forecast? Well, there are a lot of variables: world economic recovery, interest rates, commodity market demand — grain, beef, oil, gas, chemicals, coal, and forest products. The key of course is United States gas imports and grain transportation developments. The overall assessment we have is that, subject to these variables, we will see recovery in this province, not dramatic but steady, and better than a boom, through '83-'84.

The Conference Board of Canada recently described the situation this way. They said that it would not have quite the brilliant colors of the years of the '70s. My reaction is that I hope they're right. I don't think we gained by the abnormal boom of the late '70s. I think we'll gain better with an economy that will be steadier, perhaps slower, and will grow in a more lasting, stable way. Yes, we will have the unemployment overhang for a period of time. But as I said, we will continue with a strong position in terms of disposable income and strong primary industry.

That's the position and forecast that I have for the Alberta economy today, one that I think warrants the confidence that Albertans have — confidence in themselves, confidence in their future, and confidence in this government to manage the affairs of the province. [interjections]

MR. SPEAKER: Order please.

MR. LOUGHEED: Mr. Speaker, before I conclude I would like to take a few minutes to deal with Alberta's economic strategy. From 1967 to 1974, we developed an economic strategy which was based on resources and the other strengths of our province. I refer hon. members to October 23, 1974, in *Hansard*, when I spoke at length about the economic goals and strategy of this province. I would like hon. members to refer to that document. Our basic goal was to diversify and become less dependent upon the sale of unprocessed resources, particularly non-renewable resources. The issue was not to become independent from, but to become less dependent upon. I want to come back to this basic goal. It was not related and was never intended to relate to government revenues, but to economic activity. It's obvious that we will get less revenue on activity which is based on net profits rather than gross revenue.

There were four supplementary goals that we mentioned in 1974. We would have balanced economic growth — and we

sure had that over the period '74 to '83, with many growth centres that can look back at their position in '74 and compare it in a situation very favorably today. We have done that in a multitude of ways; we've done that with infrastructure to improve the quality of life in hospitals, in water and sewer, in schools, and in communications. So we've had balanced economic growth in our province in that period.

Another goal was small and locally controlled businesses. There's no question that happened. There are just dozens and dozens of success stories throughout this province of companies that have built from that 1974 base and have had the assistance of the Alberta Opportunity Company, the Agricultural Development Corporation, the treasury branches — as long as they're not too involved in this hockey issue that was mentioned — and in many other special programs.

We had, as well, a supplementary goal expressed of upgrading skills. Here again we have higher productivity, we have greater income of our citizens, and we have job satisfaction. That was accomplished, again, by those programs for postsecondary education that had our priority, programs that expanded the facilities — our technical schools, our colleges, our universities, our apprenticeship program. We now have in Alberta essentially a skilled work force compared with other parts of Canada.

A fourth goal was to capitalize on our natural advantages. The first one I mention is being the gateway province to the north; and not so much progress here, primarily because of the decision of the federal government on the Mackenzie pipeline. But again, you have a project going on today like Norman Wells, with a direct impact upon communities in the north, and decision-making and activity involving the Beaufort Sea, stemming and emanating to a fair degree from this province of Alberta. We have not seen our neighboring provinces move ahead of us in that area.

Another one was the Eastern Slopes and developing them as a natural advantage. I have already mentioned Kananaskis Country. Another one was the untapped food-growing potential of our province and the programs we brought in on irrigation and water. Agriculture is certainly more diversified as a result of the activity since 1974. We had as well, and mentioned at that time, the assured source of petrochemical feedstock. I have already mentioned the particular progress made in that important area.

Mr. Speaker, in my remarks on page 3133 of the October 23, 1974, *Hansard* — and I don't have the time to review it — I went on to a plan of implementing this economic strategy. I mentioned about a dozen particular approaches. With very few exceptions, I think we followed through on that particular area. Then I looked at trying to come up with an assessment of where we were on this basis, and I looked back at the opening statement I made at the Western Economic Opportunities Conference with the current Prime Minister. This was a quotation that I noticed the Minister of Agriculture took in the brief he tabled, and I didn't even know he was going to include it. When I look back on it, I think it expresses where we've been between '74 and 1983. It is this way:

The real request of the west is not special privilege — but the removal of unnecessary obstacles to growth! To use a western term — "Don't fence us in!"

