

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, May 7, 1984 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF BILLS**Bill 38****Public Lands Amendment Act, 1984**

MR. WEISS: Mr. Speaker, I request leave to introduce Bill No. 38, Public Lands Amendment Act, 1984.

Three important revisions to the Public Lands Act are proposed. I would like to take this opportunity briefly to outline these to members of the Assembly. First, the government will confirm its policy of not laying claim to the beds and shores of sloughs and other intermittent water bodies. Second, as homestead sales are being eliminated, all future sales will be under the combined farm and homestead development regulations, which are less restrictive in terms of government control over residency requirements and the time of farm development. Third, in keeping with government policy of deregulation, the residency requirement in respect of existing homestead sales contracts will be eliminated. Finally, the management of vacant Crown lands will be improved by providing for the regulation of use on such lands. The other revisions are of a relative landscaping nature and are generally directed toward increasing administrative efficiency.

[Leave granted; Bill 38 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 38 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

Bill 253**An Act to Amend the
Execution Creditors Act**

DR. CARTER: Mr. Speaker, I request leave to introduce Bill No. 253, An Act to Amend the Execution Creditors Act.

The purpose of this Bill is to provide for a garnishee order to continue to be effective against subsequent and sequential payments from time to time, until the amount of indebtedness has been completely recovered.

[Leave granted; Bill 253 read a first time]

head: TABLING RETURNS AND REPORTS

MR. YOUNG: Mr. Speaker, today I wish to file a letter to the Hon. André Ouellet. The letter is the subject of discussion last week, and is in fact the response of Alberta to the International Labour Organisation concerning Bill 44. On Friday, May 4, I received confirmation that it had been forwarded to the International Labour Organisation by the federal Minister of Labour.

MR. RUSSELL: Mr. Speaker, I beg leave to table the response to Motion for a Return No. 164.

head: INTRODUCTION OF SPECIAL GUESTS

MR. KING: Mr. Speaker, today is the first day of Education Week across Alberta. The theme of Education Week in Alberta this year is Education: It's for Me! The theme was chosen to encourage citizens to think about the significance of their own education. Students across the province have used the theme in a variety of activities focussing on the importance of education.

As they did last year, the provincial Education Week committee has sponsored a provincewide art exhibition. Students from all grades were invited to participate. For the first time, children from early childhood services programs were invited to submit class projects. The exhibition also contained a special category for handicapped students, either as a class project or as an individual effort. Outstanding entries are on display in the Provincial Museum of Alberta and will remain there for the duration of the week. I invite you, Mr. Speaker, members of the Assembly, and other interested people, to view the exhibition to see the outstanding skills of Alberta students.

The purpose of Education Week is to highlight education within and beyond the classroom walls. Learning does not end at the classroom door. The committee has sponsored activities which reflect other important aspects of school life. Students will honour special school staff and members of the community with certificates of recognition. The committee also has worked with schools to develop other special events and displays that bring awareness of education programs to their communities.

I'd like to commend the provincial Education Week committee and introduce them to hon. members of the Assembly. Seated in the members gallery are: Sylvia Laarhuis, of the Alberta School Trustees' Association; Vickie Lyall, of the Alberta Teachers' Association; Ed Kilpatrick, of ACCESS Alberta; Lash MacLeod, representing the Alberta Federation of Home and School Associations; and John Barron, of Alberta Education. The chairman of the committee, Joyce Bourgeois, of Alberta Education, is unable to attend this afternoon. I ask the members to rise and receive the warm welcome of the Assembly.

MR. FISCHER: Mr. Speaker, it is my pleasure to introduce to you and to members of the Assembly 60 employment exchange students, 30 from Quebec and 30 from Alberta. They are accompanied by leader Grant Baergen.

Under the student employment exchange program, the 30 Alberta students will be offered jobs with the Quebec government and the 30 Quebec students will be employed by the Alberta government. The program has been running since 1980. It is designed to provide Quebec and Alberta students with meaningful work experience and the opportunity to strengthen their second language skills. In addition to the practical benefits, the program has given participating students a valuable cultural exchange experience. I am sure they will have an exciting time. Je vous souhaite la bonne santé.

They are seated in the members gallery. I ask them to please rise and receive the warm welcome of this Assembly.

MR. MILLER: Mr. Speaker, today I'm extremely happy to introduce to you and to Members of the Legislative Assembly an old friend and former colleague of ours, Dr. Don McCrimmon. Don served in this Legislature for many years and was the former Minister responsible for Native Affairs. He tells me that he is enjoying his retirement very much. He's a great Albertan. I ask that Don stand at this time and be recognized by the Assembly.

MRS. CRIPPS: Mr. Speaker, I'd like to welcome 38 grades 5 and 6 students from the Winfield school in my constituency. They are accompanied by teachers Leo Carigan and Mrs. Mokuruk, and by parents Mrs. Lyons, Mrs. Watson, and Mr. Bergstrom, who is the bus driver. I might say that these are special students, because they're from the school I taught in and where my children went. Would they rise and receive the welcome of the Assembly.

MR. WOO: Mr. Speaker, it's my pleasure this afternoon to introduce to you and to all members of the Assembly a class of 27 grade 10 students from Salisbury Composite high school, which is located in the Edmonton Sherwood Park constituency. The students are visiting the Legislature and attending portions of this session in relation to their social studies unit on government. Accompanied by their teacher, Mr. George Richardson, they are seated in the public gallery. I ask that they stand now and receive the welcome of this Assembly.

head: ORAL QUESTION PERIOD

Private School Curricula

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Education, in Education Week. The report just released by the Committee on Tolerance and Understanding talks about intolerant and unacceptable curricula at some private schools, and I stress "some". One sentence says:

Such curriculum refers to Islam, Buddhism and Hinduism as "false transcendent" religions, and implies that those who follow those religions or those who may be humanistic in their philosophy of life are "godless, wicked and satanical".

My question to the minister is simply this: before this particular release last Friday, were the minister and his department aware that such curricula were being taught?

MR. KING: First of all, Mr. Speaker, I think it is important to emphasize that this document is not a report from the consultative committee. As its cover quite accurately describes it, it is a discussion paper. I make that point because it is important that all members of the Assembly and the public react to it on that basis. For example, it does not contain any recommendations to the government.

With respect to the question about curriculum: if that is characterized as the status of religions other than Christianity, that would not be approved by Alberta Education.

MR. MARTIN: My supplementary question to the minister. In view of the fact that all private schools are approved or prescribed by the minister and an evaluation is done by the Department of Education, my question is simply: why is it that the minister was not aware of the curricula of these private schools?

MR. KING: For the same reason that we're not aware of what all the teachers do in the public school system. We provide a curriculum guide and, for many courses, we prescribe a curriculum of instruction for classes at any grade level in any school, whether it is public or private. We do not limit the use of materials in any classroom to those that are approved by Alberta Education. Teachers in private or public schools are free to use material in addition to what is prescribed by Alberta Education. Quite apart from the use of material, teachers in each classroom in both public and private schools are respon-

sible for their professional practice. Professional practice means certain things to all the teachers in the province.

MR. MARTIN: Mr. Speaker, a supplementary question to the minister. Is a regular evaluation of what are termed Category 4 schools done by the Department of Education?

MR. KING: Mr. Speaker, I understand, although at second hand, that the reference was to Category 1 schools. As are the Category 4 schools, those schools are evaluated regularly — that is to say, annually — by Alberta Education. It may well be that we have to make improvements in our system of evaluation. But at the present time the only schools in the province that are being evaluated on a regular, annual basis by Alberta Education are the private schools in classes 1 or 4. That evaluation doesn't extend to the public schools.

MR. MARTIN: A supplementary question. In view of the seriousness of this matter, what prompt, specific action is the minister going to take to ensure that such curriculum materials are no longer used in this province?

MR. KING: Mr. Speaker, I will be making inquiries of the consultative Committee on Tolerance and Understanding. But I'm not sure we should leap to the conclusion that the situation is serious, because the committee itself, which became aware of it in the course of its proceedings across the province, has not made any report to me about the situation. If indeed the hon. member is correct about the validity and veracity of the work of the committee, then perhaps they would have made a special report to me.

MR. MARTIN: A supplementary question to the minister. I believe Mr. Ghitter's statement which accompanied the release of the report said that the committee felt a sense of urgency about the need to address this issue immediately. Is it government policy that there is no need for an urgent resolution of this controversy?

MR. KING: Mr. Speaker, there is a need for a very careful and constructive resolution of the situation. I consider both those criteria to be more important than urgency until I receive from the committee itself information which suggests that they attach to it a degree of urgency which is not yet evidenced, given the fact that I have received no report from them.

MR. MARTIN: A supplementary question. When they say in a release that it is urgent, I would think that would be it.

My question is: what specific action is the government going to take on the recommendation of the Ghitter Committee on Tolerance and Understanding, that the present system for private schools be abolished and replaced with an alternate school system under the jurisdiction of local public school boards?

MR. KING: Mr. Speaker, as I said a few moments ago, that is not yet a recommendation of the Ghitter committee. I invite the hon. member to reread the discussion paper. It is quite clear that in this paper, the committee is not making recommendations to the government: they are indicating their current disposition, given the work they have done to this point in time. Before coming to a firm conclusion about their recommendations, they are inviting the public to respond. This is not a report, and it does not contain recommendations from the committee to the government.

MR. MARTIN: A supplementary question, Mr. Speaker. Has the minister scheduled any meeting with the Ghitter committee

to review their private school recommendations with them? Has a meeting been set at this point, saying that they pointed out the urgency?

MR. KING: No, Mr. Speaker, there has not been. But it is my intention to organize such a meeting as quickly as it can be organized.

MR. MARTIN: A final supplementary to the minister, rather than going through other questions I was going to ask. I would obviously get the same answer. Now that this discussion paper has been released, when might we expect some action from this government on this very serious matter?

MR. KING: In due time, Mr. Speaker.

MR. MARTIN: Mr. Speaker, I'll move on. In this government, "in due time" seems to be . . .

MR. SPEAKER: Order please.

MR. MARTIN: Yes, order. We'll get around to it in the next decade.

LRT Funding

MR. MARTIN: Mr. Speaker, I'd like to direct my second set of questions to the Minister of Transportation. It's in regard to LRT, about which there has been much speculation recently. Has the government come to any decision at this time about the extension of the six-year urban transportation grant, which provides LRT funding for both Edmonton and Calgary and expires this year?

MR. M. MOORE: Mr. Speaker, the existing program expires at the end of the fiscal year, which is March 31, 1985, and the answer is that the matter is under consideration. I've asked a number of city governments to give me some advice on what they would like to see in a new program, and the matter will be considered throughout the course of this year. I'm hopeful we will be in a position by this fall to make an announcement as to whether or not the program will be continued in some form or another.

