

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, April 2, 1984 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. KROEGER: Mr. Speaker, every eight years we strike a boundaries commission to deal with electoral boundaries. Today in your gallery we have the Chief Electoral Officer, Mr. Ken Wark, and the chairman of the commission, the Honourable Mr. Justice Russ Dixon. I invite them to stand and receive the welcome of the House.

head: **INTRODUCTION OF BILLS**

Bill 2

**Agricultural Chemicals
Amendment Act, 1984**

MR. BRADLEY: Mr. Speaker, I beg leave to introduce Bill No. 2, the Agricultural Chemicals Amendment Act, 1984.

The purpose of this legislation is to clarify the conditions on permits, to clarify licensing and training course procedures, and to provide for ministerial designation of pesticide schedules.

[Leave granted; Bill 2 read a first time]

Bill 18

**Department of Energy and
Natural Resources Amendment Act, 1984**

MR. SPARROW: Mr. Speaker, I request leave to introduce Bill No. 18, the Department of Energy and Natural Resources Amendment Act, 1984. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

The purpose of this Bill is to formally include the position of associate minister in the department Act and to establish a revolving fund for the Department of Energy and Natural Resources. The revolving fund will facilitate the provision of various supplies and services to the public, to grazing reserves, and to other government departments. This Bill also proposes minor consequential amendments to the Public Service Act.

[Leave granted; Bill 18 read a first time]

Bill 24

Employment Standards Amendment Act, 1984

MR. PAPROSKI: Mr. Speaker, I am pleased to introduce Bill No. 24, Employment Standards Amendment Act, 1984.

The purpose of this Bill is to expedite, to speed up, payments to those employees who have not received their earned wages, overtime pay, entitlements, or maternity benefits from some employers; and secondly, to reduce the number of abandoned appeals, which can delay or eliminate the responsibility of some

employers to pay earnings to their employees. Thirdly, the Act will clarify in relationship to other creditors, an employee's priority for unpaid wages.

[Leave granted; Bill 24 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 24 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. ADAIR: Mr. Speaker, I beg leave to table the annual report of the Department of Tourism and Small Business for the year ended March 31, 1983.

MR. BRADLEY: Mr. Speaker, I'd like to table the annual report of the Department of the Environment for the year ended March 31, 1983.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. R. MOORE: Mr. Speaker, today it's a pleasure for me to introduce to you, and through you to members of this Legislature, 51 grade 6 students from the James S. McCormick school in Lacombe. They're accompanied by their group leader Marvin Pickering, teachers Charlie Webber and Marilyn Maloney, parents Linda Fuller, Chris McDonnell, and Annette Specht, and bus driver Jeanette Muise.

I might mention that the older brother of Charlie Webber, one of the teachers accompanying this group, is Dr. Neil Webber, one of our colleagues in the Legislature.

I ask the group, seated in the members gallery, to rise and receive the traditional welcome of this Legislature.

MR. LYSONS: Mr. Speaker, it's my pleasure today to introduce to you and to members of the Legislature a grades 6, 7, and 8 class from Loughheed. They're accompanied by their teacher Larry Nawrot, parents Mrs. McClements, Shirley Drager, Linda Grove, and Marie Chubey, and bus driver Theresa Armstrong. I ask that they rise and receive the traditional welcome of the Assembly.

MR. KOWALSKI: Mr. Speaker, it's my pleasure today to introduce to you, and through you to all members of the House, some 45 smiling and energetic grade 6 students from Swan Hills. They left Swan Hills early this morning and drove to Edmonton via the soon to be world famous Grizzly Trail. They're led by two very fine teachers, Joyce Venables and Roger Manuel, and are accompanied by seven parents: Phyllis Harty, Sharon Feduniak, Bob Sibbald, Marg Miller, Bob Wilson, Sharon Belleskey, and Valerie O'Golden. They're seated in the public gallery, and I now ask that they rise and receive the warm welcome of the House.

head: **MINISTERIAL STATEMENTS**

Department of Transportation

MR. M. MOORE: Mr. Speaker, it is my pleasure today to announce the details of a new five-year street assistance program for towns and villages. This new program will provide assistance to all of Alberta's towns and villages, including summer villages, and provides a level of provincial government assistance unsurpassed in Canada.

The new program will see \$7.5 million provided in the 1984-85 fiscal year to towns, villages, and summer villages for

approved projects. Improvements qualifying under the street assistance program include grading, graveling, base course and paving, concrete sidewalks, curbs and gutters, storm sewers, bridges, traffic control devices, and street lighting. Ten million dollars will be allocated for years two, three, and four of the program, and \$12.5 million for the fifth and final year of the program.

Funding eligibility is as follows: towns and villages, and summer villages with populations of 100 or more, will receive a base grant of \$45,000 and a per capita grant of \$80; summer villages with populations of less than 100 will receive a base grant of \$15,000 plus \$80 per capita.

The program is designed as a cost-sharing initiative. Alberta Transportation will fund 75 percent of the construction costs and 50 percent of the engineering costs on approved projects. The municipalities will be responsible for 25 percent of the construction and 50 percent of the engineering costs. The combined funding by the province and municipality will enable the scheduling of larger projects, which will be cost effective and more beneficial for the community, the contracting industry, and engineering firms.

In order to qualify, eligible projects will require proper engineering, planning, design, and construction supervision to ensure standards are attained. The degree of engineering involvement will vary with the complexity of the projects. The regional directors and district transportation engineers in the province will be working closely with councils to select suitable projects. I would point out that maintenance projects are not eligible under the program.

Mr. Speaker, in keeping with our government's commitment to provide the private sector with improved opportunities for work, all construction must be carried out by private-sector construction firms and equipment.

Mr. Speaker, last year each region of the province underwent an assessment of the previous five-year program, to establish whether or not a new program should be considered and the nature of a new program if one were approved. It is the feeling of this government, based on that assessment, that the need is there. It is our belief that this program will prove very beneficial to citizens of our towns and villages by enabling priority street improvements to be undertaken. The program will also provide work opportunities for engineering consultants, small local contractors, and the general contracting industry. Street improvements derived from the program will provide lasting benefits to participating communities and enhance the quality of life in Alberta's towns and villages.

MR. NOTLEY: Mr. Speaker, in rising to respond to the ministerial announcement this afternoon, I'd like to make several points. First of all, I welcome the announcement of additional funding for this kind of project throughout the province. It is a time when we have a good deal of slack in the economy, and this kind of useful public investment is a step in the right direction.

Having said that, Mr. Speaker, there are several other comments I'd like to add. I note that the first year of the program will see \$7.5 million spent; the last year of the five-year program, \$12.5 million. If anything, we would probably get better value for our money by switching. Right now, with the slack in the economy and with 150,000 people out of work, the bridging that public investment would bring would go further in 1984-85 than it will — hopefully, if there is some recovery — at the end of this five-year period.

Mr. Speaker, I note that the minister says there is going to be combined funding: 25 percent of the capital cost and 50 percent of the engineering cost to be raised locally. For a

number of municipalities facing a serious financial burden at this juncture, that could be difficult.

While I think this kind of program is necessary, Mr. Speaker, I just want to conclude by suggesting that while \$50 million made available for towns and villages for a street improvement program in the province is useful, a proper form of revenue sharing, so these communities could make their own judgments and their own priorities, would be even more in the long-term interest of the province than this kind of strings-attached program.

I note that the minister indicated that only private contractors can be used. In most cases that will make sense. But as delegates to the annual meeting of counties and rural MDs noted — very emphatically, I think — there are many occasions when it makes more sense to use equipment that is owned by the municipality. Again, Mr. Speaker, it just underlines the problem with programs that are designed with all kinds of strictures set by the government, as opposed to providing maximum flexibility at the local level.

head: ORAL QUESTION PERIOD

Lubicon Lake Land Claim

MR. NOTLEY: Mr. Speaker, I would like to direct the first question to the hon. Minister responsible for Native Affairs and ask whether either the minister or the government has had an opportunity to discuss with any of the churchmen who travelled to the Lubicon Lake area last week the concerns of the World Council of Churches with respect to that issue.

MR. PAHL: Mr. Speaker, to my knowledge I haven't had any contact with any of the members that undertook the visit to the Lubicon Lake area. With respect to their statement, considering that the history that surrounded the initiatives toward providing a reserve for these people is very lengthy and complex, I find it difficult to answer their allegations. My colleague the Minister of Municipal Affairs has undertaken to look at the facts behind the general allegation.

I would mention to the hon. member, Mr. Speaker, that a meeting with the church leaders is planned later on in the day. I and others of my colleagues will be most interested in hearing firsthand what they have to say.

MR. NOTLEY: Mr. Speaker, a supplementary question. I gather the minister indicated last Friday that he had an opportunity to peruse the letter from the World Council of Churches. So there is no misunderstanding in the Assembly, could the minister advise whether he brought that letter or its contents to the attention of the Minister of Municipal Affairs?

MR. SPEAKER: Order please. We had this situation in a parallel last week. The hon. leader is now dealing with intracabinet communications and, as I mentioned last week, those are not a subject for the question period.

MR. NOTLEY: Mr. Speaker, I will certainly rephrase the question. We wouldn't want to be out of order now, would we?

Could the minister advise the Assembly whether, during the course of his review of this issue after receiving the communication from the World Council of Churches, the government of Alberta — not the minister but the government of Alberta — received similar complaints from other people, including the chief in question and the Treaty 8 chiefs?

MR. PAHL: Mr. Speaker, I would have to take the fullness of that question as notice, because obviously my portfolio responsibilities have extended back a year and some months. In the course of that time, I have had no direct complaints with respect to any of the allegations that were brought forward through the World Council of Churches.

Mr. Speaker, I would add that there was a lengthy proceeding before the Alberta Court of Appeal on the matters raised by the churches, by the claimants themselves. So with respect to the validity of those claims, perhaps I should let that court proceeding speak for itself.

MR. NOTLEY: Mr. Speaker, I didn't ask about the land claims; I asked about the operation of government officials.

However, perhaps I could direct a supplementary question to the hon. Minister of Municipal Affairs. It is again for clarification of a question I raised Friday with respect to current policy on land tenure implementation in Little Buffalo, where numerous tax notices have been returned due to the fear that payments would concede provincial responsibility for Indian affairs. My question is: is the government going to proceed legally against band members who have refused taxation payments? Specifically, is the government going to seize assets that it can?

MR. KOZIAK: Mr. Speaker, on Friday I indicated that the purpose of the land tenure program was to provide title to property in the green zone for people living in the green zone without title and, at the same time, to provide services in those areas that weren't otherwise available without legal surveys and without the system of titles being put into place. When titles are issued, the responsibilities that go with holding title are the same regardless of the origin of the person holding the title, and with that responsibility — the holding of title — is the responsibility for payment of taxes.

MR. NOTLEY: Mr. Speaker, a supplementary question. Reports attributed to the department during the previous minister suggested that the Lubicon people were squatters on Crown land. Could the minister advise the Assembly whether that represents the prevailing policy of the minister's department at the present time?

MR. KOZIAK: Mr. Speaker, in its handling of the land tenure program, the Department of Municipal Affairs makes no judgment as to land claims and the quality and the right or wrong of any claims. Our sole purpose was, with empathy for the condition of the people living in the green zone, to be able to provide them with title and, in conjunction with title, the type of planning community services including such items as water and sewer and other areas. That was the sole purpose of the land tenure program.

Mr. Speaker, I think one of the errors that has been made, and has been perpetuated by spokesmen here and elsewhere, is that the land tenure program would in some way subvert the legitimate land claims of aboriginal people. That's absolute nonsense. The purpose of the land tenure program was as I've outlined.

MR. NOTLEY: Mr. Speaker, with that opinion as an answer, perhaps I'll be permitted to ask a supplementary question. Given that opinion he just delivered, could the minister explain to the House why the tax notice includes the school tax for status Indians, whose educational rights are the purview of the federal government?

MR. KOZIAK: Mr. Speaker, I'm sure the hon. member fully realizes that because a person is a status Indian does not mean that that person is not entitled to hold property in the province, in the nation, or elsewhere. When that person as part of the Canadian citizenry holds title, with the holding of title comes the responsibility that all title holders in the province have to bear. That includes the payment of taxes. The hon. member realizes that even though he may not have children going to school in a particular jurisdiction, if he has property in that jurisdiction, that property is subject to taxation regardless of the status of the person who owns it.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given the hon. minister's answer, is the government of Alberta not admitting the concern of the Lubicon Band that in accepting the two-acre parcels of land, they are in fact jeopardizing their land claims to the area in question?