That's really what it's all about and what the issue has been all about. We have had some very major obstacles since 1974. Certainly in the national energy program, certainly in transportation, in subsidies for central Canadian processing, and even in the area of the GATT negotiations on trade: major obstacles for Alberta and for the west that we have had to overcome, go around, circumvent, in so many different ways.



As I read through this plan of implementation of that economic strategy, we have, to a remarkable degree, done just that.

I refer to my remarks in *Hansard* on October 11, [1978], when I set forth the six areas of diversification, in terms of renewable resources, agriculture and forestry — and certainly that has happened — in terms of the non-renewable areas as well, progress that we have made, including the fact of oil sands development, clearly part of our diversification plan; in other areas as well, including a financial centre here in Alberta as a headquarters of a financial centre for western Canada.

I'd like to refer to the other matter that I raised in *Hansard* on October 11. One other area was a brain centre, Alberta being the brain centre of Canada. Again, members of the Assembly and Mr. Speaker, a remarkable degree of effort has been made, progress has been developed in terms of our starting literally almost from scratch, using various agencies and approaches, working sometimes by the government, sometimes by the government in co-operation with the private sector, sometimes with the universities, sometimes by the private sector alone being encouraged. But building together, for those who are interested, is a very significant degree of technical talent here in this province. It develops through the Research Council of Alberta, Alberta Government Telephones, the Alberta Oil Sands Technology and Research Authority, the medical research foundation, such things as I was involved in, in the past few months, as the Bell-Northern lab's opening in Edmonton and going next week to Calgary, the CAD/CAM operation at the University of Alberta, and a multitude of others.

It's a highly competitive world. It's no overall panacea to economic development, but it is an important part of what we have directed our minds to: taking our resource potential and our talented people, pulling it together in terms of a strategy that maximizes our opportunities, maximizes our potential for selling our talents on a worldwide basis.

So on balance, despite these federal obstacles, we've made some very good progress. It's an ongoing process, though. I asked my research people to look at the question of job creation, to do a statistic and compare job creation in Alberta in 1971 with other provinces, and compare it with the present situation in 1983, after we've seen the reduction in jobs. What do we find out? We find that in terms of job creation, Alberta has increased its number of jobs as part of the labor force by over 65 per cent, when the Canadian average is 30 per cent. Even if you make an adjustment and say that over the course of the next winter, some further jobs may be lost in construction or some service areas that overbuilt, we are still far ahead of the rest of Canada in the period '71-83 in job creation.

In the period involved that I have mentioned, there was large growth in the energy sector. Yes, it overshadowed the progress in diversification. We never contemplated that Alberta would not remain a primary resource producing area, in agriculture and energy particularly. The main purpose in our goal was with regard to concern of the decline in oil and gas reserves. I mentioned in my remarks of 1974 in this Legislature that forecasts then were that we'd run out of oil in 12 years — run out in 12 years. But what has happened? What has happened since 1974 on the demand side of our reserves and our oil and gas resources has been dramatic.

First, in the natural gas area, despite steady substantial production, between '74 and '83 we've dramatically and significantly increased — as a result of drilling programs, incentive programs, and the talent, energies, and entrepreneurship of our exploration industry — reserves of natural gas for this province as a back-up and backstop for the future. Secondly, we've therefore got ourselves in a position that what we're involved in, in terms of natural gas, is the issue of markets, not supply

— a dramatic change from what we assessed in certain ways back in 1974.

What about oil? Yes, it's true that conventional oil will decline in production over the period ahead. We will not run out in 1986; it will decline. But the very interesting development since 1974 is the degree in which it has been offset by synthetic oil production and potential for it, both in oil sands and heavy oil — an area now where, as a result of Syncrude, of the projects I've mentioned, of enhanced recovery and even new discoveries, we have a good potential to sustain oil production. So it's not misunderstood, I don't mean by that that there won't be a major adjustment in the fiscal position of the government of Alberta, because we will not receive the same degree of revenues from a barrel of oil. But in terms of that resource being an important mainstay to our long-term future, we'll have that in natural gas and oil.

We came to a conclusion over the course of the spring and summer that for these and other reasons — the market changes, the technological developments, the other factors involved — it was an appropriate time for us to reassess Alberta's economic strategy, to take stock of our accomplishments, our setbacks, the changes that have occurred, the opportunities involved, the competitive position of the province for the balance of the '80s. We've completed the preliminary stage of this economic strategy reassessment. We now want to undertake extensive dialogue during the course of this winter with a multitude of groups involved and have their input as well. The target will be a statement next spring of economic strategy that reflects the very significant changes that have occurred since 1974 in terms of the future of this province.