MR. MARTIN: A supplementary question, Mr. Speaker. The city of Calgary has said that it must start design work on a number of aspects of the northwest LRT leg by June or July and that land purchases must commence this year. Is the minister in a position to make a commitment today on initial design funding for Calgary, so as to prevent unnecessary delays?

MR. M. MOORE: Mr. Speaker, I've had representations on that matter from a number of members of our caucus and the Legislature from the city of Calgary. I advised them that there is some possibility we might have some announcement of the extension of the existing urban transportation program, or a new program, prior to July. So I want to leave that possibility open.

At the same time, I advised the mayor of Calgary and others that on June 30, if we haven't been able to announce a new program, we will consider whether or not our government could participate with the city of Calgary in covering the engineering costs which might be involved in engineering work carried out from July through to about November. My understanding is that those costs are somewhere in the range of \$3 million to \$5 million. I asked staff of my department to work with the

city of Calgary engineering people to determine more exactly the nature of those costs so we'd be in a position to have some discussions with the city about how those costs might be shared in the event that that's one of the possibilities we follow.

MR. MARTIN: A supplementary question, Mr. Speaker. In assessing whether or not to extend the urban grant program, has the minister done any review of the job creation potential of proceeding with the LRT construction during the current recession, in which costs are considerably reduced?

MR. M. MOORE: First of all, Mr. Speaker, we know there are a good number of engineering firms in Alberta that could surely use additional engineering work. As well, there are contractors in various phases of road construction, and perhaps light rail transit construction, who could very usefully employ people on some of these projects. However, we have to remember that the capital budget of Alberta Transportation in terms of the actual work that might be carried out this year is as large as it's ever been. So while the slowdown in the private sector of the industry has been very substantial, it can't be expected that the government spending would take up all that slack. There obviously has to be some phasing out of the large construction force that existed during the boom years.

I think we're doing our very best to employ people on priority projects, and we'll continue to do so. The hon. member should be aware too that in this sixth year of the urban transportation program, a very, very substantial amount of funding — very close to \$150 million — is going into urban transportation programs at the present time. So there's an awful lot of work going on out there because of Alberta Transportation's capital grants and the capital projects we're carrying out.

MR. MARTIN: One final supplementary, if I may, Mr. Speaker. Just to nail it down a little more, could the minister give us any estimate as to when a final answer on any future urban transportation expansion will be ready for the two cities?

MR. M. MOORE: I guess I'd be repeating myself, Mr. Speaker, but I'm willing to do that. I'm hopeful that by this fall we will have some answer as to whether we're going to have a new or an extension of the existing urban transportation capital program for cities.

Members should be aware and remember that when the program for towns and villages expired a year ago, we went one year without a program, did an assessment of the previous program, and announced a new one on April 2 this year. I don't rule out the possibility that because of the need for capital dollars in other areas, there could be a lull of one year. On the other hand, Mr. Speaker, I'm hopeful — and I've said that to the cities — that we can bring in a new program so that they can keep intact their engineering force that worked for them, private-sector engineers in particular, and all the people who are involved in construction.

MR. LEE: A supplementary, Mr. Speaker. Could the minister indicate what role the legal action by the communities in north Calgary against the current alignment for northwest LRT has played in the decision-making process? Does the minister anticipate that future legal action could hold up the future authorization of any approval by the minister?

MR. M. MOORE: Mr. Speaker, that's an important question. First of all, it should be recognized that the existing six-year urban transportation program provides a situation wherein the councils of the cities in question make the decision with respect

to where funding goes. It wasn't this government that approved funding for LRT *per se* in either Calgary or Edmonton. We approved funding for urban transportation capital projects. There are a number of different categories — arterial roadways and so on — and they're transferable from one program to another.

So in that context, thus far we haven't gotten involved in directing funds to a specific project under the existing program. Consequently we don't get involved in suggesting their funds would or would not flow because the city administration has some problems acquiring right-of-way or that kind of thing. I hope those problems can be resolved at the city level, where they properly belong, and we can continue with funding programs that are viewed by the citizens of Calgary or any other city as very positive programs for their municipalities.

MR. LEE: A supplementary, Mr. Speaker. Could the minister confirm if he is giving active consideration to submissions by members of the Calgary caucus of a proposal for alternative ways of proceeding with northwest LRT other than the full approval of the new or old urban transportation grant program? In other words, is the minister giving active consideration to options other than approval of that full program?

MR. SPEAKER: I suggest the question could stand on its own feet without relating to intracaucus communication or communication between the caucus and the minister. It would be a little unusual for a member of that caucus, having been involved in that discussion, to then ask questions about it.

MR. LEE: Thank you, Mr. Speaker. A further supplementary. Is the minister willing to consider the suggestion by the MLA for Calgary Buffalo of alternative options for proceeding with the northwest LRT, other than approval of the full urban transportation program?

MR. M. MOORE: Mr. Speaker, some members of the Legislature who represent constituencies from Calgary are a little ambitious with regard to their spending plans for LRT, and other things as well. I have to take a rather balanced view of what the members in total request. Generally speaking, I think I can say that I look with some favour upon the requests that have come from most of the reasonable MLAs from the Calgary area.

MR. LEE: Thank you, Mr. Minister. Mr. Speaker, a further supplementary. Could the minister indicate how important a role the decision-making process is giving to the prospect of losing vital expertise in the LRT construction technology area? What role is that playing in the minister's decision-making process at this time?

MR. M. MOORE: Mr. Speaker, I think I answered that previously.

I'd only like to say that the representations from the hon. member have been useful, and they've helped a lot in guiding us toward what I hope will be a good decision.

MR. PAPROSKI: A supplementary to the Minister of Transportation, Mr. Speaker, regarding funding to the Edmonton area. Could the minister confirm that he has had major discussions with either the mayor or representatives from the city of Edmonton with respect to specific funds for LRT in Edmonton?

MR. M. MOORE: Yes, Mr. Speaker, I had a meeting with the mayor of the city of Edmonton about a week ago, and asked

if he would provide some additional information with regard to the council's views with respect to the entire urban transportation plan for the city of Edmonton, not just LRT. I've been advised that council is going to be considering that matter and that further information will be forthcoming in due course.

Western Premiers' Conference

MR. R. SPEAKER: Mr. Speaker, my question was for the Minister of the Environment, but I'll hold that for tomorrow.

I have another question, though, to the acting House leader. It's with regard to the western premiers' conference. I am wondering if the minister could indicate whether an agenda as to what the topics of discussion are at this time can be made available to the Legislature, and if there is some reason that agenda could not be available to the Legislature.

MR. HYNDMAN: Mr. Speaker, as the Acting Minister of Federal and Intergovernmental Affairs, perhaps I can say that that is an issue which relates to this year and subsequent years. I'll take the question as notice. Perhaps the hon. member would like to pose it to the Premier as soon as he returns from the conference, later this week.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. minister who is Acting Premier. Could he indicate the size of the contingent that went to this year's premiers' conference? Last year there was a little concern that 13 went. Maybe there's a luckier and smaller number this year. Could the minister indicate the size of that contingent?

MR. HYNDMAN: I don't have that information, Mr. Speaker, but I'm sure the Premier will be happy to make that information available. I'm sure it would be of a size to ensure Alberta's continued leadership in western Canada.

MR. R. SPEAKER: Mr. Speaker, restraint is of no concern to this government when it's close to their own needs. [interjections]

Could the hon. minister indicate whether the transportation policy of the government of Alberta, as well as Canada as a whole, is one of the items on the agenda?

MR. HYNDMAN: I imagine there certainly would be important discussions relating directly and indirectly to that topic, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the hon. minister indicate whether the government is changing its policy with regard to the Crow rate in the discussions being held by the western premiers? Or is the position of the government the same as it was when agreement was reached with the federal government?

MR. HYNDMAN: My understanding, Mr. Speaker, is that the position is the same as has been clearly enunciated in the Assembly in past weeks by the Premier, the Minister of Transportation, and the Minister of Economic Development.

Private Schools

MR. OMAN: Mr. Speaker, my question is to the hon. Minister of Education. I would like to know if he can tell us the approximate relative per pupil costs for the operation of a private versus a public school, on a yearly basis.

MR. KING: That would be difficult to say, Mr. Speaker. We know that for elementary students, the basic per pupil per annum operating grant provided by the Department of Edu-

cation is approximately \$1,600 to a student in a public school system. The comparable figure is \$1,200 for a student who is attending an approved private school.

In addition to that basic per pupil per annum operating grant, a variety of additional grants are paid by the provincial government. To generalize, you could say that those additional grants are worth between another \$1,000 and \$1,200 per student to public school jurisdictions, including separate school boards. The private schools do not receive any of that additional operating assistance. Thirdly, public and separate schools receive financial assistance for school construction, modernization, and renovation. None of that is available to the operators of approved private schools. Finally, of course, the public school system has access to the local property tax through the supplementary requisition, and that is not available to private schools.

In total, the per capita per annum operating cost of a public school might be said to be in the order of \$3,600 to \$4,000 per year, virtually all of which is paid by the local system of taxation or the provincial system of taxation. The cost of operating a private school is probably in the order of \$3,000 per year for each student in it, of which \$1,200 comes from the General Revenue Fund of the province.

MR. OMAN: A supplementary, Mr. Speaker. I assume we're getting a bargain in that sense.

I don't know if the minister is familiar with an '81 study by Dr. James Coleman, of the University of Chicago, surveying public versus private schools in the United States. I think some 58,000 students were involved. I believe his conclusion was that the private schools generally did much better with much less. Does the minister have any feeling for the same situation here in Alberta, as to whether the private or the public school system is producing more bang for the buck, so to speak?

MR. KING: Mr. Speaker, it would be very difficult to draw any conclusions about the Canadian experience on the basis of American research. There is a strong argument to be made that in many parts of the United States, the public school system is in difficult, if not desperate, circumstances. For a variety of reasons, some of which are financial and some of which are social, there are many, many communities in the United States where large numbers of people have abandoned the public school system and become supporters of private schools.

Fortunately for all of us, there is no evidence that is happening or about to happen in Canada, and it is the responsibility of everyone in this Assembly to ensure that it doesn't happen. Having said that, the basis of comparison between the public and private school systems has to be on very subjective measures: what people want for their children, why they want it, and how they are prepared to participate. I don't think there's much value in attempting to make a comparison on the basis of the dollars invested.

MR. OMAN: A supplementary, Mr. Speaker. I know the preliminary conclusions of the Ghitter report have been referred to, but would the minister care to comment on perhaps that preliminary recommendation of amalgamation of private schools under the public system, with funding of 75 percent? Would it seem fair to the minister — if they were going to be brought under the aegis of the school boards, is it not likely that more funding would eventually be required?