MR. KOZIAK: Not at all, Mr. Speaker; exactly the opposite. Were I saying that in fact the acceptance of that two-acre parcel of land was in satisfaction of any land claims, then the hon. member's premise that there should be no taxation would follow. What I'm saying is that this allotment of land was based on residency in the green zone, and that residency did not depend on whether one was Metis, Indian, or neither.

MR. NOTLEY: Mr. Speaker, one further supplementary question to either hon. gentleman. Would the government advise the Assembly of the view of the government with respect to Lubicon Lake itself — the hamlet of Little Buffalo. Would that be considered sacrosanct; that is, outside of any settlement, outside of any reservation that might be established pending some agreement with the government of Canada?

MR. KOZIAK: Mr. Speaker, with respect to the question of land claims, I bow to the superior knowledge of my colleague the minister responsible in this area.

MR. PAHL: Mr. Speaker, I guess I have to go back to my earlier responses with respect to the Lubicon land claim. It will very much depend on the federal government presenting us with a validated land claim which would address itself to quantum — the number of people involved and, therefore, the resultant area. Given those steps, that would lead to a discussion which I very much hope would follow up on the invitation I've extended at numerous times to both the federal government and representatives of the Lubicon Band to discuss those issues and others, but location would certainly be a question. Once location was established, it would be a matter of establishing what third-party interests were involved in the area selected. That's when the question would be addressed, and certainly the hon. member wouldn't want me to address what has now become a hypothetical question.

MR. NOTLEY: Mr. Speaker, all I can say is that in the meantime, the Minister of Municipal Affairs is collecting taxes, including school taxes. I think the issue remains as clouded as ever.

Geophysical Testing Approvals

MR. NOTLEY: I put my second question to the hon. Associate Minister of Public Lands and Wildlife. Could the minister outline what review was done on the effect on our forests, wildlife, and environment generally of the January 12, 1984, decision to guarantee a three-day turnaround time for geophysical well site and roadway application approvals in the Footner Lake and Peace River forests?

MR. SPARROW: Mr. Speaker, I would have to take that question under advisement, because I haven't seen a specific report that he's referring to. I will undertake to locate it.

MR. NOTLEY: Thank you. However, Mr. Speaker, I will ask a supplementary question that I'm sure the minister can answer. Could the minister tell the House whether he held any meetings with fish and game groups, wildlife groups, environmental groups, or native organizations before implementing this 72-hour turnaround policy?

MR. SPARROW: Mr. Speaker, we continuously meet with various groups prior to adopting policy, and I'm sure our staff did have various meetings internally, within our department, with fish and wildlife officers in the area. To be specific, I would like to look at the file and report back to the House.

MR. NOTLEY: Mr. Speaker, a supplementary question. I didn't ask what the officials of the department were doing; I asked what the minister was doing. Did the minister hold any meetings with environmental groups or native groups before announcing this 72-hour turnaround policy?

MR. SPARROW: Mr. Speaker, I personally have [not] had meetings with numerous groups with reference to that specific 72-hour policy. It has not been an item on the agenda of a meeting with any environmental group I have met with.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Did any of those numerous meetings with oil companies and other groups involve native organizations or registered trappers, and has any special policy been developed with respect to the three-day turnaround period as it applies to trap lines?

MR. SPARROW: As I mentioned before, Mr. Speaker, I did not discuss the 72-hour turnaround time with specific outside groups. In recommending their policies, my department officials undoubtedly have taken this into consideration. They do meet continuously with the trapping association and have very good rapport with them. Although I have met with the trapping association on numerous other occasions, I did not personally meet with them on that specific issue.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given the fact that we have this [72-hour] turnaround time for oil companies, could the minister advise whether he has notified his lands branch to speed up the application process for agricultural land, which now takes about a year for homestead land?

MR. SPARROW: Mr. Speaker, I'm glad the hon. member asked that. Numerous changes are in process, being discussed. Within a short time frame, we will be announcing quite a number of changes in order to speed up the process of land posting throughout the province, with reference to agricultural land.

Through last year we had an extensive review and, going back for some two years, surveyed the complaints with reference to our agriculture posting process. That was analyzed last summer and fall. Numerous policy changes will be coming about because of those complaints about the time it takes to have agricultural lands posted. We definitely will be coming forward with many changes to speed up the process.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given this 72-hour rapid-fire process for cutlines, et cetera, could the

minister tell the House whether or not there will be an increase in staff? Or will this new time schedule mean that approvals will in fact be made at the secretarial level?

MR. SPARROW: Mr. Speaker, whether the secretary is going to be making a decision is a theoretical question. We have a set of guidelines that our lands department works with, and each man in the department has been working in this area for quite some time. They work with a set of guidelines. They also have interdepartmental committees and, prior to these decisions being made, refer these decisions to fish and wildlife divisional officers in the same area.

MR. NOTLEY: Mr. Speaker, one final supplementary question. Is the minister telling the House that the process of interdepartmental review to examine the environmental implications of seismic applications for cutlines, et cetera, following all the guidelines that are in place, can be done within 72 hours without an increase in staff? Is that what the minister is telling the House?

MR. SPARROW: Yes, Mr. Speaker. With a downturn in the industry, it's really the other way around. We have sufficient staff on hand to handle it very adequately.

Mercury Contamination in Fish

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of the Environment is with regard to a report from the Alberta Environmental Centre at Vegreville on mercury contamination found in some fish from the South Saskatchewan, Oldman, Bow, and Red Deer rivers. I was wondering if the minister could indicate whether or not that is an acceptable level for human consumption and what findings he has had with regard to this matter.

MR. BRADLEY: Mr. Speaker, the Alberta Environmental Centre at Vegreville did a report with regard to the level of a number of different substances in fish in a number of the river basins in the province of Alberta. This work was done at the request of the department of Public Lands and Wildlife. A news release has been put out to inform the public of the levels of substances that were found. In particular there were higher levels of mercury found in fish in a number of river basins in southern Alberta. My colleague the Associate Minister of Public Lands and Wildlife may wish to supplement my answer, but the reason the release was put out was to inform fishermen, for the next fishing season, of the levels of mercury in the area.

I note that we know of no specific sources where mercury might be getting into the river systems mentioned in that news release, and that the Department of the Environment is continuing to monitor to find if there are any specific sources. I note that mercury in our soil is higher than in other parts of the world, and it may be a natural source of mercury that is getting into the river system.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of the Environment. In terms of the minister's answer or the press release, it is not clear whether the department is recommending that, because of the contamination, fishing should not proceed in the rivers and that any fish caught in a sporting fashion should not be eaten. Was that the directive that went out to the people?

MR. BRADLEY: Mr. Speaker, as the specific matter with regard to the levels in fish is something which the department

of Public Lands and Wildlife, particularly the wildlife people, wishes to get out to the fishing community, I ask my colleague the minister to respond to that point.

MR. SPARROW: Mr. Speaker, when the tests came forward, we were in the process of printing our message to all departments in order that on each and every fishing licence sold, a warning with reference to the specific rivers involved can be given to the recipient. The limits found were just on the marginal side of whether they should be eaten, and a warning was placed on that basis. The press release that went out suggested that the prime warning be that pregnant women should not eat fish that have mercury content and that only one meal per week should be consumed in certain areas. A specific brochure about it has been printed and will be given to every person that has a fishing licence this spring.

MR. R. SPEAKER: Mr. Speaker, a further supplementary question to the associate minister of lands. It relates to a question I asked in 1983 with regard to contamination in the North Saskatchewan. Through his department, is the minister prepared to post along the rivers notices with regard to this contamination and its possible effects on people eating the food from the various sources?

MR. SPARROW: Mr. Speaker, we have taken the approach that we should advise people at the time they're buying their licences, rather than trying to post the banks of the rivers, as not every access route to a river could be covered with the signage. The effects are such that a lot of people would still use those fish, and we should just advise them of the probable contamination in some species. Undertaking a posting program was discussed, but we would have to post every access to the rivers, and it would be almost impossible.

DR. BUCK: Mr. Speaker, a supplementary question. Does the minister or his department have any knowledge as to if this is industrial pollutants or if some of the mercury that's in the fish occurs naturally? Does anybody have that information?

MR. BRADLEY: Perhaps I can respond to that question. We're aware of no specific industrial sources of mercury in the North Saskatchewan River system, if you're speaking about the North Saskatchewan itself. However, there are sources in Saskatchewan. As fish migrate along the river system, we believe the bioaccumulation that is taking place may be from fish coming in from downstream. I might note that the levels of mercury in the river system have been decreasing over the last 10 years.

DR. BUCK: Mr. Speaker, to the Minister of the Environment: what comparative studies have been done to try to monitor what pollution occurs, say, upstream from Edmonton as opposed to downstream? Has any study as specific as that been done?

MR. BRADLEY: Mr. Speaker, as I said, there have been studies done over a number of years. I've given the comparative figure of over 10 years ago, that the levels being discovered in the river system are decreasing.

When we do find an elevated level of a substance, we have in place a process to look for site-specific sources. As I recollect and have been advised by the department, when this mercury contamination was first discovered in the river system, there was a program in place. They traced it through monitoring industrial effluents and licensed sources of effluents. They were able to detect one source in the city of Edmonton, where mercury in a laboratory was being put into the sanitary sewer

system. That was corrected, but that was a number of years back. So we have in place a process, when we do find elevated levels, to check all possible sources that we know of.

DR. BUCK: Mr. Speaker, can the minister indicate what work has been going on in conjunction with the Saskatchewan government, to try to establish where the pollutants are coming from?

MR. BRADLEY: As I said, Mr. Speaker, there have been known sources in Saskatchewan where mercury would be getting into the North Saskatchewan River system. There is always communication between governments on this matter. They're aware of it. As I said, we believe it's the migratory aspects of fish, which are eaten by other species, which causes the problem we find in the North Saskatchewan River today.

Pediatric Hospital Services

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Hospitals and Medical Care. In view of the very impressive support for the telethon, in which I believe some \$565,000 was raised last night for the Northern Alberta Children's Hospital Foundation, what priority has the government now given to building a children's hospital?

MR. RUSSELL: Mr. Speaker, on two occasions we have asked the Edmonton Area Hospital Planning Council to first of all assess the need for the hospital. They did that about a year ago. Then I asked them to give it a priority. I just received that report and have forwarded that to Mr. Horsfield, the president of the foundation. It lists a children's hospital in northern Alberta as the least-needed priority in hospital facilities.

DR. BUCK: Save the announcement for the next election.

MR. MARTIN: My supplementary question to the minister. On what basis was the construction of two new acute care hospitals in Calgary and Edmonton placed ahead of building the northern Alberta children's hospital? [interjections]

MR. SPEAKER: In the question period, it is necessary to have some regard for matters which may later on be dealt with in some detail in debate. It would seem to me that what the hon. member is asking just now is almost certain to be covered, depending on his intentions, during the debates on the estimates.

MR. MARTIN: I think it's a rather important question that many people are asking. But if we have to wait until then, so be it.

A supplementary question, Mr. Speaker. In February 1983, I believe, the minister released a report by RPM Planning Associates regarding children's hospital care. The conclusion was that the only change in terms of pediatric service that could be improved upon was that we would have to consolidate most of Edmonton's pediatric beds into one hospital. My question is, what plans does the government have to respond to this recommendation?

MR. RUSSELL: Mr. Speaker, the report the hon. member referred to is a report prepared by some private consultants. I recognize the name, but I don't recall who the report was prepared for.

In any event, we do know that at the present time there is a surplus of pediatric beds in the Edmonton region and that the

occupancy rate remains consistently fairly low. There is a genuine and very widespread desire by a number of parent groups to see programs consolidated under one roof, with the hope that that will lead to an improvement in the programming of pediatric services. There are a number of alternatives possible for pursuing that. One example that comes to my mind is of course the upgrading and expansion of the children's pavilion at the Royal Alex hospital. The estimates that the hon. member will be looking at during the coming weeks include planning money for the board of the Royal Alex. Whether or not that will turn out to be the best answer, I can't say.

In the meantime, the children's foundation has decided to pursue raising voluntary funds, and I think they're doing that with the full understanding of the government's position vis-à-vis a children's hospital.