Let me conclude with these remarks. I have covered the state of the Alberta economy — strengths, weaknesses, and forecasts — on a sectoral basis. I have dealt with the economic strategy of our province. I would now like to conclude my remarks by outlining our priorities during this period of adjustment of the economy and reassessment of our economic strategy in light of current circumstances.

First of all, fiscal management — the deficit. Fiscal management involves making responsible decisions and tough decisions. Our position will be that we're involved in looking at tax sources. We've had one tax increase, and unless health care costs and other major expenditures are controlled, we may have to have others. With regard to expenditure, we are determined to be responsible, to ignore those people who are basically irresponsible, to work with people — and there are many of them in this province — who want to be sound fiscal managers. And you know, members of the Assembly, I'm confident that the vast bulk of Albertans want a government that recognizes the circumstances of declining resource revenues and responds to those circumstances with sound financial management.

The greatest challenge of all will be in the field of health care expenditures. Health care expenditures have to be controlled. They have to be controlled in both this province and across the country, and Alberta is prepared, as it has in other areas, to continue to show leadership in terms of constraining and controlling the increase in health care expenditures. Canada simply can't afford an increase as a country, as a nation, and be viable if we allow health care costs to escalate at the rate they're escalating today. If we accept the views of this limited group of people that do that. [interjections] we'll find out that this country is in a very, very difficult position in the future. We want to deal with the question of responsibility that's involved. [interjections]

MR. SPEAKER: Order.

MR. LOUGHEED: In the area of public-sector expenditure, we have to go back to those fundamental decisions we made and stick with them. One of those fundamental decisions is going to be ... [interjections]

MR. SPEAKER: Order please. We are not going to have in this House a kindergarten behavior where people try to outshout ...

DR. BUCK: But he has to tell the truth.

MR. SPEAKER: Order. The truth or the untruth of the speeches or the heckling is not an issue. There is not going to be in this House a situation where a speaker, to make himself heard, has to try to outshout hecklers. We are not going to have that. I would respectfully ...

DR. BUCK: Why don't you just fold this place.

MR. R. SPEAKER: Let caucus make the decisions.

MR. SPEAKER: Order please. I respectfully ask hon. members to revert to the ordinary standards of this House to which they have been elected, some of them many times. We are simply not going to change it into a kindergarten.

MR. LOUGHEED: Mr. Speaker, with regard to the question of expenditure ...

MR. R. SPEAKER: On a point of order ...

MR. SPEAKER: There is no point of order.

MR. MARTIN: There's a point of order when he wants to have a point of order.

MR. SPEAKER: No there isn't.

DR. BUCK: How do you know until he gives it? [interjections]

MR. SPEAKER: There can't be a point of order on the ...

DR. BUCK: You don't know.

MR. MARTIN: Wait and see what he says.

MR. SPEAKER: There can't be a point of order ... Would the hon. member take his chair, please.

There can't be a point of order when there is an attempt made to bring the House back to order. It's as simple as that.

MR. LOUGHEED: Mr. Speaker, with regard to the ...

MR. R. SPEAKER: Mr. Speaker, on a point of ...

MR. SPEAKER: Order please. I'll hear the hon. member after the present speaker has finished.

MR. LOUGHEED: Mr. Speaker, I was dealing with the matter of expenditure and restraint, and was about to mention that one of the absolute keys for us is that we can no longer continue with a situation in this province or in Canada where the public-sector wage settlements exceed those in the private sector. That has to change. The private sector is the engine of economic activity, and we have to have public-sector settlements follow, not lead, those in the private sector.

Another thing we have to do in terms of fiscal management is continue to dampen expectations of what government can do and continue to communicate what is in fact provided, on a comparative basis, in other parts of Canada. So our first priority is sound fiscal management.

The second one involves marketing our products and our services. I've mentioned at length natural gas, grain, livestock, and petrochemicals. I don't have time today, Mr. Speaker, to outline an export strategy, that I would like to file in due course with the Legislature, involving my remarks to the Pacific Rim Opportunities Conference on October 7, 1983. I just make this one observation. I believe the long-term future of Canada, and Alberta in particular, is a future that will involve our being competitive in the world market place. Our educational process, our whole attitude, must be related to Alberta and Canada competing in that world market place. I'm troubled by our ability to compete. I'm troubled by the feeling that there are some who somehow feel that we can coast and live in this country of ours, and I think we are looked upon by those in many other countries of the world as simply coasting and living off our capital. We're into a real, worldwide competitive challenge, and we'd better measure up to it.