MR. SPEAKER: I have a little difficulty with that question. It asked the minister for pretty much a personal opinion. I don't think it asked him for information which is uniquely within his

possession or that of his department as a result of their official duties. The hon. member might wish to get the information directly from the minister, or rephrase the question in a way more in keeping with the customs of the question period.

MR. OMAN: I'll leave it for now, Mr. Speaker.

Calgary Remand Centre

MR. SHRAKE: Mr. Speaker, I have a question for the Solicitor General regarding an article I read in *The Calgary Herald* on Friday. I understand some of the prisoners in the Calgary Remand Centre — the remand centre is in Calgary Millican, by the way — are sleeping three to a cell, and some of them are sleeping on floors. I wonder if the minister could explain why this situation is occurring.

DR. REID: Mr. Speaker, there has been some past history of overcrowding in the Calgary Remand Centre, I think about two and a half years ago, when indeed consideration was given to some enlargement of the facility or building a second one. More recently there was not overcrowding until the recent episode when the inmates of the remand centre decided to do some interior decorating, at considerable detriment to their living accommodation. A considerable number of them were indeed overcrowded, but it was at their own volition and as a result of their own actions.

MR. SHRAKE: A supplementary question. Do you anticipate early completion of restoring the remand centre, so they're not sleeping on the floor?

DR. REID: Mr. Speaker, I'm not sure I could confirm that they are still sleeping on the floor. Within a few days of the occurrence in the remand centre, most of the units that were damaged were reopened. There were two units that had more damage and which required some plumbing work and other remedial repairs, and I'm not yet sure whether those are available for use. By my understanding, as of last week there was no serious overcrowding in any of the units.

MR. NELSON: Mr. Speaker, I'd like to ask a supplementary of the Solicitor General. Considering the fact that many of the difficulties experienced at the remand centre were self-inflicted by the prisoners, would it not be the minister's instruction to have the people who made the mess sleep in their own slop, rather than having the beds put there?

DR. REID: The situation was that it was inmates who cleaned up the mess — not necessarily those who made it, but they may have been involved. Perhaps I should clarify that the overcrowding has been limited to those who were involved in the disturbance. The other inmates were not involved in the overcrowding as a result of their actions.

Street Assistance Program

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Transportation is with regard to the earlier announcement to counties and MDs across the province that in 1985 contracting should be done by private contractors rather than by their own equipment and machinery that they have in inventory at the present time. Can the minister indicate whether discussions with regard to that announcement have taken place with their provincial executive since the announcement, and if there has been any thought of amending the earlier announcement as indicated?

MR. M. MOORE: Mr. Speaker, that's an important question. When I made those comments in Red Deer at the spring meeting of the Association of MDs and Counties, I said that we would work on ways of phasing in that particular requirement.

It should be made clear as well that I was speaking only about those grant dollars that come from Alberta Transportation for the purposes of capital road work. Depending on the municipality, that's a percentage sometimes less than half of the total work they do. It did not pertain to the unconditional grants that come from the Department of Municipal Affairs or to the tax dollars that the municipality itself raise. In addition to that, I said that because we knew there were some substantial fleets of road building equipment in the municipalities, I would consider some method of phasing in this requirement, beginning in 1985.

After that, about two weeks ago I met with the executive of the Association of Municipal Districts and Counties here in my office. We had a very good discussion about the problems they see with regard to that particular policy. That meeting ended with a commitment by me to have the regional directors in the six regions of the Department of Transportation visit each rural municipality to ascertain what kinds of problems they have in meeting that requirement in 1985. Those meetings are taking place throughout the course of the balance of this month. Then I intend to have a further meeting with the executive of the Association of MDs and Counties to assess all the information that has been gathered from the 48 municipal districts and counties throughout the province.

I'm very hopeful that we will find a way not only to accommodate the policy I announced but to accommodate it in a phased-in fashion, so people who are presently working for the municipal governments won't be disrupted and so there won't be some reason for them to sell equipment that they have only recently purchased. I think it can be worked out, and I might add that the executive of the Association of MDs and Counties were very hopeful that we could work out something that would accommodate all the members.

ORDERS OF THE DAY

MR. SPEAKER: Might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. HYLAND: Mr. Speaker, on behalf of the Member for Bow Valley, I'd like to introduce a school class from Ralston. I hope they're in the gallery; they're behind me, so I can't see. There's a class of 15 grade 8 students from the Ralston school, accompanied by teacher Raymond Reid, parents Mrs. Pauline Elson and Mrs. Jackie Fagg, and bus driver Terry Lamont. I ask the group to rise and receive the warm welcome of the Assembly.

MR. R. SPEAKER: Mr. Speaker, I would also like to take this occasion to introduce two of my guests in the Legislature this week, I guess for Education Week as well: two young students from Vauxhall high school; two independent thinkers, I'd like to say — and small "c" conservatives as well — who work very hard at their tasks. At this time I'd like to introduce Casey

VanderPloeg and Jay VanderGaast. I'd like these two young gentlemen to stand to be recognized by this Assembly.

head: GOVERNMENT MOTIONS

8. Moved by Mr. Crawford:
Be it resolved that the report of the special committee appointed November 21, 1983, for the purpose of recommending to the Assembly the person it considers most suitable for the position of Ombudsman for the province of Alberta, be now received and concurred in.

[Motion carried]

head: COMMITTEE OF SUPPLY

[Mr. Purdy in the Chair]

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

Department of Economic Development

MR. DEPUTY CHAIRMAN: Have either of the two ministers any opening comments?

MR. PLANCHE: Thank you, Mr. Chairman. I think it would probably be more appropriate to make some comments at the close than at the opening, in that it is a staff department and covers such a broad variety of activities. However, before I ask my colleague to make some comments on his portion of the portfolio, I'd like to go on record as acknowledging the exceptional talent and dedication of the officials of the department. They work tirelessly and are very well versed in their particular segments of the Alberta economy, and I'm grateful to them for all the support they've given me. As well, I'd like to comment about the support and faithfulness of the members of my office, who have also served me well. Without them, of course, it would be extremely difficult.

Having said those few words, I look forward to whatever questions are coming, and ask my colleague the Hon. Horst Schmid to make some comments on International Trade.

MR. SCHMID: First of all, Mr. Chairman, I would like to open my remarks with a speech given by the vice-chairman of the Royal Bank of Canada, in which he said that the Pacific Rim market awaited salesmen. He also said that Canadians must develop confidence to deal with people in the world, because 25 percent of the jobs in Canada depend on exports. It's therefore with great pride that I am a member of a department which not only has a fantastic and outstanding sales team of international trade directors and officials but which also has been successfully involved in international marketing for a number of years, especially in the past year.

May I again remind you, Mr. Chairman, that our trade exhibition team took part with me at the offshore technology conference in Perth, Australia. Of the 18 Canadian companies that had stands there, 14 were from Alberta. We expect about \$142 million of business within the next 12 months. Since I mentioned it, I should also say that there was a Canadian stand, supported by the Canadian government. Alone to the end of January '84, in the fiscal year '83-84, the Canadian government supported our Alberta sales efforts with a program of helping exporters go overseas with us on our sales mission,

to the tune of about \$800,000. That co-operation should be highly commended, but it is especially due to the fine efforts of Mr. Doug Branion and Mr. John Grantham, in the offices in Edmonton.

Speaking of Mr. Doug Branion, it is very sad that his ability and his co-operation will be missed, because this summer he is being transferred to another posting. I would therefore like to take this opportunity to publicly thank him on behalf of not only our department but the people of Alberta — and especially the exporters of Alberta — for the fine work and co-operation he has given us during his time and term in Alberta.

Mr. Chairman, not very long ago one of the hon. members of the opposition made a comment about why we didn't spend more time in the United States. I have to say that we do have a number of trade directors covering the United States. Just to show what kind of increase in exports we have had to the United States, specifically the northwestern United States, I would like to quote the following. Manufactured goods to the United States have increased from \$18 million to \$73 million from '82 to '83, and services from \$7 million to \$55 million in 1983. That's in high technology components alone.

I would like to state that increases in exports to other countries are naturally just as important. So to give an idea, within the last three months alone we exported to the United Kingdom a drilling rig to the value of \$1.6 million, a mud system to the value of \$350,000 Canadian, and also down-hole tools to the value of \$1.5 million. The company supplying that happened to be an Edmonton manufacturing company of oil and gas equipment. With our help, the same company was also responsible for exporting \$5 million worth of down-hole tools to the Netherlands.

To give my hon. colleagues an idea of what trade development involves, maybe I could put it this way, as a comparison: in 1982-83 buyer visits, we had 120 delegations coming to the province of Alberta; in the '83-84 fiscal year, 179. In 1983-84 we had 207 companies participating in outgoing missions and expositions, and we handled a total of 379 active export projects through our department. The resulting export sales were \$164 million in '82-83, and \$177 million in '83-84. Mr. Chairman, those are actual sales which were accomplished by the co-operation and co-ordination of the people in our department.

Maybe I should mention a few other sales within the last three months of 1984. Wellheads as well as refinery parts, offtrack vehicles, a fibreboard plant, a slant-hole rig, spare parts, and power tongs were sold to Latin American countries. In this regard, I should mention the co-operation we received from the Export Development Corporation. At one point the export of that slant-hole rig was very much in doubt. Through the co-operation of the EDC, wherein I called the president personally and asked him to see what could be done, because otherwise the sale would be lost, that Medicine Hat company not only was able to get the guarantee from the Export Development Corporation but because of the fast acting of the EDC — they got the approval within a week — a second rig was sold and the first one was already paid for. In other words, the guarantee that EDC gave was very much in order.

Mr. Chairman, one other thing might be of interest to my colleagues. Export in itself is not only selling equipment, not only going out there trying to find customers — and believe me, they won't come here unless we urge them to — but also being aware of the do's and don'ts in other countries. For instance, something as little as giving flowers to people you want to thank: in Malaysia you have to be very sure that they are never in uneven numbers, because that means bad luck; whereas if you give flowers in an uneven number in Germany,

it means that you're not very polite. Also, as some know, you have to be very careful what kinds of colours you use, even for your gift presentation. In some countries, white paper is still thought of as the colour of a funeral.

In some countries, not only in the Middle East, you cannot sit down and in doing so point the sole of your feet at somebody, because that would be insulting. In other parts of the world, especially the Middle East, you have to be very careful not to hand a gift to somebody with your left hand. Because of their background — what the left hand is used for in those areas — it would be considered very rude. The right hand is of course used for eating food and all those kinds of things. Without question, you would be considered a very impolite person. Being left-handed myself, I always have to catch myself putting my left hand wherever it's possible, or hide it away, so I don't use it in any way, shape, or form in countries where it is not allowed.