MR. MARTIN: A supplementary question to the minister, Mr. Speaker. My question is not the number of pediatric beds. The problem they relate to is the fact that we are not attracting pediatric subspecialists. My question is: given this lack of commitment to building a children's hospital, how are we going to attract these subspecialists?

MR. NOTLEY: Agreed. Good question.

MR. RUSSELL: Mr. Speaker, I do wish I had the supreme knowledge and wisdom of the hon. Leader of the Opposition ...

MR. MARTIN: So do I, Dave.

MR. RUSSELL: ... but I don't; I'm merely human. There is no proof that building a new building ... [interjection] You'll get your turn in a moment. There is no proof that building a new building will automatically attract a variety of subspecialists.

The ability and rewards of practising medicine in Alberta are probably greater for the medical profession than in any other province in Canada at the present time. Certainly the outlook for doctors has to be more optimistic than in any other province. I don't believe that is the current or prime issue. We've told the interested groups that it's a matter that will be kept before us. In the meantime they've decided to go ahead with the voluntary fund-raising program, and that's very worth while on their part.

MR. MARTIN: A supplementary question to the minister. I would remind him that it's not the Leader of the Opposition who said it; it's the AMA and subspecialists themselves who are making that particular ...

MR. SPEAKER: Order please.

MR. MARTIN: Each year hundreds of Alberta children are flown to Toronto and the United States for surgery that is unavailable in Edmonton. Does the minister plan to amend medicare rules to permit full payment for all expenses incurred in out-of-province operations for children?

MR. RUSSELL: Mr. Speaker, it's one of the very bases of our Canadian health care system that if a service is not available in a particular province or city, the patient is moved to wherever that service is available, with the understanding that a relatively small country with limited resources, like Canada, couldn't possibly provide all medical services in all communities. That's

a fact of life. It's not just children that are being flown around; it's patients of all groups.

The provinces have a series of interprovincial agreements and accords that deal with the portability issue and with the payment of services received in other jurisdictions. Supplementary to that is an emergency financial assistance program for families that are unable to meet any additional expenses beyond those covered by the programs I've mentioned. So I believe Albertans are fairly well covered in that respect, Mr. Speaker. [some applause]

MR. MARTIN: A supplementary question, before the boys start pounding again. The estimate for out-of-province hospital costs next year is almost \$22 million. How much of this money would be saved if that surgery could be performed in Edmonton?

MR. SPEAKER: We've been having a great debate on this subject, but there have to be reasonable limits. I respectfully suggest that we've just passed them.

MR. MARTIN: A supplementary question to the minister. Perhaps this will fall in. Does the government plan to provide funding for either a new freestanding children's hospital or one that would interconnect with an existing acute care general hospital before the next election? [interjections]

MR. RUSSELL: Mr. Speaker, we've said very consistently that when a children's hospital is needed in Edmonton, it will be built. That statement is on the record. After very careful study by all the persons who are responsible for running hospital services in the region, we have two reports saying that this is a very, very low priority. I think it would take some juggling of thinking to push a children's hospital to the top of the list when there are so many more pressing needs on that list.

MRS. FYFE: A supplementary question, Mr. Speaker. I wonder if I could ask the hon. minister if his department has carried out any studies regarding a reduction in patients referred outside Alberta after the southern Alberta children's hospital was opened and, secondly, the first phase of the Walter C. Mackenzie Health Sciences. Has this affected the transfer or referral of patients outside Alberta?

MR. RUSSELL: Mr. Speaker, I don't know if such statistics are available. If they are, I don't have them in my head at the present time.

MRS. FYFE: Just to clarify, it wasn't the statistics I was looking for, which is research. I wondered if any studies are going on or are proposed, to determine the effectiveness of these facilities.

MR. MARTIN: She's trying to help you out, Dave.

MR. RUSSELL: I'm aware of what the hon. member is doing in her excellent role as an MLA, Mr. Speaker, without prompting. I simply don't know how to reply to the question. I don't believe there is anybody who could say what the effect of building a particular facility is on the increase or decrease of out-of-province services. As we know from recent history, it's a matter that fluctuates with personnel who are available, more so than buildings and equipment being available. So I have great difficulty trying to answer the hon. member's question.

MR. SZWENDER: A supplementary to the minister, Mr. Speaker. The Member for Edmonton Norwood mentioned that

hundreds of children had been flown out of the province for medical attention. Could the minister clarify if he has a more specific number of children who were actually flown out of the province for medical attention last year?

MR. NOTLEY: Do your own research, Walter.

MR. SPEAKER: It would seem to me that we're getting to the Order Paper, unless the minister just happens to have that information.

Beverage Container Regulations

DR. BUCK: Mr. Speaker, my question to the Minister of the Environment has to do with the Beverage Container Act. I'd like to compliment the government, when this Act was in place, because I think it's done a great service in keeping the highways in this province from being littered. My question to the minister is: why was the Act amended on February 1, 1984, to exclude domestic beer cans from being brought back to the pickup depots?

MR. SPEAKER: With great respect to the hon. member, I distinctly recall that there was opportunity in the Assembly to debate the Act. It was debated. I think there was also opportunity to ask questions of members to clarify their remarks on it, dealt with in committee. I think it would be quite unique to start asking ministers what the reasons were for passing certain Acts.

DR. BUCK: Mr. Speaker, then can the minister indicate what change in government policy or philosophy there was to amend the Act to exclude domestic beer cans?

MR. SPEAKER: I have almost as much difficulty with that supplementary as I had with its predecessor.

DR. BUCK: Well, it was changed. Why?

MR. SPEAKER: Surely when government legislation is introduced, it is a reflection of government policy. The matter has been decided; the Act has been given Royal Assent.

MR. MARTIN: New evidence could come up.

MR. SPEAKER: If there is new evidence and new material, I suggest that the hon. member's question might be aimed in that direction, or he might put an appropriate motion on the Order Paper.

DR. BUCK: Mr. Speaker, can the minister indicate the effect on the amount of litter in the province, in light of the fact that the Act has been changed?

MR. BRADLEY: Mr. Speaker, just to clarify what has taken place, the hon. member is referring to a change in regulation, not a change in the Act. That might put the question in order, because the House wasn't sitting on February 1 this year.

I don't believe there has been any effect with regard to a litter problem in the province. What we had in place was under the Alberta Brewers' Agents. They've been responsible for collecting their own manufactured bottles in the province, and I might say that their collection system predated the Beverage Container Act of the province. I think it's an example whereby industry has been cognizant of an environmental problem, and they themselves moved with their own collection system with

regard to the universal container, which is the stubby beer bottle.

They have now gotten into the manufacture of their product in cans, and also introduced what they call a private mold bottle. Since the industry has had an excellent record in terms of collecting the containers they manufacture — I believe over a 97 percent return rate — it was felt that they would also be responsible for collection of the cans they manufacture and the private mold bottles, which is a different type of bottle. They will continue to be responsible for the products they manufacture and sell. As I said, they have done an excellent job of collecting these bottles in the past and, as I recollect, those bottles have been exempt from the Act since the legislation was first put in place.

DR. BUCK: Mr. Speaker, has the minister had any consultation with the bottle depots as to what financial effect it will have on the bottle depots, in light of the fact they cannot take some of the containers?

MR. BRADLEY: Mr. Speaker, since until the current point in time the only domestic beer container that was being used was in fact the stubby bottle, there should actually be no effect, as I would understand. There would be no effect because the Alberta Brewers' Agents have historically been responsible for the collection of their manufactured products.

DR. BUCK: Mr. Speaker, can the minister indicate what consultation he had with the bottle depots before this change was put into effect?

MR. BRADLEY: Mr. Speaker, I met with representatives of the bottle depot association on January 30. They raised concerns about the effect they felt the change might have on their association. I might note that since that date, we've had a number of meetings with the bottle depot association. I personally had a meeting as recently as a week ago Monday, in which we discussed a number of their concerns and put together a course of action which I believe will continue the very effective and efficient beverage container collection system we have in the province.

MR. GOGO: A supplementary, Mr. Speaker. With regard to his remarks about the Alberta brewers' association handling bottles, could the minister confirm that the so-called aluminum cans that are collected by the ABA are not used again but simply sent for smelting?

MR. BRADLEY: Mr. Speaker, they reuse the can in the sense that the aluminum cans are recycled.

Lubicon Lake Land Claim

(continued)

MR. THOMPSON: Mr. Speaker, I'd like to get back to the Leader of the Opposition's original question. Recently the Minister responsible for Native Affairs announced to the Assembly that he would shortly be responding to the Hon. John Munro's proposal regarding the Lubicon Lake Band's land claims. Has the minister responded to the federal government and, if so, what is the Alberta government prepared to do on this issue?

MR. PAHL: Mr. Speaker, I have responded. On March 28, I wrote both to the federal Minister of Indian and Northern Affairs and to Chief Ominayak with respect to his proposal, which I think I have already described as appealing in its appar-

ent simplicity, but the land claim is a complex matter and some of those issues are before the court. I've really indicated to the federal minister that he's asking us, as a signatory to the Natural Resources Transfer Agreement, to act before even his department's responsibilities, research, and analysis are complete.

But, Mr. Speaker, I believe, and I indicated to the federal minister, that it's very important to have some three-way dialogue on this issue in order to explore the issues before us with a possibility of trying to resolve the land claim. Based on the belief that some dialogue is appropriate, I have responded to the minister indicating that, notwithstanding the court action, the government of Alberta remains, as before, committed and prepared, without prejudice, to explore options leading to a satisfactory and final resolution to the entitlement claim. I've offered to meet with both parties, and I sincerely hope the offer will be taken up.

In terms of responding, I think there are important elements to it. While we're awaiting a validated land claim and the results of the research that we have made available to the federal government as well as their own, we are prepared to enter into the three-way discussions that will hopefully put the facts before us and help us with the solution. We are prepared to review and, as I said, urge the federal government to respond with a validated land claim with respect to the Lubicon Lake claim and to meet with the federal minister and his officials, and Chief Ominayak and his officials on a without-prejudice basis to try to move the thing forward.

In addition, I could indicate to the House that we are reviewing our land claims policy with respect to mines and minerals. I should also add, Mr. Speaker, that it is important to remember that we are reviewing our land tenure program and its application in mixed communities, because there are a number of non-Indian Albertans living in the area and in the hamlet of Little Buffalo. Of course, their concerns need to be considered as well.

DR. CARTER: A supplemental, Mr. Speaker. Could the Minister responsible for Native Affairs clarify whether he or his department has indeed received communication from the World Council of Churches or whether it's a summary statement or press release issued by church leaders in Alberta?

MR. PAHL: The answer to that is no and yes.

DR. CARTER: Thank you, Mr. Speaker. Brevity is really quite laudable in terms of the Assembly.

But to the Minister responsible for Native Affairs: have church leaders in Alberta and one other who went on the tour of the Lubicon Reserve communicated to the minister the list of allegations and grievances?

MR. PAHL: No, Mr. Speaker. I certainly did read with interest and concern their public statements. I perhaps have to observe that one of the allegations of the church leaders was that they were being harassed by almost being run off an oil field road by a large truck. In my experience in wearing out cars on oil field roads, for example, there's a well-known rule: the smaller vehicle takes to the ditch, if necessary, for the very practical and well-known reason that if it has to go in the ditch, the larger vehicle then pulls it out. So I guess I have to say that without foundation to the allegations, there's really little I can comment on what's before us now. But certainly I, as all colleagues, will receive with interest the representations and try to deal with them once we have the facts before us.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

4. Moved by Mr. Hyndman:
Be it resolved that the Assembly approve in general the fiscal policies of the government.

[Adjourned debate March 30: Mr. Musgrove]

MR. MUSGROVE: Mr. Speaker, it is my pleasure to be able to make some comments about the Budget Address. First off, I'd like to congratulate our Provincial Treasurer for the budget and for his delivery of it. I would like to say that the content of the budget was certainly a lot of encouragement to the people of Alberta. I'm proud to say that in my second year as a member of this government, we should bring in a budget with the first cut in expenditures in 40 years and, in these trying times, we'll spend 1.8 percent of our budget servicing debt compared to the 20 percent cost of servicing our national debt.

Mr. Speaker, I've received a number of letters from my constituents concerned about the Canada Health Act and, in particular, about the reduction in home care. It is with great pleasure that I can announce to them that there's an expansion from last year of approximately 55 percent in the home care program.