Thirdly, we must deal with co-operation and dialogue with the producers. It's not enough for us to make decisions. It's important that those decisions be supported and endorsed by our producers. The natural gas price incentive plan was a great example of working with the industry, and all of us should be committed to doing that in the future.

A fourth priority is to build on our many strengths through technology, which I've mentioned, and special skills and sectoral thrusts, which have also been mentioned and, finally, to improve the quality of our educational skills, our capacity to compete in the world market place.

So, friends — and I include all — this job gets more interesting and challenging all the time. Alberta is going to remain in the lead in Canada in performance, in commitment, in adaptability, in leadership, for a strong and united country. Thank you very much.

MR. NOTLEY: Mr. Speaker, I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The motion is adopted.

The hon. Member for Little Bow with a point of order.

MR. R. SPEAKER: Mr. Speaker, it's with regard to your personal use of the word "kindergarten". That directly reflects on members of the Assembly and your entering into the debate where members of this Assembly do not have the right to either react or refute that particular item. I'd like to refer you to *Beauchesne*, pages 104 to 114, where there is quite a list of words. Certainly one of the words that's not there is "kindergarten", but there are many other words that are similar in terms of calling members certain kinds of names: black sheep, cowards — as I go over them — stinker, stupid, and so on.

In terms of your remarks, Mr. Speaker, those were uncalled-for and certainly should be dealt with by your office.

MR. SPEAKER: What I recall having said is that this House will not become a kindergarten. I don't know whether that affronts anyone. Might I respectfully remind the hon. Member for Little Bow, who is the dean of the House as far as I know, that he was first elected to a parliament in this province that

was known for the businesslike way and the order and decorum with which it went about its work. He has been re-elected a number of times, knowing that that is the kind of parliament he was being re-elected to. This afternoon I heard him argue in favor of the right of a member to heckle. I'm not aware of any such right. I know it's done, but I'd like to assure the hon. member that this is going to continue to be a parliament to which I think he will find it a credit to have been elected.

MR. NOTLEY: Mr. Speaker, if I may rise on a point of order. You indicate that there is no citation. I would respectfully draw your attention to Citation 318 in *Beauchesne*. I don't think there's any question that there is a point in any set of interjections when the Chair can appropriately ask that those interjections stop.

Quite frankly, Mr. Speaker, what we've seen for the first time in a dozen years in the House is a situation where there were interjections during a speech by the Premier. Most of us who have sat in opposition, and indeed some members in government over the years, have frequently found themselves subjected to a good deal of heckling, certainly the kind of heckling one would look at within the context of Citation 318 of *Beauchesne*. What is different is that for the first time in 12 years, the Premier of the province found that section 318 of *Beauchesne* applies to him, on the part of at least four members.

My only comment is not to ask any quarter from members of the government when I rise to speak in reply. I'm used to heckling, lots of heckling, and on occasion you have called members to order. We on this side do not suggest that those

occasions may not occur. But what is different, and what the people of Alberta should know is different, about today is that 318 now applies to the Premier and will apply to the Premier for the duration of this Legislature.

MR. SPEAKER: And for the duration of this Legislature, there will be order in the House. I'm just astonished that there should be so many speeches in favor of disorder, to the point where it was impossible to hear some of the things that a speaker was saying. There were attempts to shout out or shout down the person who was speaking. Whether that may be the Premier or whether it's the first time in 12 years is really of no consequence. It simply is not going to continue.

MR. CRAWFORD: Mr. Speaker, before calling it 5:30, I would like to indicate that the Assembly will sit tomorrow evening. We'll call Motion 22 again in order that the hon. Leader of the Opposition can give the balance of his remarks with respect to Motion 22. I think we will find that all hon. members will be able to "Barrett", if that's their choice. [laughter]

Mr. Speaker, I move we call it 5:30.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader that we call it 5:30, do you all agree?

HON. MEMBERS: Agreed.

[At 4:58 p.m., pursuant to Standing Order 5, the House adjourned to Thursday at 2:30 p.m.]