Mr. Chairman, it should be of interest that when we speak of exports in this case we also now include any kinds of sales efforts we make in other provinces of Canada. I should mention a very successful program under our Mr. Ed Ilnicki and his people, Bob Hunter and Ray Blackburn, who cover Canada as far as the promotional efforts of Alberta manufacturers to other provinces are concerned. To give you just one example, they were so successful in one of the projects they had, incoming buyer missions promoting sales of furniture from Alberta, that they increased sales by up to \$1 million. Before, hardly any furniture was sold from Alberta to other provinces. We now expect to have at least 30 percent of that particular buyer program covered by furniture manufactured in Alberta.

I could go on, Mr. Chairman, but I am sure my hon. colleagues will probably have some questions that I want to get into. Before I do that, I would again like to mention the countless congratulatory letters our department receives — and especially our trade development branch — thanking us, the government and Alberta, for the efforts of support, be it in our exhibitions, in international trade missions, incoming missions, or whatever it may be. To give you an idea, last weekend alone I had to host three different missions: one from Germany, one from Abu Dhabi, and the other one of course was the Chinese delegation that was here. It can be quite crowded sometimes. But we always try to do our best to make sure that the visitors to our province are not only informed of what can be done here, what can be invested here, and what we can sell from here, but especially that they know we return the hospitality they give us when we go overseas.

Having said that, Mr. Chairman, I now want to ask hon. members to continue deliberations regarding our budget.

MR. DEPUTY CHAIRMAN: Vote 1, economic development and international trade ...

MR. MARTIN: I am sure the ministers would like a little more time taken in terms of the estimates, because no doubt it's an extremely important department in both areas. I would like to specifically ask a few questions, make a few comments, and bring it back to some direct questions to the minister.

The first relates to — I know we've had this discussion in the past in terms of the previous estimates. But it is a year later, Mr. Chairman, so I think it's quite appropriate to bring it up again. It has to do with one of the things my colleague advanced as a private member's Bill. We can call it whatever name we want. We've often said that if they want to change any of our Bills around and call them new names, if the government will take the ideas we are completely happy about that.

Mr. Chairman, it seems to me that one of the problems we face — and it was alluded to by the government, certainly the Premier of the province of the day — has to do with the lack of diversification. I know this minister has alluded to that. I certainly know that Vencap is one small step as an attempt to look in that direction. When I go back and look at the budget and recognize that when we take the transfer from the heritage trust fund, well over 50 percent of our revenues comes from the oil and gas industry, a nonrenewable resource — the Premier has made this statement many, many times.

My question will come to the economic council of Alberta. I do not see why the government is reluctant to look at some concept similar to this. It is done by most industrial countries I'm aware of. What they are very pointedly asking for is that we look at what is possible in this province of ours in the near future, and that takes some planning. Mr. Chairman, I know that planning seems to be a bad word. But it seems to me that most private-business people I talk to have to take a look at what's possible in the future. I know that the minister may ultimately say that his department is doing this, and I expect they are doing it. The point I make, though, is that sometimes we can sort of be inward looking if we're just talking among ourselves. That can happen to any group.

The point we make about an economic council of Alberta would be, first of all, to get the best very best possible minds we can and, secondly, to have input from the various segments of the Alberta economy. Who should be there would certainly be debatable. But it seems to me there are some obvious groups. Certainly business, probably small business too — I think sometimes their interests are not altogether the same — labour, farm communities: a number of different groups meeting together quite often. The government does not have to take these ideas. The people in this Assembly and the minister's department are certainly responsible for making those decisions. But surely if we can get a number of ideas and those ideas could be publicized from time to time to give input to all Albertans, then I cannot see how this could not be good in the future.

Mr. Chairman, I sincerely suggest to the minister that one of the problems we've had is that we have not had a long-term project; we have sort of fallen into short-term projects. One of the things that was going to help us out was Alsands, and of course we know what happened there. As a result, we didn't have anything else to make up for it. I know the Minister of International Trade is travelling around the country, certainly trying to bring industry here.

I guess what I am saying, Mr. Chairman, is that there seems to me to be some ad hockery, that we don't have an overall thrust of where we're going. I would again suggest that the economic council — that's what we call it; it can be any name — would not have all the answers. But all of this would hopefully help us devise that plan. Maybe that plan is coming in this new economic resurgence plan the Premier is talking about. That's one of my questions. I think this minister is involved in that. If not, I just want clarification that the Minister of Economic Development is part of that committee. Maybe that's coming. But to this point we have not seen any long-range plan, first of all about what type of Alberta is going to be viable in the future and what types of industries are going to be viable in the future.

With the unemployment we have, it seems to me that if we don't begin to look at some type of project and some types of industries that are going to be around, we're always going to be making quick decisions about industries that come. We're always going to be faced by entrepreneurs coming in and saying: I've got a great idea right now: can you give me some

money quickly? We then have to make a quick decision one way or the other and look at the merits of that individual project. But if we had an overall plan, we'd know if it fits into that plan, and it would be well researched. So, Mr. Chairman, my question on the first part of it has to do with what mechanisms — are there new mechanisms coming up so that we will take a long-term look, if you like, at the economy?

Mr. Chairman, my colleague and I have argued about many things that could be done in the short term. The government at this point perhaps disagrees with it. But we have real concerns about unemployment. The minister probably does too. But it seems to me that there are short-term opportunities we are missing.

We've talked about Ontario Hydro. I think it receives about 25 percent of its coal from western Canada, and the Minister of Energy and Natural Resources has been involved with that. He says there's probably not more there. My question is: has the Minister of Economic Development been part of those talks with the Ontario government and Ontario Hydro? Does the minister see any hope for an increase in that market, in view of the fact, as we've pointed out, that one of the major concerns is acid rain and our coal has a lot less sulphur content? It seems to me one of the bargains, if you like, of Confederation is that as far as I'm concerned we have often helped out central Canada concerns. This certainly should be a bargain for Confederation, even if it is a little more expensive, as I know it is, than from Pittsburg. Perhaps that would be something they owe us in terms of the bargain of Confederation.

I would like to ask the minister about another area, and he alluded to it but maybe he could update us: if there is any more information about the possibility of an inland port here in Edmonton. If there is, good: I will listen to the minister. If not, can he tell us when the government might table a report on the proposed inland container port for the province and perhaps update us in that whole area?

The other area I would like some comments from the minister on, Mr. Chairman, has to do with a heavy oil upgrader. Again, I know this falls under the minister of energy, but like most things, I expect it goes over into both areas. Has the Minister of Economic Development had any discussion about this? Are there any private-sector partners? Is the government prepared to provide indirect financing for a heavy oil upgrader?

There are a number of other areas that we could perhaps go into, but I am certainly interested in those areas. In conclusion, Mr. Chairman — and it comes back to some of the discussion of diversification and the economic council — if one of the minister's answers is going to be, and I expect it is, that his department is carrying on long-term studies dealing with diversification or, to put it another way, dealing with industries that could be viable in the future, could the minister give us an idea of any new ideas we could look forward to that might be on the drawing board, that are not government policy at this point and perhaps require more study, but at least some ideas of some industries that may be viable? Perhaps the minister would update us. I think it's very important to us in this Assembly to know what some of the new ideas being advanced by his department are. I'd be very interested in that.

Another area that just came to me, because I asked it of the Minister of Transportation — and I believe we've had some discussion in the past to see if there is anything new there — has to do with the policy, if I might put it that way, or the possibility of rapid transit between Edmonton and Calgary. There's been a lot of discussion about this. I understand there have been some studies carried out by the minister's department. I'd be interested to see if that's viable, if there's any thought of that occurring in the near or distant future, or are

we going to stay with basically flying back and forth and buses? Is there some initiative in that area?

With those few general comments and more general questions to the minister, I await his reply with interest.

MR. PLANCHE: Mr. Chairman, I'll wait till the end of the questions and reply to them all together.

MR. DEPUTY CHAIRMAN: That's fine.

MRS. CRIPPS: Mr. Chairman, I want to make a few comments. First, I'd like to commend the ministers for their excellent job in promoting Alberta products. I really believe that this is one of the most important initiatives we have in developing a viable economy.

I have a couple of questions, Mr. Chairman, and they relate directly to follow-up of the missions we have to foreign countries. Considering the mosaic of ethnic cultures we have in Alberta, do we have a team of key marketers who can communicate in each and every language for the various countries we're dealing with? It would seem to me that the export of commodities is such a competitive field that we should take advantage of every salesmanship technique we can use. From talking to people, I'm sure that part of the Minister of International Trade's success has to do with his ability to speak many languages and communicate with people in their own language. I would like to know, Mr. Minister, what we're doing to ensure that we utilize the massive cultural group mosaic we have in Alberta, to ensure that we have trade people within the department who can speak to the entrepreneurs of other countries in their own language.

MR. ALEXANDER: I have no great list of questions to ask the ministers, Mr. Chairman, but I thought I'd be remiss if I didn't make at least a comment about the assistance given to the effort at regulatory reform in the province of Alberta by the Minister of Economic Development. I should say while I'm on my feet that, along with the Member for Drayton Valley, I also wish to commend the international sales department, so to speak, for a superb job in encouraging foreign sales and the inflow of capital and business to the province of Alberta. It's an example being watched carefully and followed extensively by many other governments in many other places, I am sure.

As I said, Mr. Chairman, my particular interest is simply to say, on behalf of those of us who are interested in creating a better business environment in the province of Alberta through the reduction of unnecessary, burdensome, and costly regulations, that we owe a vote of thanks to the Minister of Economic Development, whose department sponsors the regulatory reform secretariat. It's his department that has supplied the people power to be able to make the effort as successful as it has been so far and, I'm sure, as it will be as time goes on.

To date, the regulatory reform effort has sent out some 400 letters to businesses and industry groups all around the province of Alberta, who may wish to submit to us their concerns about regulations which cause economic burden and unnecessary aggravation. We've received some 23 briefs from those organizations. Two recent, fairly major and extensive ones are from the Alberta Chamber of Commerce and the Canadian Petroleum Association. Oddly enough, those briefs have contained some reasonably good news. While they tend to spotlight difficulties which businesses have with regulations and regulators, having studied the area for almost a year I'm pleased to report to hon. members that the regulatory environment in the province of Alberta appears to be one of the less burdensome ones in North America. I'm also pleased to report that some of the regulatory

bodies — and I might cite here the ERCB and, to some extent, the PUB — have been singled out by members in the business community as being alert, responsive, and highly qualified agencies whose dynamism has, at times, led them to make their own internal adjustments for the benefit of all concerned. Those are the good news parts.

Of course there are other matters which are stickier. We have some deregulating to do; there's no question about that. It was a thrust in the throne speech. We will continue to pursue those matters which can be solved, to everyone's benefit. Generally speaking, I think the response so far has been very positive. We've met around the round table with three groups so far. We have managed to alleviate some of their concerns. It's my understanding that they left the table more than satisfied with the process, and I hope that eventually we'll be able to meet each one of their concerns. We have other meetings lined up.