I've also had some letters and phone calls from some constituents concerned about the cutback in postsecondary education. I was surprised and delighted to see the budget consideration for postsecondary institutions and also an increase in student financial aid to lend support to up to 42,000 students.

There was some mention in the Budget Address about export of high-technology manufactured equipment. I'm happy to say, Mr. Speaker, that some of that manufacturing took place in the Bow Valley constituency. We have Global Thermoelectric manufacturing in Bassano. They manufacture small thermal generating units that are sold all over the world. They're a success story if I ever heard one. They have now purchased a high-tech monitoring unit that indicates activities of drilling rigs. I'm told that the original investors in that company have recovered their money 60 to 1.

They were established through a regional economic expansion program. I'm a great believer in regional economic expansion programs, and I believe they should be expanded. They are not all success stories like Global, but they generally try to bring about a business that manufactures a product that is completely exportable and that is not competing with local industry in that area.

Mr. Speaker, I certainly appreciate the expansion in the budget in reference to the senior citizen home improvement program. It not only employs some people, but it keeps our senior citizens in their homes longer.

Mr. Speaker, I'd like to address some of my comments to agriculture. In the throne speech, as well as in the Budget Address, it was noted that agriculture is quite stable in Alberta. In most cases this is true. In particular, farmers in Alberta have the advantage of the farm fuel allowance that reduces fuel costs and, of course, our natural gas program that has helped with costs to greenhouses and to run irrigation pumps. Of course the farm interest shielding program has certainly helped out a lot of farmers in their economy. However, there is a problem with input costs compared to the price of farm products.

[Mr. Kroeger in the Chair]

I have statistics to show that from 1972 to 1982, total farm expenses increased by 490 percent, yet during that period gross farm income only increased 10 percent. Net farm income actually decreased, if it is figured in constant dollars. It decreased approximately 30 percent if we take into consideration the inflated dollar. The reason for this is that we purchase our farm components — such as fertilizer, farm fuel, machinery, et cetera — on a fixed cost, and we sell our product in a supply and demand market in competition with the rest of the world.

At a recent meeting in Regina between the Saskatchewan and Alberta agriculture caucuses and the agriculture critics of the government of Manitoba, it was unanimously decided to lobby the federal government to make a payment of the \$875 million that is in the federal grain stabilization program. A portion of the \$850 million is the farmers' own money, and the only thing that triggers a payout from that is a reduction in the five-year average. Grain prices have stayed fairly stable for the five years, but production costs have increased dramatically. That \$875 million is certainly a lot higher than the goals that were established when it was started.

Another recommendation that came from that group was that we abolish the federal tax on farm fuel. According to the Palliser Wheat Growers' survey, the federal government gets 71 cents from every gallon of diesel fuel a farmer uses. One would ask: why should agriculture get special consideration as far as federal taxes are concerned? As I said before, farm products are sold in a supply and demand market and are generally controlled by the other competing countries. For instance, there is a considerable difference in the price of a tractor or other farm machinery in the United States and in Canada. Fertilizer costs are another factor. In some cases you can buy Alberta-manufactured fertilizer in Montana, pay the transportation on it both ways, and get it delivered back here cheaper than you could buy it here originally.

Another problem is that the farm product hasn't increased substantially in the last decade. For instance, we have some research showing the operation of a 150-horsepower farm tractor related to a bushel of barley. For fuel and repairs in 1972, it took 12 bushels of barley to operate a 150-horsepower tractor for a 10-hour day. In 1982 it took 53 bushels of barley to operate the same tractor the same length of time. That's almost four and a half times as much barley as 10 years ago. I'm sure that's increased dramatically since 1982.

Mr. Speaker, we have the Chinese trade mission coming to Edmonton in April. Trade means both ways. If we can sell our Alberta agricultural products to Pacific Rim countries, we certainly have the potential for a lot of market. The only thing is, we have to be competitive with our increased input costs.

Our beef industry has some problems in that we're losing our packing industry in Alberta. If the latest closure takes place, we won't have a federally inspected packing house north of Red Deer. Part of the reason for that is that union rates for labour in the packing industry in Alberta are approximately \$8 an hour higher than in the United States.

We also need a red meat stabilization program as an alternate to provincially subsidized programs in other provinces. If we don't have a federal program and all the provinces in Canada but Alberta go into a provincially subsidized program, we're going to lose our export market to the U.S. I would not be in favour of a provincial subsidy program in Alberta. If we don't get a federal program, we as red meat producers in Alberta, competing against the treasuries of all the other provinces, could find ourselves without a U.S. export market.

Farm credit is another way we could improve the agricultural situation. We have ADC and the Farm Credit Corporation for

capital credit in Alberta, but we don't have a program for short-term or operating credit. Because agricultural credit is generally a good risk, U.S. production credit operates at an interest rate approximately 3 percent below bank interest, whereas the banks have a blended risk with all other types of credit. What we need in Alberta is some kind of federal program for agricultural credit similar to production credit or agricultural bonds in the U.S.

These are some of the problems facing agriculture today, Mr. Speaker. I believe we still agree to do our best to keep food costs low for the benefit of the Alberta or Canadian consumer, but we have to recognize that farmers still have a financial program.

Mr. Speaker, it was a good budget that was brought out by our Provincial Treasurer. I think Alberta is happy with it. I'm proud to be a part of it, and I think we should all support it.

Thank you very much.

MR. MARTIN: I thought there were many more government members who wanted to get into the budget, but I will continue the debate. I know you want to hear what I say.

You will excuse me, Mr. Speaker, if again I am not quite as laudatory about the budget as government members. I think there are some real problems. I think it was skillfully done. I would remind members that it's an age-old political trick to predict, as we heard from government ministers plus the Premier, that things could be much worse. Around the New Year we had talk about higher medicare premiums. We even had the Premier musing about the possibility of a sales tax, and we had other people saying that we may need more of an income tax hike. So I guess the idea was that when none of these came about — which I didn't really expect — people would say, well, it could have been worse. That way people might be a little happier about the budget than they would have been otherwise.

Mr. Speaker, I would say that there are four what I consider misleading impressions from this budget. I would like to go through them very quickly, and then come to some ways I think I could help the government if they want to save some money. First of all — and I won't spend a great deal of time on it — we've had a bit of a flurry about the statement about no increase in taxes. I would suggest that technically the Treasurer was very skillful in wording it, that the way he put it was in fact the case. But I think we all know that we had a 13 percent income tax hike on January 1. Of course that revenue is now part of this budget. The interesting thing there is that it sort of fell in between the budgets. Last year in the budget we were bragging that there was no income tax hike during the budget and that there was none planned. But we somehow got around to a 13 percent income tax hike in the fall. In that sense — and I won't belabour it — I believe it is misleading.

The second misleading statement in terms of the budget, Mr. Speaker, is that we are actually going to have — I believe it says for the first time in 40 years — a cut in government expenditures. That's not precisely the case, Mr. Speaker. If we look at what we spent last year and what the estimate is for next year, it is actually an \$81 million increase. What they are talking about in terms of reduction is the estimate from last year. But when we know what we spent and that we are actually going to spend \$81 million in our estimates, I believe that is playing a little semantics game with the people of Alberta. It seems to me that what the government wanted was a line they could use, and then we would fit the facts around providing that line.

I believe the third misleading aspect of this budget has to do with, if you like, the general financial health of the province.

Mr. Speaker, there has been a great deal of talk about the heritage trust fund. This is given as the reason this province is still in good shape. We heard this from the Treasurer during the Budget Address. If the heritage trust fund is what we're placing our hopes on for the future, then I think we have to take a good long look at what is actually happening to the heritage trust fund.

For example, number one, deemed assets: it's part of the \$13 billion that is listed as an asset in terms of the overall fund. When we look at that, though, the Auditor General is criticizing that. Even the government admits in its Budget Address that we will probably not yield a return on these deemed assets. In other words, we own buildings and parks but they are not something you can get liquid cash from. So let's be a little honest about it and say that we'll take \$2 billion off for the deemed assets, because that's not going to help us in terms of turning the economy around with the heritage trust fund.

Then let's look at the general health of the province that the Auditor General also talks about, Mr. Speaker. That has to do with pension liabilities. That is now up to \$4.2 billion. Of course the Auditor General has been talking about this for a number of years, and nothing has been done. We have to pay those bills at some point. What we are suggesting, and what the Auditor General is suggesting, is that that should at least be part of the overall picture. But somehow that is conveniently left off.

The other part I would like to look at is that we have around \$7.5 billion in Alberta Crown corporations. Now if, and of course this is the big "if", our economy is still on a downturn — the Treasurer and I would argue about this, but say I'm right and it's still on a downturn — then obviously our Crown corporations are going to be part of that downturn. So we have \$7.5 billion in our own economy as part of the heritage trust fund. I suggest to you that when you put those figures together, we have some very serious problems. So I believe that the general financial health of the province, as told to us by the heritage trust fund, is just not up to what we are getting in terms of the budget debate.

The fourth debatable point that I think is misleading has to do with the upturn of the economy. We heard before the election and we've heard every year since that the economy is about to upturn. And it keeps getting worse. Where is the objective evidence that the economy is turning around? We have asked the government this, and we still don't have any answers. It just seems to be the Treasurer's or the Premier's optimism. But words are not enough. We have to look at the actual facts, Mr. Speaker.

As was mentioned, when we look at the Conference Board, which the government used, they predict that it's the only province in Canada where unemployment will go up. They predict it will go from the 10.6 percent average in 1983 to 11 percent. Again we will have the lowest real domestic product, only 1.6 percent. In other words, we rank 10th out of all the provinces, Mr. Speaker. Of course, as the Treasurer has already alluded to — and I would agree with him — we don't know what's going to happen with interest rates, which could make this even worse. So that's one piece of objective evidence.

The other that we asked the Treasurer to comment about had to do with Manpower Temporary, where they surveyed people in Edmonton and Calgary. They surveyed employers to ask them a simple question: do you think you will be hiring more people? We find out that in Calgary they say there will be no change in the second quarter of '84. In Edmonton, which has a higher unemployment rate, employers say, through this survey, that it will be minus 5.9 percent. In other words, they will be laying off people in the private sector.

If we look at Calgary in another area, Mr. Speaker, there is some news which has to do with the construction industry from the Canada Mortgage and Housing Corporation. They say:

Housing starts in Calgary in 1984 will be at their lowest levels in 17 years ...

They say that they

will begin on just under 1,100 single-family homes. That's down from more than 3,100 units last year and 3,600 in 1982.

They suggest that

besides the slow economic recovery, a high vacancy rate in rental accommodations and a large number of foreclosures are to blame.

Mr. Speaker, it goes on and on and on. Most of the forecasters are telling us that unless something is done, this next year is not going to get better. The only person who seems to be saying it is the Treasurer. When I talk to other people around the province, they don't seem to be saying it. Maybe the Treasurer can go to a Conservative convention and convince them of that. But in the vast majority of cases that is not the rank and file of the average Albertan out there. So any objective evidence we can come to says: no, following this government's policies, it is going to get worse in the next year.

That leads us to another point, Mr. Speaker. If we accept what these forecasters are saying, then we probably had a vast overexaggeration of revenues that will come into the government coffers. I notice that the Treasurer says there will be some \$9.4 billion, up 4.3 percent. I don't know how we're going to get an increase of 4.3 percent when everybody else says we're going to have a downturn in the economy.

So I am led to believe that one of two things is going to happen. We are either going to have a much bigger deficit at the end of the budget year than the Treasurer is predicting or we are going to have some more surprises. In other words, we can go back in the history of this government, Mr. Speaker, and see that a couple of years ago we had a minibudget very soon after a budget, and of course last year we had the 13 percent income tax that was not announced in the budget. If the forecasters are correct, it has to be one of those two things: a higher deficit or some other announcement to bring in more revenues to the province. There can be no other way.

Mr. Speaker, I think the Treasurer and I would agree on one thing: we have had severe economic problems in the last two years. But I remind the government that before they blame everything on everybody else, as they like to do, we should take a look at who has been in power over the last number of years. It has been this government. When we had oil and gas flowing, when the price was being driven up and we were doing well with the economy, the government was taking all the credit. If that's the case, then they should at least accept some of the blame.