I'm pleased to say also that some of the submissions we've had have been based on misunderstandings, misinterpretations and, oddly enough, adherence to regulations which have long since expired. We have been able to solve just through correspondence what the perceived problems were with five of the agencies that have communicated with us, and have not required a meeting. So I think this is a positive initiative, and I want to commend the minister for sponsoring it, for participating in it, for prodding it as far as he has. I hope that in the end we will succeed in creating a more positive environment overall for business to be conducted in the province.

While I'm on my feet, I might say one other thing, and that is that — it has been referred to a little earlier — the minister is involved with economic strategy. While I do not expect him, as others would not, to reveal anything that may be of a confidential nature, it is well known that one of the motors or engines of growth in any environment is the ready availability of adequate finance. I'm interested in the area, and I wonder if the minister would care to comment about the possibility of making the province of Alberta into a more fully integrated, fully rounded financial environment, in which business ideas could come to fruition somewhat more easily, given a more favourable financial climate.

Rightly or wrongly, it has been perceived that due to the recent economic downturn and recession, as a result of new financial realities in the province it has become very difficult to finance innovative entrepreneurial schemes. The catchword of the day is high technology. It seems to be somewhat difficult to find the kind of money that's necessary to make new schemes grow. The problem is not confined just to new schemes. Businesses which have existed for a great many years in this part of the world, some of them very successfully, have found their fortunes rather dramatically changed by recent events. They too have had difficulties getting financing of various types.

As part of our economic strategy, it strikes me that we may well have to take a very hard look at all our institutions, from the Alberta Stock Exchange and the Alberta Securities Commission to the regional banks, the major banks, the new small-business venture funding companies, Vencap — to all the agencies which supply funding to the province of Alberta — to see if we can't supply some kind of not necessarily closed environment but fully integrated and sufficient environment for business to grow in the way in which we all want it to grow. We recognize we're dependent on energy. If we're ever going to outgrow dependence on energy, I'm sure the minister would agree that we're going to have to outgrow our dependence on sources of finance which have a nasty habit of drying up at the wrong time.

If I could leave it at that and invite the minister to make whatever comments he might see fit about plugging the rest of

the holes in the financial net, it seems to me that that, combined with a strong effort at regulatory reform, could do a great deal toward moving this economy down the road to diversification. Thank you, Mr. Chairman.

MR. WOO: Mr. Chairman, I have a number of observations and questions which I want to direct primarily to International Trade, but before I do I have two or three I would like to direct to the Minister of Economic Development with respect to economic development from a provincial viewpoint.

Firstly, Mr. Chairman, I think we accept the premise that for any economic development process to take place in this province, it is advantageous to build upon our strengths. I don't think you can find anyone who will argue against that. I particularly want to briefly focus on the petrochemical industry. I come from a constituency where one of the biggest, if not the biggest, oil and gas complexes in western Canada sits in my backyard. I appreciate the fact that in recent years, a number of major developments have moved in and a number have been contemplated. As I understand it, one of the concerns that arises is that the environment for further development or expansion of present industries is such that it takes away, from a competitive edge point of view, the ability of these companies to either locate or expand present facilities. I think this primarily relates to the fact that the feedstock they depended upon is being provided to these services at an identical cost for the same goods that are exported beyond our provincial boundaries. I wonder if the minister might make a comment with respect to that observation, as to whether or not I am correct in making that assumption.

The second aspect I would like to direct to the minister, Mr. Chairman, is with respect to the theory of natural advantage. I'm wondering if perhaps this particular theory is an inhibitor in terms of attracting new industries to our province or diversifying on the basis of the strength we now already have. I cite that in view of the fact that when you examine the Pacific Rim countries that have reached a high state of industrialization in such a short period of time, many of them since the end of the Second World War, many of these countries do not enjoy the so-called natural advantages we speak of here. When you look at Japan, Korea, Hong Kong, Taiwan, and a number of other nations, for example, where the natural advantage of having these resources there really does not exist, and when you consider the fact that many of these industrial countries have to import almost 100 percent of their energy requirements and almost 100 percent of their natural resources or products required to produce the goods they export, yet at the same time have developed an ability to compete on the international market, somehow or other I have some difficulty rationalizing the argument of natural advantage when we speak about the potential that exists in this province for economic diversification.

The hon. Member for Edmonton Norwood raised a point in terms of an Act or a motion, or whatever it was, that a colleague of his was going to bring forward with respect to the development of an economic council or institute. I very strongly support the principle of such an initiative, although I am being reminded of the existence of a number of institutes and councils of that nature already which really have not accomplished that much. If consideration for such a foundation or framework could be established in this province, I hope the minister might look at the positive values of such an initiative in terms of the involvement of government, industry, the academic area, finance, and certainly labour. If such an initiative were to take place, I think it could provide additional and new benefits to our province and also bring in a new type of thinking in terms

of the determination of an overall provincial economic strategy. I am also reminded that if we find such an approach acceptable, then certainly there has to be a commitment and also a commitment of finances on an equitable basis, not just something that government will provide money for and have such a foundation sitting out there having a good time but really not producing.

I want to make a number of observations and ask a couple of questions with respect to International Trade, Mr. Chairman. I concur in the opening remarks of the Minister of International Trade. I too would like to commend the officials in the federal government that fill the roles of commercial representatives in the various embassies and commissions throughout the world. We have found them most co-operative and up to date on information on the countries in which they are situated. I think that is something that perhaps our own departments of Economic Development and International Trade should consider in terms of strengthening our initiatives in the area of world trade and development, to indeed bring Alberta to a status as a strong competitor in the international community.

I would like to ask either minister to perhaps give an indication to members of the committee of the role of the Alberta offices overseas, in particular the role of the offices located in the Pacific Rim areas. I would appreciate an indication of the activities that are being carried on aside from the public relations aspects of it. I raise this point, Mr. Chairman, with regard to the present situation in the Crown colony of Hong Kong. As we all know, the lease for Hong Kong is now under consideration between the People's Republic of China and Great Britain as to whether or not it will be renewed. The deadline is 1997, and at the moment all indications are that the People's Republic of China will indeed exert its sovereignty over Hong Kong. Because of that type of feeling, we are now seeing a vast exodus of invisible exports exiting Hong Kong and finding a home in North America.

In terms of our Alberta offices overseas, particularly the one located in Hong Kong, it is my understanding that most of the invisible exports and joint ventures now being moved out of Hong Kong are going to the provinces of British Columbia, Ontario, and Quebec. It appears that we in the province of Alberta, with our potential, have not received the share I think we should.

The other area I would like to make a comment about, and direct it perhaps more specifically to the Minister of International Trade, has to do with the University of Alberta. This year we had the first graduating class from the U of A which comprises the Faculty of Law and the Master of Business Administration program. These graduates are unique in the sense that the primary emphasis and focus of their studies has been within the international areas of finance and law. I'm wondering if the minister might not consider the development of an expert nucleus drawn from these students to be placed within the ministries of Economic Development and International Trade, whereby we begin to develop the type of expertise that will provide a complementary service to our domestic firms seeking trade relationships with foreign countries. I think one of the greatest inhibitors in terms of the ability of our provincial and Canadian firms to do business overseas is the lack of understanding of the international laws of different countries in terms of joint ventures, financing, transportation, and so on.

Of particular importance is that these law students can play a type of role similar to that which the American lawyers are doing now in the People's Republic of China. Certainly China has put out a call for a number of foreign lawyers to assist them in the development of their international trade regulations. It would seem to me that with six of the top American lawyers

sitting in Beijing today, Mr. Chairman, it is easy for us to determine which way the balance will be in terms of the types of ventures that take place and toward which country the majority of the trade developments will be slanted.

At the same time, I think there is another component within this particular body of law graduates, and it's something that relates to a subject brought up by the hon. Member for Drayton Valley. There are approximately nine different countries represented by these graduate students. Their native homes cover the Middle East, the Pacific Rim, and Europe. These people speak the languages, have ties back to their home countries, and understand the customs and business ethics of their countries. These people can be of tremendous value in terms of furthering the efforts of both Economic Development and International Trade.

Those are the remarks I have to make, Mr. Chairman. I would appreciate very much if either or both ministers can respond to them during the course of the estimates.

MR. R. SPEAKER: Mr. Chairman, I'd like the Minister of Economic Development to update us on two areas—I understand there were no earlier remarks—the areas of Vencap and the Prince Rupert grain terminal, as to what has happened there.

The other part of my comments are to the Minister of International Trade for Alberta. I'm sorry I was not in the House for the earlier remarks. My guests were talking to the Minister of Education, and that became a very interesting discussion. I remember a year ago, and also two years ago, I was very interested in the work of the Minister of International Trade, because I feel that is a key portfolio of this government. Any type of trade, whether export or import, that can be created by the verbal communications—I guess that's really all the minister has: the capability of bringing various groups together and encouraging them, to talk and make use of the potential not only of Alberta but other parts of Canada, and as well Albertans making use of the products that can be processed in other countries. I'm sure the highlight of that—and I understand that was referred to in the minister's remarks—was the Chinese Alberta trade show. I'm sure that was certainly a highlight in that process.

I want to encourage the minister at this time to continue to work as hard as ever. I'm sure there are limitations on everybody in terms of human capability, but I support what the minister is doing. I think that is just excellent. We certainly need it today in Alberta with the downtime we're having and many of the discouraging things we hear from day to day.

I would like the minister, though, to elaborate on the trade show here, specifically in terms of the goods sold to Albertans. When I had the opportunity of walking through the displays last week, I would say it looked like 75 percent of the merchandise had been sold and had "sold" signs on it. That was impressive. In turn, I was wondering what type of Alberta products were taken by the Chinese people or viewed by the Chinese people while they were here? Were they looking at various innovations, new ideas that we possibly have in Alberta that could be exported for their needs in the province of China? As I noted from some of their maps on display, they have similar types of production in terms of agriculture, oil, and coal, and I'm sure there is technology that could be of use to them. I know the minister would be aware of the interest taken by the delegation in our production here in Alberta. How will we benefit as Albertans?

The other area of comment I would like from the minister is in terms of Alberta's exports to other places in the world. As I look at the statistics over the past two years, I see various things. But in terms of the overall export to other countries,

when I choose a number that I could list for the minister, we have a slight decline rather than an incline. I was wondering if the minister could comment as to the reason for it. Possibly our oil and gas industry has caused that more than anything else.

I've raised the question on earlier occasions as to the co-operation between the federal government and their trade responsibilities, and the responsibilities of the provincial government. Are we co-operating, and is the good co-ordination still continuing?