I refer back to a by-election in 1967, Mr. Speaker, when the Premier — he was the leader of the Conservative Party then — said that we were going to have to turn the economy around; we were going to have to diversify the economy. He said: after all, we're basing too much of our revenues in the province on a nonrenewable resource. Of course at that time he was correct. At that time some 40 percent of the revenue was based on the oil and gas industry. When I look at this new estimate from the government, I find that including the transfer from the heritage trust fund which comes from that nonrenewable resource, we now have 54.1 percent of our revenue based on this same nonrenewable resource; in other words, an increase of some 14 percent at a time the Conservatives have been in power all these years.

So we have a problem, Mr. Speaker; the government recognizes it. What's their answer? When you strip away all the rhetoric, it seems to me that it comes down to two areas, two things they're saying. We are still throwing money at the corporate sector, not the small-business community but the corporate sector, and hoping that will somehow lead to more employment. It's obvious that the economic resurgence plan announced by the government before the election has been a total and absolute failure. There can be no other word for it. The economy is worse now than it was then.

I might point out that we're the only province in Canada that has a negative tax balance under part of the corporate sector, including the royalty — some \$162 million. We pay out more than we take in. I point out that even little P.E.I. collects \$3 million, and every other province collects more than that. If it's not coming from there, it's going to have to come from income tax and small business. There's no other way around that. That's not including the most recent giveaways where there were no performance guarantees. That will add up to billions of dollars. It would be one thing if they were working, but it's clear to me that they're not working. We should reassess it, but it doesn't seem that we're going to do that.

Mr. Speaker, I can tell you that we've taken a look at some of the speeches that were made by Liberal and Conservative politicians in the early 1930s. You would think they had risen again in the Alberta Legislature, because the same words are used. Have we learned nothing about dealing with economic problems in half a century? So we have a government trying to recycle back to the early 1930s in terms of how to deal with our economic problems.

The other thing that seems to be the answer in some areas worse than others is generally to hold the line or to cut back in the people services, such things as health care, social services, and education. Many people would say that there's a small increase but, as we well know, generally it has not kept up to the inflation level.

[Mr. Speaker in the Chair]

Mr. Speaker, it seems to me that there is a different answer from the way this government is going. First of all, it goes without saying — I won't spend much time on it — that we should bring in a fair and equitable tax structure so we're all paying our equal share. We can't afford to keep being Santa Claus for the corporate sector if it's not working. I believe we have to provide some of the money that's still left in the heritage trust fund. We've talked about diversifying the economy. I won't go into that in great detail in the limited time. But surely one of the things we could be doing is low interest loans through our own banks, the treasury branches, to help Albertans become successful themselves. This is not giving money away. You would still make a return on this, and you would have a stimulative effect on the economy. All this money would be staying here in Alberta to put our people back to work and to make them successful. We could give loans, not for luxury items but things like small business loans, at less than the level they're getting now. It would put them back to work. The 7 to 8 percent range would make good sense now for mortgages when this program runs out and for farmers. In farm communities we have the highest foreclosure rate we've ever faced. We could use this money now to begin to turn things around. But no, we're going to just sit and wait for some magic answer from the private sector, when they're not prepared to invest in the province when the price of oil is going down, as we well know.

I suggest, Mr. Speaker, that a government that would allow 11.2 percent and say that we can't do anything in the budget,

we can't do anything at all, is almost immoral. Of course we can do things. I might point out to hon. members that when you allow a huge unemployment rate, there are people who break down the economic costs. I talked in the throne speech and many other times about the social costs we pay. But in terms of economic costs in lost production, there's a cost accounting that many people have looked at: what high unemployment costs in lost production, lost earnings, UI benefit payments, the social cost of unemployment-related stress indicators, lost tax revenue to government, lost education and training, and depreciation of human capital. I don't know what it would be right now in Alberta with the employment rate. Back in 1982 we estimated that it was costing us close to \$5 billion. Of course that's when we had an unemployment rate that was just starting to rise. I believe it was about 7 percent at the time. So we can figure out that it's costing us a lot more at an economic level. It seems to me that we should be doing almost anything to put people back to work. But I know this government is not going to listen. We've advanced this many, many times.

I believe this is one of things that could be done. When I look at the budget, if I as a government were serious about putting people back to work, I'd look at what I call the economic departments. When I go through the economic departments, the ones that could be used along with the private sector to stimulate the economy, I see that in Transportation there's a 1.4 percent decrease; Municipal Affairs, a .3 percent decrease; Energy and Natural Resources, a 29.2 percent decrease; Housing, 42.4; Utilities and Telephones, 30.4; Tourism and Small Business, a 27.8 percent decrease. See, I'm trying to help you out. It seems to me that if we want to stimulate the economy, these are the departments we'd want some money in. Public Works, Supply and Services is plus 2.2, but that's still below the inflation level. Working with the private sector, we could put thousands of people back to work, Mr. Speaker.

The fourth thing the government is talking about, Mr. Speaker — I believe the term is "lean and trim" as they cut back, as they say, government expenses. There are many ways to cut back government expenses. One of the areas we've suggested from time to time — and I won't bore the members here — is the waste this government has been involved in now and in the past. We can go through it again: \$32,000 for a four-day public works conference, a \$1,400 first-class trip to Calgary and back by the Provincial Treasurer, \$20 million to put snow on Mount Allan, \$345,000 for imported sand, \$1,500 to send the Premier's press secretary to Hawaii, \$239,000 paid by Albertans for the Premier and his group to tour Asia, \$31 million for a premier's office to be built in Calgary at a time, I might point out, when they have space to be rented all over in the private sector. And we could go on. There are many other areas of government waste. Obviously we should start with the frivolous. We had that debate about government waste in the fall, and I'm sure it will come up again.

Let me just go through. Let's say that we're not going to deal with the people services; I think they're a necessity now. I've already talked about the economic departments. Let's just say that in terms of restraint, we'll look at some of the other departments. I want to do some arithmetic here, Mr. Speaker. First of all, if we look at the Attorney General's department, there is a \$10 million increase. What I'm suggesting is let's use these departments in terms of restraint. I'm just saying that they'll have the same as last year, the same as the Minister of Education is giving out to the local boards. We'll maintain the same expenses; we'll add it up. If I had more time, perhaps some of them could be cut back; maybe we could go to zero budgeting in a lot of departments.

Let's just maintain these at the same level: Attorney General, \$10 million; Treasury, \$2 million; Culture, \$19 million; Executive Council, \$3.5 million; Labour, \$1 million; Public Affairs — well, I think we can cut that one out altogether, I know the Conservative Party is rich and, if there are any public affairs, they can afford to take over; it has absolutely no value in a time of restraint — there's \$14 million. If we take those altogether, that's almost \$50 million that we've saved right there.

But I have some other suggestions too. I suggest that our cabinet, all good people, should set the example in terms of restraint. I notice that other provinces — as an example, B.C., which has a bigger population, has 18 cabinet ministers. So let's cut 12 cabinet ministers. It's not just cabinet ministers; there are aides, and aides to aides. At a conservative level, my guess is that we could save \$2 million right there. Then we can cut back the Executive Council administration and the backbenchers fund to exactly what the opposition in total is getting. We'll give them both. They'll still have double the amount of money for their propaganda. We'll save another \$3.75 million, Mr. Speaker. Then we can cut the consultant budget. I'm told that we have consultants studying consultants in this province. Just cut it by half; I'm in a generous mood today. We'd save another \$137 million. In this time of restraint, we'll halve the entertainment budget. That's another \$1.25 million. In terms of restraint, we'll cut the travel expenses as they're doing in other provinces. We're just going to have to stay home a little more till we pull out of this recession. But I'll give them half of it again; that's another \$30 million. I think another \$10 million for "miscellaneous": new furniture, equipment. We'll just have to do with what we have for the remaining year. That's \$10 million. I add that up to \$184 million. Added with what we've saved from the departments, another \$50 million, that's \$234 million right there.

Mr. Speaker, that's lean government, and this government could do it. I'm sure if we went through the budget department by department, there's probably at least half a billion dollars we could chop off. So don't talk to me, as the Provincial Treasurer has, about how lean and tough this government is. It's where they're cutting that bothers me, and we could give them some good examples. I'd even be prepared to look at the health care budget if we're prepared to look at new ideas in terms of health care and other budgets, but we're not prepared to look at new ideas. It's estimated that we could save money in that department if we'd look at seat belts — but that's too politically tough for the government — unnecessary hospitals, unnecessary surgery, that was pointed out to them, the billing out of medicare, fee for service. Community clinics could probably save money. There are many things that we could look at.

Mr. Speaker, the point I'm trying to make is that before the government starts patting itself on the back, I will give them credit for a politically smart budget but, as I mentioned at the start of my address, I think it's misleading. I'll conclude by saying that if government members think they were talking to rank and file Albertans over the weekend, and got all these soft questions, and were told what a wonderful job they were doing — if they really think they were talking to grass-roots Alberta, then I hope they continue to think that. Because that is not the case. If they go around this province and don't have selective hearing, they will get a different point of view. Certainly when you go to your own convention, and certainly with the government that has the power this government has had over the years, they're going to get bouquets and they're going to have everybody saying what a love-in it was. But, Mr. Speaker, I suggest to them that that is not the way the average Albertan is thinking, not even the way the average person in the private

sector is thinking, as this government so proudly alludes to all the time. I for one am not impressed by this budget, and we will continue to fight for a budget that helps all Albertans and will try to prod this government to do something so there is not as much despair out there as I see all the time from many, many different people.

With those few words, Mr. Speaker, I will now allow the government backbenchers to stand up and tell us how wonderful things are in Alberta.

MRS. CRIPPS: Mr. Speaker, it is my pleasure to join in the debate this afternoon. I'll leave the comments made by the hon. Member for Edmonton Norwood for other members to speak on because I have some specific points I'd like to make.

MR. OMAN: And important.

MRS. CRIPPS: The member here says "and important", Mr. Speaker, and indeed they are.

As is traditional, first I would like to congratulate you on your position as Speaker and, even more so, on your ability to maintain the decorum of this House, to make it the most credible legislature in the country.

Before I talk specifically about the budget, I'd like to mention some important accomplishments in the Drayton Valley constituency. Over the past five years, I've really been pleased with the development of the transportation system in the Drayton Valley constituency. Even last year when there didn't appear to be major projects, excellent weather conditions and contract prices allowed for unexpected work during the fall season. We had a finish coat on 22. And 616, which has long been a contentious issue in the county of Leduc, was prepared for base course, and that base course has been tendered.

Mr. Speaker, this year the Berry Moor bridge will be officially opened. It is now open for traffic, by the way. Many local residents were concerned with the loss of the Berry Moor Ferry as an historical site. The ferry has been in constant summer operation since 1917. No wonder people wanted to maintain the historical significance of that site. There will be a cairn erected there this summer, suitably depicting the ferry site.

The Fort Edmonton historical society has requested that the ferry be given to them, and the Minister of Transportation has agreed, subject to it retaining the name "Berry Moor Ferry". I know my constituents will be very pleased with that decision.

Mr. Speaker, I might say that crossing the Saskatchewan River at the Berry Moor Ferry in the winter was quite another experience. I had a public meeting at Tomahawk one stormy winter night. When I was leaving the meeting, it was much shorter for me to go home across the Saskatchewan River than all the way around by Drayton. So I said to the people at the meeting: how's the ferry road? They said: oh, fine; we came over it this afternoon; it's great. Once you cross 624, I think it is, just south of Tomahawk, and start down that Berry Moor Ferry road, there's no turning around. There are absolutely no driveways, no houses — nothing. The further you get, of course, the less likelihood there is of backing out. Once I got a half mile down that road, there was no turning back. I crossed the river, Mr. Speaker, and it is an experience I shall treasure but certainly one I will never attempt to do again. I don't think I was ever so scared. [interjection] Yes, I'm a coward when it comes to sitting in the middle of the Saskatchewan River in a blizzard.

Another longtime priority, Mr. Speaker, has been Highway 22 north of Alder Flats. That will receive a base course this summer. At the same time, the west access to Buck Lake will be paved, and Buck Lake residents are very pleased about that.

When Highway 22 is completed to Rocky, residents in the west end of my constituency will have north-south access as [well] as the east access. This highway is an important link between Highway 16 and Highway 1, and on down to southern Alberta.