I would also like the minister to comment on our potential of exports of Alberta goods to other provinces in Canada. What type of work is the minister doing in that area? Most of the news I read and information I hear is that the minister is travelling abroad to the United States or off-continent to do the work in terms of exports. I'd be very interested in the work that's being done in Canada as well as outside Canada.

In the statistics I have reviewed in terms of Alberta's exports to various countries, I note in selecting some of the countries—such as the United States, Japan, Australia, Brazil, the United Kingdom, South Korea, Morocco, the Netherlands, West Germany, Italy, Belgium, the People's Republic of China, France, and the rest of the world—that our export trade has decreased slightly, just a little under 2 percent. When I look at exports to Asian countries, there is a decrease of about minus 1.4 percent. We've had a slight increase in exports to the European community. I'd appreciate the minister's comments as to the reasons for that and what kinds of things are changing there. Our exports to Latin American countries have increased by 1.6 percent. We've had a slight increase in that area. Looking at the Middle East and Arab countries, we've had a 37 percent decline in exports. I'd be very interested in what the minister is finding as to the difficulty. I suspect some of the reasons for that, of course, with the turndown in our oil and gas industry not only here in Alberta but worldwide as well. I would like the minister to comment on that. There were two other areas. In the area of Oceania, there's a 35 percent decrease in exports, but into eastern Europe we've had a 33.6 percent increase in exports, which is impressive. There must be some reasons for that.

Mr. Chairman, those are the three items I would like to raise with the respective ministers for their comment.

MR. OMAN: Mr. Chairman, a couple of very brief observations, first to the Minister of International Trade. I think we see his position as a very vital one in the sense that Alberta obviously very much needs the stimulation of exports and any markets that can be gotten. I think our minister is well chosen for that position. Having been with him on one trade mission, I know that he puts his heart and soul and a few other things into it. I just want to indicate that I am satisfied and pleased with what's happening there, and hope it will continue.

To the Minister of Economic Development. I'm going to precipitate a bit of a war between our two major centres in Alberta; be that as it may, some of it in a bit of fun and some of it serious. One of the things that's pleased me in the last while has been to see that the Research Council is going to have a larger presence in the city of Calgary. I think it's long overdue, and I'm pleased that there is going to be a larger contingent in our city to the south. One of things that's concerned me and, I think, others a little is that the city of Calgary is at a disadvantage by virtue of government investment because the capital is located here and many of the government offices of course are here. So there's a much larger government presence in the city of Edmonton than in the city of Calgary.

For that reason, I would certainly encourage the Minister of Economic Development, when he is looking at things in the research and development area, to look favourably on the city to the south. I know he does. Nevertheless there was some disappointment some time ago when the electronics testing centre was awarded to Edmonton. Recognizing that the good city up here doesn't appreciate its AGT presence as well, we would be happy to welcome further investment in the city to the south. I think Calgary is particularly suited for that sort of thing. It's been a brain trust city, and it's at a bit of a disadvantage as far as heavy industry is concerned. Quite frankly, it's not going to service the oil fields in the north of the province, like the city of Edmonton is poised geographically to do. Therefore we desperately need a few shots in the arm. The recession has hit our city very, very hard.

Over the past number of years, I think people have been surprised to see how well the city of Calgary has done in spite of the fact that it wasn't the government centre. But there is a temptation to say, they've got the head offices of oil companies, banks, and so on, and so be it. We know those head offices have had to scale down considerably. Therefore there is a lot of expertise around the city that is looking and is available for things that are naturally sort of acclimatized for the city of Calgary.

I guess my plea here is that it's Calgary's turn now. As the minister well knows, we have a research and development park as well as a committee that's very active. They have the land, and city council is certainly sympathetic and looking to be co-operative in these areas. I simply urge the minister, as I know he has his heart in there, to look favourably upon the city for further involvement with research and development areas.

Thank you, Mr. Chairman. That's all I have to say.

MR. DEPUTY CHAIRMAN: Would the minister like to respond?

MR. PLANCHE: Thank you very much, Mr. Chairman. I have a fairly lengthy list of notes here. I guess the major disappointment members feel about economic development is the fact that there isn't some kind of announcement coming every week on one issue or another. Our mandate really is to plan in the longer term where the province might best deploy its energies and vitality. If you stand back and think about it, those areas of activity really can be prioritized fairly readily. I'll do that, and then perhaps work my way through the notes and specific questions as they came up, responding in the order I received them.

First of all, I think Alberta now knows very well that we are a commodity exporter. Almost everything we do is affected by prices and demands that are set offshore. That includes commodities from the agricultural sector, coal, sulfur, oil and gas, and forestry products. In fact Canada, as a percentage of its gross national product in international trade, is the highest of any developed country. I think that would be even higher in Alberta because of our interprovincial activity. So the economics of supply are where we must gear our best efforts, and to that end we have been involved in things like the Prince Rupert facility, buying grain cars, encouraging the upgrading of the railroads, being involved in Neptune terminals, and considering a container port and what that might do. So our efforts are geared primarily toward all things that affect the economics of supply. That's the primary and most important function of the Department of Economic Development.

The second most important one would be the issue of diversification of activity. Of course one of the facets of that is export activity. My colleague will be speaking more about that

in a few moments. The other side is the sort of more technical, high value-added, low freight activity that generally tends to revolve around a science policy. Unfortunately it's not measured in terms of its contribution to the Treasury, simply because oil and gas has such a preponderance in terms of its contribution to our Treasury.

In activity, though, I think there is room for a great deal more optimism. In terms of those kinds of activities, we've tended to fund the infrastructure and try to set an environment here where those kinds of activities can prosper and be competitive, recognizing that we don't have any defence spending, aircraft industry, or space industry from which those activities generally are spawned. We have also worked very diligently in terms of setting up an Alberta Research Council, which on a per capita basis certainly has to be the finest research facility in Canada and, I think, just in terms of capital cost, if not the best certainly very close to the best.

In addition to that, we have AOSTRA and the Alberta Heritage Savings Trust Fund medical research. That has been an enormous success because of the certainty of continuity of research funding. If you were to take the time — and I recommend that all members of the Legislature do so — to walk through the U of A and the U of C, you would find something approaching 60 world-class scientists who lead a cadre of post-graduate and undergraduate students, numbering at the U of A at least in excess of 1,000, who are involved in research and development activity.

We have Farming for the Future, that is active in all facets of improving agricultural technical advancement. We've got a food processing lab, and we've got C-FER, whose mandate is to develop both metallurgy and fastening of ferrous and non-ferrous metals in cold weather circumstances. We've got a microelectronics test centre at the U of A which is incredible in terms of its activity, and it's a catalytic role in that sector. Within the Alberta Research Council, we have a facility to test hardwoods and hardwood products. We will soon have the electronics testing centre in place there.

So I think we have done quite a remarkable job with public funds in prioritizing the kinds of activities we might be involved with that don't compete with the private sector but do facilitate the private sector getting up to speed as a competitive sector in advanced technology in North America.

A third priority is of course the financial sector. As my colleague from Edmonton Whitemud has indicated before, you simply can't have a two-legged stool. The financial sector is crucial to Alberta. We are disappointed that the momentum we had toward Alberta being a financial centre and having a prominence — that prominence in North America seems to have flagged and failed a little bit. We are now actively researching the reasons and what we might do to aid and abet not only the regional class A chartered banks but to determine whether or not our regulatory body is hospitable to activities in insurance, in trusts, and in co-op activity. We're also checking to find out whether or not the Alberta Stock Exchange is fulfilling the role it properly should. I think a debate might be had as to whether that exchange should not be a competitor of the Toronto Stock Exchange, with all its rules and prospectus and delays, but tend more toward being a quick turnaround auction of paper to encourage activity that hasn't got a recognized history or a cash flow. It would cover that kind of investment needed in all the sectors of Alberta. I have the view that there is a case to be made for that, and we'll be looking into that.

In terms of what this government might do, we might become involved in rethinking how we're depositing our short-term money, whether or not the treasury branch should be syndicating its loans with the local financial institutions,

whether or not we should be more at risk with our funds in terms of increasing our deposits in those institutions, and whether or not, as the opportunity presents itself for the initial sale of equity issues, this government should be involved as it was in the Bank of Alberta. Surely it's appropriate for us to give the same moral support to our financial sector as it is to our oil and gas sector or our agricultural sector. In many states of the United States, financial institutions within their boundaries are blessed with a variety of advantages that has caused them to grow. Texas is one case in point, where their insurance companies' permissible portfolios are very different depending on whether or not they are incorporated within the state of Texas.

Those are all things I think we should now be considering. I'm of the view that the Heritage Savings Trust Fund can be used very well as an economic development tool in that regard. I think it can be done in such a way that it doesn't interfere with the established institutions or the relationships with clients, but can in fact aid and abet those kinds of institutions that are competitive and who have their management and decision-making within Alberta's boundaries. It should now be abundantly clear that if our fortunes rise and fall on an international market, the financing that our businesses need has to be adjustable for the fortunes of that market. In my view, it isn't good enough to simply have a loan that you have to make a regular payment on once a month whether the fortunes of your market are rising or falling. My judgment is that either the Bank Act, to which the chartered banks must conform, needs to be changed or Alberta will have to rethink its position in terms of how we might become involved to see to it that every time there is a low spot in the business cycle in international commodities, our whole infrastructure is not destroyed. We look forward to continuing conversations with the banks on that issue, and we will watch with some interest how they respond to our initiatives as we bring them forward.

In terms of an economic council, I get the feeling from the comments of the member from Edmonton that his view is that we are not in contact with the private sector. As a matter of fact, we extensively use sectoral associations, the chambers of commerce. When you're forming an economic council, as it were, the difficulty is always to pick players. Who is going to be and who is not going to be, and what kind of call is there going to be on their time in order to sufficiently use them as a resource? My best judgment is that the MLAs should play a very large function in that activity in terms of suggesting what might be done. Certainly I have between 40 and 50 meetings a month with the private sector. They represent all areas of activity, and there is no end to the number of suggestions and proposals they bring forward.

I'm satisfied that if we stay with the basics, direct our activity toward improving an infrastructure and environment for these people to operate within, and show leadership where there is no economic sense in doing it, what we want to have happen will happen. I don't think we can be compared to some of the other countries or jurisdictions around the world where the state gives straight direction. The city of New York has 50 language dailies. I don't know how many there are here, but in Japan everybody speaks Japanese. So we live in a very different environment. I think our entrepreneurs, taxpayers, and citizens would more welcome their freedom to make a variety of choices as to what kind of activity they want to be involved in, and have us support it where it needs support and stand back and clear the way for them to be successful if they can.

I want to comment a little on the issue of whether or not I'm going to be involved in the economic strategy paper. I will be totally involved in that. There will be four of us who, once

we draft a policy paper that includes a science strategy, will be inviting public comment one more time, to be certain that the variations from the Premier's stated policy of the early 1970s, whatever fine tuning there is and whatever additions to those, will be totally acceptable to those people who invest their money and their future in the province.

On the issue of coal for Ontario, there would seem to be an increased opportunity to look at that market in view of the fact that nuclear power has fallen on some technically difficult times. However, it's also well to notice that it's a very long haul for coal. It would take our best BTU coal. The private sector will have to assess what market yields them best at the pithead. It's also well to know that in terms of coal contracts, Ontario Hydro has its own sourcing and positions that it would have to deal with. I'm not directly involved in those negotiations, but surely it's time that in our coal policy we concentrate primarily on the netbacks. The member would know that we have a great deal of coal in Alberta.* If it were moved 500 miles, the freight would cost more than its BTU value in the market. I think in the near future this Legislature will have to address the merits of exporting power to the U.S. in terms of not only coal-fired but hydro, in terms of both long-term uninterruptible and short-term interruptible, as a means of facilitating exports of coal and coal associated activity. They'll have to face the issue of whether or not the trauma of power lines going through agricultural country is a fair trade-off, and whether or not it's a suitable use for our water in areas where coal is in abundance but water may not be. That's something we will have to address, and we'll have to concern ourselves with the benefits we'll have down the road, of bringing completely amortized power facilities into our rate base.

On the issue of Prince Rupert, we have over \$200 million invested. The facility is going to be on time, and if it's going to be over budget, only marginally — and by marginally I'm talking in the order of maybe 1 percent. There are some corrections to be made, and there are some claims and counter-claims for engineering and construction that are minor but would affect that number. I think there will be some trial grain in there late in the fourth quarter of this year to check out the computer systems, and we'll probably be ready for full-fledged activity for 3.5 million tonnes a year shipment by February 1985.

On the issue of Vencap, Vencap was never designed to be something that was going to happen in an hour and a half. I think that a fair time to assess Vencap's activities would be about 18 months from its inception. You must remember, Mr. Chairman, that it is a private-sector activity. It does have some outstanding Albertans who agreed to serve on its board and understand its mandate, but their prime responsibility, as with other activities in Alberta, is to their shareholders. But they understand very well what it was created for. And they understand very well that with that kind of patient, creative financing and the multiple that would give in debt, it does have the potential to bring over \$1 billion in new investment finance to Alberta's companies and will certainly play a major role in balancing the debt/equity ratios that have been so troublesome for us in the last 36 months.

The inland container port — without getting into too much detail because we will soon be negotiating with the two major railroads — will be sited on the strength of its economics. Its sole purpose will be to make the users of our containers more competitive at tidewater. I know he will understand, Mr. Chairman, that it is important that Eaton's doesn't tell the Hudson's Bay what it's doing. But it will be unfolding in an orderly fashion, and the first serious indication of what we have in mind should be public within the next three or four weeks.

*See Hansard May 8, 1984, page 736, left column, paragraph 1

The study of high-speed rail continues. It hasn't become a major expenditure yet, but there are some studies now available indicating that indeed it is an economic probability. It's important to have more definitive studies done on the route and on the cost of routing that in as straight a line as possible between Calgary and Edmonton, minimizing the number of two-level intersections that would be required and being certain that we're minimizing the disruption to agricultural activities. And we would like to have a right-of-way that would accommodate as much communications activity as could be done at the same time. That work is proceeding.

The responsibility for the heavy oil upgrader negotiation lies with my colleague the Minister of Energy and Natural Resources. It's important to note, though, that in its early stages, in the most simplistic terms, it was really a function of financing a project whose revenue would be the difference between heavy oil and processed oil, times the number of barrels a day throughput. If that number did not come to one that was sufficient to service the debt, then we were into a position where the government was going to have to take some risk. The project, after all, will be sited in Saskatchewan and, as someone commented earlier in committee, if we get into the business of doing a lot of guarantees for private-sector activity that don't, at least in the near term, show promise of being financially self-sufficient on their own, then we'll be in the position of having to acknowledge that if you blow enough wind at a turkey, even it will fly. That's not my quotation, but it sort of fills the bill. The offset to that is what the future holds for an upgrader and what the ramifications will be to that industry, as you can best forecast the medium term. Then there's the issue of employment and, as a capital project, what fortunes that will bring to Alberta's fabricators and tradespeople. So my colleague is heavily involved in that.

What new industries might be seen as probable for Alberta in the medium term? I would guess these, and these are not to the exclusion of others. I think our forest industry has a very bright future, I think our dimensional lumber industry has a bright future, and I think housing for export has a bright future. Our pulp and fine paper industry is still facing softer prices than capital costs would justify, but there are some indications that in the near to medium term that won't be the case, and we are blessed with three of the best uncommitted merchantable forests in the free world, in terms of both their fibre length and colour. I guess that we will see a great deal more activity in hardwoods than we've seen. Pelican Spruce Mills is indeed a marvellous step forward for Alberta in consumption of hardwood and production of product.

I think we'll become involved in more petrochemical activity, and I'm going to address the economics of that in a few minutes. I think we'll become bigger exporters of engineering services. We'll be involved in food processing and, I hope, in advanced corn cropping down in the south end of the province. For a variety of reasons I think we'll see a starch plant. Starch is about as important to food processing as ethylene is to petrochemicals. Then of course I think we'll be very good in software, particularly as it revolves around health care and the resource industry.

On the issue of petrochemicals that the Member for Edmonton Sherwood Park brought up — I don't know just how to approach this: it's a very complicated issue in terms of a word picture. Essentially it's this: as the feedstock for petrochemicals is removed from the natural gas stream at the border, natural gas in an equivalent BTU content must be added in order that interprovincial export contracts are honoured. The private sector signed contracts that indicate that the makeup gas must be sold at border price, and that was done at the time

the first straddle plants were put in place. What that means is that in a market that is as soft as this one for petrochemical feedstocks, there is not the possibility of a market-responsive makeup gas pricing structure. In order to do that, this government would have to be involved in the breaking of a private-sector contract.

It would be our hope that the gas industry, as beleaguered as it presently is, would recognize the usefulness of petrochemicals as a customer in an ongoing way for them and, as gas more and more approaches realistic market prices, they would have a very large percentage of their gas committed to by companies who are very close to their wellheads, where they have very low transportation content, and should net them back very attractive wellhead prices and guarantee them security of customers. So I hope the two sectors could work out their problems together and come forward with a recommendation that this government change its legislation for interprovincial gas to be sold at only a border price. The rest of the petrochemical industry, meaning the methanol industry and the fertilizer industry, has price-responsive gas. I'm speaking only of the ethylene-based petrochemical industry.

The petrochemical industry worldwide is of course now going through a serious rationalization — and I've spoken about this in the Legislature before — the issue being that they are getting off naphtha from oil for feedstock and transferring themselves to ethane from natural gas for feedstock. Those countries who are as fortunate as Albertans will be competitors of ours, depending on the amount of gas they have, the security of supply, their politics, and one thing and another over time. The traditional petrochemical producers, however, including the European Economic Community, Japan, and the United States, will be rationalizing to either a balanced export/import of petrochemicals or becoming net importers. Our best judgment is that because petrochemicals generally are led by consumer demand in cars and housing, there will be advance planning for another round of full-scale petrochemical activity in a world sense, probably beginning very shortly for the commencement of construction perhaps in 1988. Mr. Chairman, my forecasting isn't generally very accurate, so a lot of people will be surprised with that date, but that seems to be a sense of it.

The Member for Edmonton Sherwood Park also talked about whether or not there was a reason for us to concentrate on natural advantages in our activities. Frankly, over time in Alberta we have had some experiences with industry that perhaps got encouragement when it wasn't logical to do so, and everyone knows the results of activity that builds around those core industries when the market declines. So surely it's important that we stay with what we do best and try to design policies that include those and other activities around them.

I don't think we can compare ourselves to Asia. For instance, the Asian countries that we're involved in go from one extreme to the other. They go from extreme government presence, as there is in Singapore, Korea, and certainly in the People's Republic of China, to an almost wide-open free society in Hong Kong, where all they have is a flat 17 percent tax. Neither do they have the proliferation of social responsibilities and programs we have that affect their tax load. Almost without exception, I think anyone who has travelled in Asia would agree that their housing is inadequate and that their environmental standards won't remain as they are for too very much longer. So without even trying to pretend that I am a knowledgeable expert on Asia, we're not talking about the same kind of competitive activity.

If I were to comment on the Agent General in Hong Kong, there is no question that he's well accepted. If you were to travel to Hong Kong, you would only get a sense of it by

knowing the key financial people who speak to him by first name as you walk down the street. There is a problem, however: with the lease in some jeopardy, Chinese nationals who live in Hong Kong don't want to give a signal that they are going to betray the business community by moving their investments elsewhere. So they are treating that, in a corporate sense, in a very circumspect manner. They are more likely to invest their private funds than their corporate funds.

In terms of what he has produced in hard activity, you would know that the president of the Far East Stock Exchange is a member of the Bank of Alberta. You may not know that the Far East Stock Exchange directors will be through Alberta early this summer. As late as last week, we had a key financial leader from Hong Kong in the province looking at some resource activities. We just completed a very successful and large trade mission on petrochemicals into the People's Republic of China. Players have been in Alberta several times in the last 12 months looking at resource industry investments and, as late as six weeks ago, we had some investment presence from Manila in agricultural processing in the province. So he has been just a remarkable catalyst for Alberta's presence in Asia.

Mr. Bumstead out of Tokyo has done as well. We have an initiative in home building going into Korea very shortly. We have an opportunity to participate in Korea's total natural gas installation program for domestic and industrial consumption. We have done a very good job in terms of a presence in Gangweon with our cattle station and the impact that's had. I was at a reception put on for the Alberta people at Mr. Steer's, our ambassador in Tokyo. It was clear from that that Mr. Bumstead is held in very high regard and is well known to the leaders of that community.

We think there is potential investment coming from Japan in forestry, certainly petrochemicals, and joint ventures in resources. But in this kind of soft market, decisions for capital investment are being delayed until there is a sense of direction on the United States' economy and interest rates. Since I came back from Asia in January, we have had six trade missions on specific industrial projects from people we invited to come, and there are at least two more due in the short term. That's not any credit to my activities; it's a credit to Mr. Peacock and Mr. Bumstead, and of course Horst's activities in the area.