In the next year, Mr. Speaker, I intend to emphasize — and I'm glad the minister's here — the importance of the Brazeau road and the Elk River road. These roads are the lifeline to the West Pembina, and they're extremely important to the service industry in Drayton Valley. There's also another problem in that the first 15 miles, I suppose, of the Elk River road is held under right of occupation, and the latest expansion of the West Pembina, coupled with the additional tourist traffic, has put extreme pressure on the company for upkeep and maintenance. The Elk River and Brazeau roads would be shortcuts to the recreational wonderland of the central Rockies for residents of Edmonton and northwestern Alberta.

That brings me to tourism, Mr. Speaker. The value of nonresident tourism in Alberta is \$660 million; \$13 million of that is spent annually in the Evergreen tourist area. Since there's a greater trend to shorter vacations — by shorter vacations I mean a weekend in the mountains rather than a week somewhere in the United States — Drayton Valley has 500,000 to 700,000 people situated within close enough proximity to be patrons of our area and, believe me, we have some beautiful tourist attractions in the Pembina-Saskatchewan-Brazeau area. By the way, we have the best restaurants of any small town that size anywhere, and I challenge any community to prove otherwise. I invite you to stop in Drayton Valley and try some of our excellent restaurant facilities. I can assure you, you'll come back for more.

MR. GOGO: Homecooking?

MRS. CRIPPS: Just as good as homecooking; excellent.

This fall I was at the official opening of the new industrial arts wing at the Frank Maddock high school in Drayton Valley. That is an exceptional facility which will offer educational opportunities to students at home, which weren't previously available to high school students in Drayton Valley. I understand that in computers, for instance, students would have their first-year apprenticeship when they finish the three-year high school computer training course. It's an excellent opportunity which I'm very pleased about. We have the consortium which is offering courses from NAIT, the University of Alberta, Grant MacEwan College, Athabasca University, and the petroleum safety institute.

I'm particularly concerned, Mr. Speaker — I've mentioned it before in the Legislature, and I want to mention it again — about programs for the gifted. I really think it's important to challenge gifted students in this province. I hope, and I'm pleased, that a greater emphasis is being placed on our gifted students. I guess if I am dedicated to one principle, it is the principle of the best educational opportunities for every educational dollar spent.

Mr. Speaker, this spring we will see the opening of a new hospital in one of the those outlying rural communities about which you hear some negative statements every once in a while. But I can assure you that the people of Drayton Valley are extremely pleased and proud to finally be receiving a new hospital facility, which is much needed in that community. The old hospital was a 15- or 20-bed facility built in the early '50s. They added another 15 beds, then another 10 or 12 beds, and I believe it was 47 beds, but the wiring, servicing, and kitchen facilities were never expanded to meet the needs of the additional beds. Quite honestly, I was amazed that they could feed

47 people in a hospital with the tiny kitchen they had. So we're extremely pleased to have the new hospital facility opened.

I made a bet with my secretary, which I lost last week, that the hospital would be turned over by the end of March, because everybody faithfully promised me that it would be. I'm told the rug had defects, and that's one of the reasons. Anyway, I paid off; I took her out for Chinese food. She doesn't like Chinese food, so we're quits. I understand though that the hospital will be turned over to the hospital board the middle of April, and it will take two weeks or so to get the system ready and checked out. They anticipate moving into the hospital in early May.

The new hospital will employ 25 full-time equivalent staff. There will be 200 on the payroll, including the part-time and casual staff. There are 50 active treatment beds and 50 extended care beds. Those are some nursing home and some long-term hospital patients. There are already 43 applications for the 50 extended care beds.

Probably one of the best efforts this government has initiated in improving medical opportunities in this province was the development of the Heritage Savings Trust Fund medical research foundation. In any research in medicine, there is no immediate or foreseeable capital return. There are many, many years between the initiation of a medical research project and the actual breakthrough. It's very, very hard for these people to receive grants when there's no noticeable progress in their research. I think that anybody who has endured the agony of living through a terminal illness, hoping and praying that a medical miracle will be discovered before it's too late, must appreciate the importance of the Heritage Savings Trust Fund medical research foundation.

I want to mention briefly that my constituency is again extremely concerned with the possibility of shut-in oil this summer. While I understand it's not supposed to be as severe as last summer, even the possibility of that shut-in oil is very, very disturbing to the constituents. I know the minister had meetings with Mr. Chrétien in December, which he called and asked for, and that at that meeting he outlined the problem of nominations and the fact that those nominations do not have to be lived up to, which causes a very serious problem in that we don't fill the nominations and we can't commit that oil to export. So it's left in the ground. I understand from some of my constituents that we may have a shut-in gas problem in the very near future too. In fact I have a gas plant shut down right now. The pipelines are full, the refineries are full, and there is simply no place for the gas to go.

I know the Minister of Energy and Natural Resources and the Premier did a lot of extensive work in California last fall on their two trips. I know my constituents know the importance of maintaining that contact in ensuring that our gas is competitive in California markets. There's no doubt that at present, Texas can deliver gas to California cheaper than Alberta can, but in the long term there also is no doubt that Alberta is a reliable source of supply for natural gas. I guess that's our big selling point.

I was disappointed with the decision of the Alberta Energy Company and BCFP not to proceed with the pulp mill at Whittcourt, because I know how important it is for the total utilization of our timber resource. Of course I was disappointed last year that nothing developed from the Brazeau-O'Chiese timber development area. I certainly hope times will improve so we will be able to maximize that resource in the near future.

I agree with the Member for Bow Valley, who has adequately outlined the agricultural problems and issues, so I won't go over that again.

I covered the income tax absurdity, which the opposition talks about, on Thursday, March [29]. The income tax increase was very, very adequately highlighted, outlined, and discussed when Bill 100 was introduced last fall. The only reason I mention it here is that four members of the New Brunswick Legislature were in Alberta during that income tax debate, and the Members' Services Committee met with them. The Provincial Treasurer from New Brunswick was one of those four people. In conversation about the debate on the Income Tax Act that was taking place at that time, he said: I wish I had that opportunity. By "that opportunity" he meant the opportunity to raise income taxes. The provincial income tax in New Brunswick is 65 tax points at this time. He simply cannot move the New Brunswick income tax higher, which means he must run with a deficit. He knows he is going to have a deficit, and he doesn't have the opportunity the Alberta government had to balance their budget. I think it's marvelous to live in a province where we have some choices. I think this government has made the right choices in choosing to trim the budget but not cut services.

As a member of the Assembly and a representative on provincial boards over the last number of years, however, I have noticed that once a government program is established the department tends to maintain the existing program because it has not been a policy of Treasury to allow the transfer of funds from one program to another. I think we're taking a look at it this year. This has resulted in old programs tending to be maintained rather than phased out and a reallocation of these funds to new programs which might more readily meet the needs of the changing times and needs of Albertans. It would seem to me more effective and efficient to request that all departments do a periodic assessment of the value and relevance of the program to the changing needs of Albertans, and to phase out programs which are no longer cost effective or really necessary. I might say that I believe that is being done, and I want to re-emphasize it here. I know that in past years, a lot of old programs have been maintained. This has created a burgeoning bureaucracy, and it has developed a tendency within a department to protect the funding they have and maintain programs which might better be dispensed with.

I guess my plea to Treasury is that if it can be adequately demonstrated that one program should be phased out and another program take its place in a department, then funding should be maintained in order to encourage the initiative and maximum benefits to Albertans of the funds allocated to that department. What I'm talking about, Mr. Speaker, is allowing the departments to make some judgment of the benefits and efficiencies and necessities of the programs they have, and probably to do a better evaluation of their programs.

I might just use a rural analogy, because I haven't talked about agriculture. If you have a herd of cows and you have an old cow that's no longer productive, you ship her to market and replace her with a heifer. We have a tendency to keep that old cow in the herd. Eventually we add another heifer on the end, but the herd gets bigger and bigger and bigger, and part of it is nonproductive. All I'm saying is that I think we should keep the productive programs and eliminate the nonmilking ones.

The last point I want to mention, Mr. Speaker, is marketing Alberta. Probably one of the most important things this government does and that cabinet members participate in is the marketing of Alberta, selling Alberta to other countries, other provinces, and other peoples. The Member for Edmonton Norwood mentioned something about the Premier's visit to the Pacific Rim.

Somebody says thanks for saying a good word for old cows.

Quite frankly, I think one of the most important trips the Premier made was to the Pacific Rim last year. The Pacific Rim offers one of the best opportunities to expand exports, and those exports must be expanded through government agencies because those countries deal with governments. The average Alberta manufacturer or exporter has to have an opening in order to be able to meet with these people. Trade missions led by Horst Schmid make it possible for these private companies to make contact with Pacific Rim importers, in fact with importers all over the world. This contact made possible Alberta exports to the area totalling \$636 million in 1983. The emphasis of the Premier's mission to the Pacific Rim was the sale of forestry, agriculture, and petrochemical products. His initiative makes opportunities available to private companies who would otherwise be unable to initiate those export contacts. I guess the China exhibition, which will be here in the next couple of weeks, is an important result of the Premier's mission to China.

AN HON. MEMBER: Outstanding.

MRS. CRIPPS: Outstanding, yes.

The Premier also spent four days in Hong Kong. With the changes from a free trade area to a Chinese republic, there are investment funds which will be channelled to other countries. When people in many foreign countries think of Canada, they think of Toronto and Vancouver. I think it's very, very important that the next time they think of Canada, they also think of Alberta. [some applause]

MR. OMAN: That sounds good. I think you have some support on that one.

MRS. CRIPPS: Thank you.

Twelve Alberta companies participated in a Bahamian oil show, and there were sales by Alberta companies in excess of \$92 million at that particular show. European trade brings in another \$230 million to Alberta exporters.

Horst Schmid also leads trade missions, including private-sector companies, to introduce them to trade opportunities. The trade mission to Egypt, Kenya, and the Sudan resulted in \$500 million worth of sales. The discussion on reforestation with Kenya's president resulted in an order for a million root trainers for their tree nurseries.

Alberta exported \$8 billion worth of goods to the United States in 1982.

The last major "marketing Alberta" aspect I want to mention is marketing Alberta's tourism potential, which is often overlooked. That's the responsibility of the Hon. Al Adair. On a mission to England recently as part of Contact Canada — Mr. Speaker, I might say that the Member for Edmonton Norwood was quibbling or complaining about the cost of some of these missions. The Minister of Tourism and Small Business indicated in a question I asked him that the cost of Contact Canada, which was a tourist trade mission to Europe, was \$15,000. It will result in international conventions with an estimated value of between \$2.5 million and \$4.5 million coming to Alberta. That's the convention itself; the other spin-off benefits certainly can't be estimated. Alberta products and tourism can compete on an international basis, and we intend to.

Mr. Speaker, there's not much else I want to say this afternoon, except that I think the Provincial Treasurer brought in an excellent budget which meets the needs and the expectations of the average Albertan, and I support it.

MR. HORSMAN: Mr. Speaker, in rising to participate in the budget debate today, may I add my congratulations to those

that have already been expressed to the hon. Provincial Treasurer for the excellent address which he made to this Assembly on Tuesday last. Since this is my first opportunity to participate in a general debate, Mr. Speaker, may I also add my congratulations to those that have been extended to you as the firm and wise hand which guides this Assembly and has done so, so very well, since your appointment to this position in the First Session of 1972.

Mr. Speaker, I regret very much that the hon. Member for Edmonton Norwood cannot be here for the opportunity of hearing some of the comments I would like to make on the remarks he has made to the Assembly today. But because we have *Hansard*, which I'm sure he will read very carefully, he will have the opportunity of seeing what I have to say.

Mr. Speaker, the hon. member made reference to what he called four misleading expressions in the budget. He himself then proceeded to make one of the most misleading statements of all, which was that Alberta introduced a 13 percent income tax increase at the beginning of January of this year. That misleading statement has caught on, no doubt, in the minds of many Albertans as a result of statements made in this Assembly and of the communications media having used that figure.

The fact of the matter is that we have had a five point tax increase on the lowest provincial tax level in Canada. That is not a 13 percent across-the-board income tax increase at all. I thought the hon. Member for Red Deer did a very effective job the other day in debate on this matter, in helping, I would hope, to lead the people of Alberta to the correct conclusion. However, as members of the Assembly some of us have fallen into the same trap, and I would like to urge all members to avoid that. I urge the hon. Member for Edmonton Norwood to avoid using that figure. It is not accurate used as it has been in a general way for the total income taxes that we pay.

As well, Mr. Speaker, I was interested in listening to the solutions that might have been offered by the speaker. He made four points. Really, when it comes right down to it, the first was that we should all be paying a fair and equal share of income tax and that corporations in Alberta weren't paying enough. In other words, in typical socialist fashion, attack the private sector, raise their taxes. If there's any way to stimulate the economy, it is to provide a fair, equitable, and low tax structure to the private sector, the engine which drives the economy, and not raise their taxes, particularly in a year of recession.

The second point was to subsidize more than we are already doing through low-interest loans. We recognize that we have, as part of the economic resurgence plan, entered into a plan to help small businesses, farmers, and homeowners by providing subsidies. But what is being suggested is more subsidization.

With respect to unemployment — and I wrote it down — he said, do almost anything. Well, that is hardly what I could call a constructive suggestion.

Then he dealt with the issue of waste, and he cited some of them. I want to deal specifically with the issue of travel. The hon. Member for Drayton Valley has just now, in her concluding remarks, made some reference to that I wrote down another little statement which the hon. Member for Edmonton Norwood said: stay home a little more and cut travel spending in half. In other words, stay home and let the customers come to us. Is that what he means? Mr. Speaker, I don't know what kind of world the hon. Member for Edmonton Norwood lives in, but the fact of the matter is as stated by the Provincial Treasurer on page 17 of the budget speech:

The international market is fiercely competitive. No existing Alberta market, whether domestic or foreign, is safe. New sales will require aggressive, imaginative initiatives.

Now is the time to support our international sales force.

The government will work in partnership with Alberta industry to help expand our markets.

At page 13, he said this last Tuesday:

Through joint marketing efforts with Alberta companies, our export markets will become more diversified in the medium term. The Pacific Rim countries demand our close attention. With initiative and effort, many of our industries can secure a firm foothold in the world marketplace and make our private sector less vulnerable to North American economic conditions.

Mr. Speaker, those are the facts of the matter, and of all the — let me put it as gently as I can — less than wise suggestions we have heard in the Assembly, it is to cut our travel expenses in half and stay home a little more. What nonsense, Mr. Speaker. The very worst thing we as a government could do today would be to hunker down in Alberta and expect the world to come to us. It won't happen. It certainly will not happen.

I want to say something positive in my remarks today. I want to talk a little bit about the role of the Department of Federal and Intergovernmental Affairs within the context of trying to promote Alberta in other parts of Canada and the world. First of all, I was very proud indeed of the work that was done by the department with respect to the preparation of a document entitled *Alberta in Canada: Strength in Diversity*. That document has now gone into its second printing of 10,000 copies, in other words, 20,000 copies will be printed and extensively circulated throughout Alberta, Canada, and the world. It was prepared primarily for the opportunity of assessing our economic situation and our economic strategy as a first step, at any rate, and was presented last fall to the royal commission now being conducted by the government of Canada with respect to Canada's economic future and prospects.

Mr. Speaker, I think that document, which is produced in summary form in Appendix E in the budget speech, is something all of us as legislators and Albertans should be thoroughly familiar with. That places a great deal of emphasis on the necessity for making Alberta known in the world, and I emphasize once again and underline the importance of the remarks made by the Member for Drayton Valley on that very subject.

The role of the Department of Federal and Intergovernmental Affairs is complex. It includes the necessity of relating to the twinning programs we have in place with three provinces first of all, the province of Gangweon in Korea, which by the way will celebrate this year the 10th anniversary of our relationship with that province, and, secondly, the province of Hokkaido in Japan. I hope some of the members were here today to hear the choir and musical group, which is today performing in Jasper Place composite high school, a group comprised of almost 70 people from Japan visiting Alberta, an excellent example of the type of cultural exchange which can do nothing but bring good to Alberta in terms of our long-term relationship with that very dynamic country.

Mr. Speaker, 120 million people live in Japan, an area about the size of Alberta. What a tremendous opportunity it is for us to expand our markets and our relationship with that great industrial nation of the Pacific Rim. Today, together with the Minister of Culture, I was pleased to welcome that group to perform in the rotunda of our very own Legislative Assembly.

The third province is the province of Heilongjiang, of the People's Republic of China. That twinning relationship was enhanced a great deal by the visit of the Premier last fall. The hon. Member for Edmonton Norwood made reference to that today in a slighting way. The fact of the matter is that of the money expended on that trip — something I have tried unsuc-

cessfully to point out; it hasn't got through the filter of the news media — almost half that money was expended here in Alberta with the purchase of gifts, which were then presented on the trip. Those gifts were purchased from Alberta artists and artisans. What better way to advertise Alberta? Furthermore, what better way to support our cultural activities? Perhaps some people think it isn't important to have artists and artisans in our society. But I say that it is important and necessary, and it is useful. It is useful for the government of Alberta to support them in their activities and in their artistic endeavours.

Mr. Speaker, that is part of the role of the Department of Federal and Intergovernmental Affairs — to co-ordinate the twinning of relations which exist with those three provinces. I urge all members to take a great deal of interest in those activities in the months and years ahead.

It is also the responsibility of the Department of Federal and Intergovernmental Affairs to co-ordinate, maintain, and administer the foreign offices this government has around the world. We have only six. Other provinces — Ontario, Quebec, and British Columbia — have more. But the six we have are extremely important to the economic future of the province of Alberta. What roles do they play? In conjunction with the departments of Economic Development, Tourism and Small Business, Manpower, and Culture, they have a vital role to play in promoting the interests of Alberta in the areas of trade, tourism, and cultural exchanges.

Furthermore, something which is perhaps not too widely recognized, it is their responsibility to provide information to this government as to what our competitors are doing in the world marketplace. To that end of promoting Alberta, the budget of this department, which is proposed for the Assembly and will be considered in estimates in due course, will include funding to launch seminars in each of the four offices located in London, Hong Kong, Tokyo, and New York. The purpose of those seminars will be to maintain and enhance Alberta's presence, to bring together people from the financial, investment, academic, press, and industrial communities, and to advise the people in those areas as to the opportunities that exist in Alberta. At a time when Canada is facing economic difficulties, it is our view that we must take advantage of whatever opportunities appear to present themselves in foreign markets, to raise interest in Alberta, to assist in the promotion of Alberta trade, and to encourage investment in this province. To that end these seminars are intended to reach key decision-makers in European, United States, and Far East markets. That does bring about an increase in the spending of this department. We reject the notion that we should stay home a little more. [interjection] I am glad I have the hon. member's attention.

Mr. Speaker, with respect to foreign travel, we had an excellent debate on this subject in the Assembly on March 22, in which the hon. members for Edmonton Norwood and Clover Bar participated. At that time I thought we had a very clear understanding of the policy which we in fact have had in place in this province for many years. There was one element I forgot to mention at that time which has been the subject of some criticism, and I think it would be useful for me to deal with it now; that is, whether or not a spouse should accompany either the Premier or a minister. Out of the 20-odd trips in which I as a minister have been involved travelling outside the province, I have indeed been accompanied by my spouse on three occasions.

DR. BUCK: I think they should go every time.

MR. HORSMAN: Thank you very much. I appreciate the views of the hon. Member for Clover Bar.

There are some occasions when it would not be appropriate, however. But when it is necessary to represent the province of Alberta, particularly on trips such as those engaged in by the Premier, where there are of course official banquets, official functions, and the spouses of the leaders of the other nations or provinces, it is absolutely essential that the spouse accompany the Premier on those occasions — and, I suggest, to a less important extent, where there are official functions of that nature, for minister's wives to accompany them as well. I didn't make that point the other day, but I want to make it now on the record. That has been part of the policy of the government with respect to spousal travel. But in the case of ministerial travel, it is only done with the advice and consent of the Premier when an invitation has been extended not just to the minister but to the spouse as well.

Mr. Speaker, as I indicated, since I became minister of this department I have had about 20 trips, or a little more, outside the province. They have included trips to most of the other provinces and of course to our nation's capital in Ottawa — perhaps more times than I want to go there; nonetheless that's part of my responsibility. There are nicer places in the world to visit. There are nicer places in Canada to visit, including Yellowknife in January. Mr. Speaker, on each of those trips, I have found that dealings with other governments in particular have been very important to me in terms of developing an understanding of their views, particularly the other provinces and territories in Canada, within Confederation.

As well, I want to comment on what might be in the budget that is before the Assembly with respect to projected travel for me as Minister of Federal and Intergovernmental Affairs in the coming fiscal year. First of all, there will be a western premiers' conference, which will take place this year in British Columbia. Announcements will be forthcoming on that in the near future. That of course is a very important conference which takes place on an annual basis. Following that, with respect to dealing with the other provinces in Canada, there will be a conference of the premiers of Canada. That will be held this year in Prince Edward Island.

In addition, I have received invitations from the conference of United States state legislators to attend a conference in the province of Quebec, being hosted for the first time in Canada, and furthermore to attend a meeting of the western state legislators later on in the year. I mention those in particular because not very many people are aware of the fact that there are such bodies. They perform a very useful function in bringing together state legislators and people from the private sector to discuss the development of policies at the state level with respect to their relationships with each other. More and more they have been turning their attention to the provinces in western Canada and seeking the views of provincial governments. In fact our Premier attended a meeting last year in Kalispell of the western state governors, and that was particularly useful in terms of developing a rapport with legislators on the other side of the 49th parallel.

Mr. Speaker, as minister of intergovernmental affairs, I think it is important that I attend meetings of that nature. In fact I was invited to speak as one of the guest speakers at the western state legislators conference in Alaska last fall. I was able to talk about Alberta and Canada, and our relationship with the United States of America, which of course represents our greatest trading partner in the world, with approximately 80 percent of our products flowing south of the border.

I think it would have been the height of foolishness, for example, for the Premier of this province not to have gone to California to discuss the issue of our natural gas exports with the governor there. Stay home a little more, Mr. Premier. Don't

go down to California to protect the interests of our gas producers. What foolishness.

MR. MARTIN: What good did it do?

MR. HORSMAN: What good did it do, asks the hon. Member for Edmonton Norwood. Has there been any legislation introduced in the California Legislature to prohibit or cut back? Has any legislative action taken place? That's the issue.

MR. MARTIN: Are they taking more gas?

MR. HORSMAN: There has been no legislation introduced there to have cutbacks in Alberta's gas flowing into California. That's the issue. That's the proper issue for a leader of government to take, and the Premier was exactly right to have done so.

Mr. Speaker, I am delighted that the hon. member has returned. It stimulates me to debate and to bring the facts before the Assembly.

DR. BUCK: Now tell us about the Olympics.

AN HON. MEMBER: It makes it so easy to look good.

DR. BUCK: What did George learn at the Olympics?

MR. HORSMAN: Mr. Speaker, going on from there to describe what I am likely to do on behalf of this Assembly and the government in terms of travel in the forthcoming year ...

MR. MARTIN: Cut it down a little bit.

MR. HORSMAN: Cut it down a little bit. The hon. member is really not serious, I am sure, because the next point I want to touch upon are the very important ministerial meetings which will take place prior to the 1985 conference of first ministers, dealing with aboriginal rights. Is the hon. member suggesting that Alberta should not be represented in the discussions with other provinces, territories, and aboriginal groups?

MR. MARTIN: Cut down the other travel.

DR. BUCK: Cut the expenses down.

MR. MARTIN: Yes, cut the expenses down.

MR. HORSMAN: Cut the expenses down. Mr. Speaker, that's the next area where it is absolutely essential that Alberta be represented and be fully ...

DR. BUCK: Send Liepert.

MR. HORSMAN: If I could find one, I might send a Liberal. There are some Liberals attending those meetings, at least at the federal government level for the moment.

MR. MARTIN: Liepert.

DR. BUCK: Liepert.

MR. HORSMAN: Oh, Liepert; I'm sorry, Mr. Speaker, I didn't hear the hon. member correctly. I apologize.

We obviously have to go to those meetings, and we have to be well represented and well prepared. It is the role and function of my department, working with my colleague the

Minister responsible for Native Affairs, to be well prepared on those issues.

What else is under consideration with regard to travel? We have offices in Houston and Los Angeles, which serves the Los Angeles-San Francisco area. Those offices are primarily responsible to the Department of Economic Development, my colleague the Minister of Economic Development and the Minister of International Trade. It is the function of intergovernmental affairs to monitor and to operate and provide the administrative support for those areas. I may very well continue my travels to those areas in order to ensure that they feel they have a close tie to this government and that the people who work there understand what we are attempting to do in the world, particularly in the western United States.

I've indicated that there will be seminars in New York, and I will likely attend them. I have been invited to attend the 10th anniversary celebrations which will take place, as I mentioned, in Gangweon province in Korea. No decision has been made as to whether or not I will undertake that, but that is a possibility. I've also been invited to follow up on the visit of the Premier last year to Heilongjiang province in the People's Republic of China. Once again, no decision has been made, but it has been brought home to me in the last few days how important it is that we make such visits. That has been brought home to me in connection with the visits to Alberta of the Shandong acrobatic circus, which performed very recently at the Jubilee Auditorium here in Edmonton and in other parts of Canada, and also in connection with the Chinese trade show, which is the largest trade show ever put on anywhere in the world outside China by the People's Republic of China, and it's going to take place here in Edmonton. I think that those people who suggest ...

DR. BUCK: While you're doing a commercial, the Shumkas are dancing on the 5th, 6th, and 7th.

MR. HORSMAN: Right on. The hon. Member for Clover Bar is quite correct that there's a very major Alberta group called the Shumka Dancers, which will be performing at the Jubilee Auditorium this week. I urge all members take it in if they can.

DR. BUCK: All us Ukrainians thank you.

MR. HORSMAN: Let me just add how good it is to have a group like that representing Alberta and Canada abroad and to show the rest of the world what we have to offer in terms of cultural heritage and cultural diversity here in Alberta. It is the role of this Department of Federal and Intergovernmental Affairs to promote that type of activity in co-operation and consultation with my colleagues in other departments.

So I am enthusiastic, Mr. Speaker, about this budget. I'm enthusiastic about it for many, many reasons as far as activities undertaken by our government. As I have already pointed out, anybody who really wants to understand what we're facing in the world today has to look at what the Provincial Treasurer said on page 13 and page 17. We have got to get out into the world, and we have got to promote and sell Alberta products. We can't sit at home alone, because that's where we will be — sitting at home alone while the world passes us by. If that's any way to stimulate the economy, I'd be mighty surprised.

Mr. Speaker, I have gone on for some time and have not had the opportunity of mentioning my constituency. May I just conclude by saying that 1983 of course saw the 100th birthday of Medicine Hat celebrated extremely well and enthusiastically throughout the year. I am well in touch with my constituents,

and I've been well in touch with them about the budget since it was delivered last Tuesday. I have found very great enthusiasm in Medicine Hat for what is being proposed, not just for Medicine Hat — such things as the new courthouse facility, the river valley park under the Alberta heritage fund, the hospital expansion, the Trans-Canada Highway twinning. I could go on and on to mention the activities that are being proposed in the budget for my own constituency, all of which provide employment opportunities for Albertans. I could add that the \$3 billion capital works projects that are proposed in this budget will provide immense opportunities for employment.

I won't go into some of the other things that I think are needed in my constituency. I'll deal with those directly with my colleagues in the government. Suffice it to say that I'm an enthusiastic supporter of the budget that was brought down in this Assembly last Tuesday by the Provincial Treasurer. Thank you very much, Mr. Speaker.

MR. COOK: Mr. Speaker, it's a great pleasure to be able to address the Assembly on the Budget Address, and I'd like to talk about the budget and its importance to Edmonton. I'd like to take a forward view, in marked contrast to the performance we had from the hon. Member for Edmonton Norwood earlier this afternoon, who was nit-picking, a miserable person who was challenging the investment ...

MR. MARTIN: Just telling the truth.

MR. COOK: ... of budget dollars that would be forward-looking in terms of international trade, contacts with the rest of the world around us ...

DR. BUCK: AGT and ET.

MR. SPEAKER: May I respectfully suggest to the hon. member that while most of what he has said so far has been in order, the idea in the debates is to deal with the members' arguments rather than with their personalities.

MR. COOK: Agreed, Mr. Speaker. I was talking about the miserable arguments that the hon. member had brought before the House.

But shifting gears, I'd like to talk about the budget as one of balance. Mr. Speaker, I think the budget suggests the industrial strategy in place in the province today that is based on natural resources, agriculture, tourism. We're starting to see the importance of engineering and services being marketed worldwide as well. The province is developing its manpower and resources, and has an excellent future.

Mr. Speaker, I'd like to talk about some of the things I think we have to get on with and start looking at. One is that we're going to have a new Liberal administration, for a few months anyway, followed by a new, strong Conservative administration in Ottawa. I think the provincial government should now be looking at developing a strategy to work with the new federal government, trying to develop a taxation and royalty system that will encourage the conventional oil and gas industry in the province. We have to start thinking now about the kinds of objectives we have in those new negotiations that will be coming forward with a new administration in Ottawa. I think there is a growing appreciation that the conventional oil and gas industry in Alberta is the key to the national security of our energy supplies in Canada. Our future is not on the frontiers, in the Atlantic or in the Arctic; rather, further development of the western Canadian sedimentary basin, which has

not been well drilled and which is still good hunting grounds for oil companies.

Secondly, Mr. Speaker, from a national security point of view, our tar sands and heavy oils are potentially there as well. I think they're much more reliable than having our very important energy security dependent on oil wells offshore or terminals close to the coast. The Iraqi-Iranian war has shown what can happen in a period of hostility when your opponent wants to knock you out. It wouldn't take very much for a strike on the Atlantic coast to wipe out pipelines or other ways of transmitting energy from offshore onto the Atlantic coastline. For a number of reasons, I think we have to look at the Alberta basin as being very, very important to Canada.

Mr. Speaker, another area I'd like to touch on is agriculture. As hon. members appreciate, I'm sure, Edmonton Glengarry is a rural constituency. There are two quarter-sections that have not been developed yet, and I think that entitles me to full membership in the agricultural caucus committee of our party. So, being able to comment on that, I'd like to make some points.

First of all, as I believe the hon. Member for Little Bow outlined earlier in the House today, producers have very high input costs right now, and they are being squeezed.

AN. HON. MEMBER: Bow Valley.

MR. COOK: The agricultural sector of the economy does have some important problems, but I think there are some tremendous opportunities available to us here in Alberta. I would like to argue again that agricultural research is probably the key to the agricultural industry in the province. I think we have some fairly serious problems developing in the province: the loss of organic material, some very serious erosion problems, increasing alkali problems in southern Alberta with irrigation. Those all point to the problems not of overuse perhaps, but a more mature agricultural economy. We have reaped the benefits of virgin land that was opened up in the late 1800s and early 1900s. The original materials that we started to work with have largely been stripped out. The organic material that our forefathers were given with the virgin prairie soils has largely been plowed out. The wind and dust storms a couple of years ago in Calgary, when they had to shut down Calgary International Airport for two days because of the dust clouds that were up to 20,000 feet in height, are evidence of that.

We have some problems, Mr. Speaker, but they are also the problems of other countries worldwide. If we can meet those problems and work on solving them, developing new technologies, those new technologies are things that we can export to other countries.

Mr. Speaker, genetic engineering is another area that we ought to be exploring. Last year the United States spent something like \$40 million on genetic engineering research in all of its universities and ag. research stations. Most of the agricultural research in the United States is very similar to Canadian agricultural research. I look at Farming for the Future. Farming for the Future is very important to us, but I am somewhat critical of the orientation of that program. It's very short term. It concentrates on very modest production gains, for example, gained from improved application techniques for fertilizer. Over a period of time, we may get incremental growth of 1 or 2 percent in productivity in the agricultural community with those kinds of research projects, but there are much bigger gains to be made. Those will come from basic research, not from the modest short-term research projects that are undertaken now.

For example, we can make major gains with the development of winter wheat that would be maintained in the Alberta economy. It is now possible to grow winter wheat in southern Alberta, in the Lethbridge area, and producers there can have much greater productivity than their cousins to the north, who are forced to rely on spring wheat. I understand that the difference in production in those two commodities is up to 30 to 40 percent per acre. If we could in a single stroke produce winter wheat in Alberta instead of spring wheat, we could give our producers an extra 30 to 40 percent gain in productivity with that one item alone.

Mr. Speaker, another area that deserves attention is the development of a legume cash crop for the province. We don't have that in our agricultural economy. The Americans and many of our competitors use soybeans. It is both a protein crop and it fixes nitrogen in the soil. As farm input costs are rising, the cost of nitrogen is rising. It follows that if we can produce that nitrogen naturally, without having a cost, and still get a cash crop from the land that year, then we have gained in two ways. We would diversify our agricultural economy by developing something equivalent to a soybean. That product is probably something like a field pea. We aren't doing much major research in that area.

Another area we could be looking at is horticulture and the development of new vegetable strains that are hardy in our climate, that would develop a market garden economy in the province more easily. Horticultural genetic engineering research might allow us to produce peaches, pears, cherries, and things like that in our cold prairie climate. Those things are all entirely possible, Mr. Speaker, and that is where our major research dollar should be targeted, where we can make major gains, not in minor incremental gains in tinkering with the technology we have today.

Mr. Speaker, it's worth noting that Farming for the Future has done some major biotechnological research in this area. Unfortunately a lot of it is being done at the University of Saskatchewan in Saskatoon. Alberta's Farming for the Future program has underwritten a lot of the biotechnological engineering being done there, but it's not being done here at the University of Alberta or the universities here in the province.

Mr. Speaker, the private sector in agriculture has to be congratulated. I'll give as an example the Cormie Ranch in northern Alberta, which has done some very important work in livestock breeding technology. They've been able to produce very significant gains in the weight of their steers and Charolais cattle. Private-sector organizations like the Cormie Ranch should be congratulated, but I think we can do a lot more.

Late last year, Mr. Speaker, the science council in the United States filed a report that I think is going to have major implications for Alberta, and has gone almost unnoticed. It predicted major climatic changes in North America. It predicted that with the increasing production of carbon dioxide materials from the industrial economies we have, there will be a greenhouse effect. In fact we're seeing it now. With a rise in temperature in North America and in Alberta will come problems of desertification in southern Alberta. We will see the great American desert extending its range more into Alberta; we'll have less rainfall and higher temperatures. I think that underpins the very important work being done by the hon. Member for Chinook on

water management and the need for irrigation. If we look over the next 50 to 100 years, and I think we have to, it makes the case that Alberta is going to need to dramatically improve its use of water resources. I think the report of the science council of the United States is very important to this province.

Mr. Speaker, I think we're going to see more evidence of the very skilled manpower we have in this province competing internationally. The Provincial Treasurer noted in his speech that this year, we exported a lot of engineering services and a lot of manufactured goods abroad. In fact almost \$100 million worth of engineering services were exported outside the province. Canada is in a net deficit position on the services account. Canada imports services for engineering, finance, insurance, and a number of other services. We're starting to see that Alberta engineering companies are reversing the trend. I think the reason for it is that Alberta assembled a critical mass of very talented engineers during the boom years — people who are very skilled in water and sewer problems, roads, dams — and those services and technologies are in high demand worldwide.

Mr. Speaker, I'd like to underscore the point that science and technology is probably one of the major keys to Alberta's long-term economic health. We need to do a lot more research in becoming competitive. I think a lot of people might ask themselves, what is high technology? That's a buzzword that is thrown out a lot these days. I think it's the use of research to try to make something you're already doing more efficient, more competitive. I'll give you an example. In forestry a lot of our competitors in the Pacific northwest are using genetically superior strains of seeds on their reforestation projects. In Alberta we largely don't do that. In Alberta what we largely do is gather seed cones at random from the forest floor or from trees. Then we take those seeds to the Vegreville nursery and sprout them and plant the seeds randomly.

I think I have two minutes yet, Mr. Speaker.

The point I'm trying to make is this: a lot of our competitors in forestry are identifying superior types of trees, and they use those seeds and those seeds alone in their reforestation projects. They get a higher growth yield and better use of their land. Here again, Alberta is going to be relying significantly on forestry in the long term for the economic growth we expect, but our competitors are going to out-hustle us in that department because they are going to be using plants that have better productivity than ours do.

Mr. Speaker, there's a lot more I would like to say about this and some other areas. Perhaps at this point, given the time, I should beg leave to adjourn debate.

MR. SPEAKER: Does the House agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. HORSMAN: Mr. Speaker, it is not proposed that the Assembly sit this evening.

[At 5:29 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