Someone asked about an international business school. I have long been an exponent of that. I think it's essential for anyone who is going to be a player in the Pacific Rim, who is going to take on the total dedication of New Zealand and Australia and the military presence of the United States in that market, that we have our postgraduate students in business and some of them who have been in business for a while and are prepared to return, to have a home in a school where they can be well versed on the folkways and mores of the oriental business ethic, understanding that orientals have no history in Roman law and have a very different outlook — and are here to stay as players; this is not a passing thing. I think the western world has lived too long with the perception that Asia is not an issue. For over 1,000 years we have quarrelled among ourselves at the exclusion of them. They now are going to be key players in world economics. If we're going to be a partner in that trading basin, it's absolutely crucial that we have some business leaders who are familiar.

My judgment is that it should be a freestanding facility, associated in some way with Advanced Education but not with the budgetary difficulties that Advanced Education has with its annual budget. It needs to be funded in an ongoing way, with a very heavy involvement from the business community, both in terms of lecturing and in terms of employing foreign students in staff jobs within their corporation, in areas that are exciting

to us over time, and trading that activity in Asia so our children and our young businesspeople have an equal opportunity. I think it's absolutely essential.

In terms of the Calgary/Edmonton R and D trade, I'd hate to think that we can't make decisions based on their merits, and some of them are toss-ups. I was disappointed that the R and D activity for heavy oil and oil sands went to Calgary, when I thought it might have been in Edmonton. Edmonton is going to have a heavy industrial presence here over time, because they have the most appropriate river in the heaviest populated part of the province. If you go south from here, water becomes a limitation to industry. I think it would be a shame if Edmonton's balance was too heavily in favour of industry, when they should also have an opportunity to participate in R and D activities.

In the case of the electronic test centre, it was a fifty-fifty judgment. I think the compelling reason for doing it was economic. We can put it in the shelled-in Alberta Research Council facility that's being built in Mill Woods at a saving to the taxpayer and in a shorter time frame. The Alberta Research Council is of course a very appropriate home for that activity because it's nonbiased, at arm's length, and has the professional skill and competence to aid and abet the activity. So I agree wholeheartedly. As a Calgary MLA, I would like to see everything in Calgary. But in my portfolio it's important that I encourage activity in Alberta, and then my colleagues in the Legislature will make the decision as to where its appropriate precise siting should be. Or in the case of the private sector, they will make the siting based on where they can maximize their profits and opportunities.

Mr. Chairman, I hope that covers all the questions. If it doesn't, I welcome a refresher on anything I might have missed. I think my colleague would like to make some comments on international trade.

MR. SCHMID: Mr. Chairman, first of all, I would like to reply to the hon. Member for Drayton Valley regarding follow-up on missions. We are very strong, of course, on the fact that a mission to a country is about 10 percent of the total value of a contract. In saying that, naturally, on opening doors for our companies, we usually tell them we can only lead the horse to water; they have to drink themselves. Thereby, taking them to the different countries, going with them on exhibitions, they all well know that it is then important not only to follow up with the samples they have to show or the technology they have to inform the companies of in other countries but especially to make sure the sharpened pencil is as sharp as possible as far as pricing is concerned.

Also it should be said that we always take at least one person along on a mission who usually imports into Canada from that country and/or has his ancestral home in that country. We have found it most beneficial not only to show the different countries we go to that we are a province, and a country of many nationalities but also because these people usually have contacts that could not otherwise be made. So it is quite often the case that we would be proficient in the language of the country, be it the Far East, Latin America, or in fact anywhere in Europe or the Middle East. It should also be mentioned that the information we have on Alberta in different magazines and information on different technologies we have is usually in the major languages of the world, be it English, French, Chinese, Russian, Arabic, Spanish, and a few others. It's always available to the people of the countries to which we go and when we have incoming missions as well.

I think my colleague replied quite extensively to the Member for Edmonton Sherwood Park regarding the Hong Kong office

and the office in Japan. But maybe it should be mentioned that I'm very impressed with the capacity and role of the international law students at our university here. Not only that, but I think that, as dean, Mr. Frank Jones is not only most supportive of them in his own way, but especially since of course he himself is a lawyer widely experienced in international law.

Of course the involvement of the department is a different matter. As the hon. member well knows, our budget is limited. Sometimes I wish we could have even one extra trade director or one extra assistant to the trade director so the work could be done faster and easier. Because these trade directors, no matter who they are — be they Aki Nawata or Dr. Adorjany or Greg Whyte or Gerry Wolf or Jim Perret — are not only all working very hard but sometimes seven days a week, 12 and 16 hours a day, in order to catch up with the work they have to look after for follow-up on trade missions and/or exhibitions.

I want to say to the Member for Little Bow that the Great Trade Show of China is now history. It closed on Saturday. If he had gone yesterday, he would have seen nothing but empty shelves. Speaking of shelves, I am delighted to be able to say that the Northlands people even bought the display cases, so they don't have to take those back in their containers.

I think the best way to vocalize what the trade show was really all about is if Mr. Lu could be quoted in stating that it was important for China not only to show merchandise here in Canada for North America but also to increase the understanding and knowledge of their country. I'm quite sure that has been accomplished exceptionally well through the co-operation of my colleague the Minister of Education, with having about 60,000 school children go through. Experiencing a few days of that, having been there on afternoons when the students were there, I have to congratulate the teachers for giving the students assignments, questions they should ask and also replies which they had to note in their notebooks. However, imagining about 6,000 students per day at that show, I realize I have to congratulate anyone who is a teacher. I guess I feel a certain amount of compassion for them, because one thing I could never be is a teacher.

Naturally the Member for Little Bow also asked me about the information and results. First of all, I think it was probably most important to them to gain more knowledge about how to market in North America. The merchandise which was sold — curiously enough, there were a few comments in the press about treadle sewing machines and bicycles that were probably not in the modern style. But I understand that a buyer came to the trade fair and bought 500 more of those treadle sewing machines. So there must be a market for them. Also, about a week and a half ago, I was told they were surprised that we were not interested in their cotton products — not the finished clothing but the staples — and I understand all that has been sold. Of course the wooden clocks that were hanging there were immediately sold out; there were not even any available.

What they are doing now — as you know, Mr. Lu from CCPIT, the man in charge of international exhibitions for China, told me he would call all the people involved in the exhibition to Beijing as soon as they leave Edmonton and discuss what commodities sold best, which merchandise was easiest to sell. For instance, they told me that because of our dry climate, they found that the handles on the garden tools they brought along came off much easier than they would have expected. So they're taking them all back to China and, as far as they're concerned, will provide better workmanship rather than sell them here and thereby lose their reputation because of one item that would maybe not have been sold as readily.

To also call on comments made by different people that visited the trade fair, there is no question in the minds of some

of the wholesalers that were there that they found merchandise which was most acceptable to them. Of course to us — when I say to us, to Canada — it was important to at least give the chance for Canadians to purchase equipment, housewares, whatever else there may have been that China hopes to export to North America in repayment, so to speak, for the exports we enjoy, be it wheat, barley, leather goods, or in the future, hopefully, also oil and gas equipment.

Speaking of oil and gas equipment and other exports to China, first of all let me express appreciation again to our Premier for going on a major mission to that country. I personally think — and I expect that my colleague from Sherwood Park would agree — that developing trade with China is a long-term program, a long-term project. It is a country that knows what competition is. It is a country that most of the time accepts the lowest price possible; in fact it's looking for the lowest price. Therefore we will have major competition in that country from other countries, especially the United States, France, and Japan. Hopefully our manufacturers in the area of oil and gas equipment here will sharpen their pencils even more, if in fact they would like to get contracts from China.

As I mentioned in my opening remarks, I should again commend the federal government for the fine work that has been done by Doug Branion here in his office and of course the co-operation we have received from CIDA, where we are able to send somebody once every six weeks to investigate the projects they have available for overseas. EDC has now even opened an office in Calgary on our recommendation. For instance, one example: we had asked the federal government to help us help Alberta companies to be in a major position for a pipeline in India. The Minister of International Trade, Gerry Regan, went over to India to personally speak to Prime Minister Indira Gandhi, and also met us in Thailand and in Perth to support the trade efforts of Alberta. I can assure you that the minister, Gerry Regan, not only co-operates very well with us but has stated quite often, even in Mexico, that in his mind Alberta's trade efforts internationally are the best in Canada. Of course we appreciate those statements very much, because I think our exporters and manufacturers would want to be thought of in that category.

Mentioning trade statistics, Mr. Chairman, I would have to tell the Member for Little Bow that as a result of a trade ministers' meeting in Ottawa, this year we finally achieved the commitment of the federal government to list from now on the point of origin and not the point of lading. For instance, right now you find that sulphur which is being exported from British Columbia actually comes from Alberta. But since the point of lading is Vancouver, that is the statistic that shows, and our statistics are out. A gas compressor that's shipped to the U.S.S.R. is in fact manufactured or machined here in Lethbridge. But because the superstructure is added in Montreal in order to make the freight better, the export shows from the province of Quebec. We are very careful with our statistics, and all we can really do, up to the time the new statistics come out, is go to the companies individually and find out what they have exported.

Therefore to say there's a decrease in exports — yes, there is a decrease in exports to Morocco, but you will find it is sulphur that probably decreased in export. There could be a decrease, let's say, to Germany, but then we find out that actually 80 percent of exports to Germany in the 1982 statistics were coal. So if there's a decrease in coal export because of the lack of steel production, that again would show a decrease in exports.

We know there has been a decrease in exports in oil and gas equipment in general, because of the downturn in the

requirements for oil and gas throughout the world. On the other hand, we were very happy and in fact very encouraged by the increase in export of engineering services. That would just give you some idea. I think I mentioned before that we increased our exports of manufactured goods and services in high technology to Australia and New Zealand from \$3 million in 1982 to \$5.5 million in 1983. We increased the same exports to Hong Kong from nothing in 1982 to \$1.3 million in 1983. I could name a great number of other countries we have started to export high technology, manufactured goods, and services to, be it Korea, Kuwait, Madagascar, Malaysia, Mali, Peru, Singapore, or others.

What I also think is important is our increase in engineering services, which increased by 21 percent. In '82 our total exports of engineering services to various countries was \$83 million; in '83 it was \$100,383,000. We included countries like Costa Rica, Norway, Kenya, Malaysia, Indonesia, Pakistan, and Australia — \$5.2 million to Australia alone. As I mentioned before, Mr. Chairman, it would be very difficult to say why there is a decrease, because the decrease could really have been in a commodity and not in a manufactured item; in other words, in a value-added item, which to us in Alberta is especially important because without any question it creates jobs in our province.

Maybe I should also mention the fine work that is being done in co-operation with the federal government in taking Alberta education overseas. Just now CIDA awarded a \$10 million contract to Advanced Education for educational purposes in the oil and gas industry in Pakistan. I mention that because sometimes our biggest competition is the knowledge other countries have about the oil and gas technology of the United States and/or another country because they have their students in that country. What we have been asked to do and have done, for instance, is to put on a seminar in Thailand for 200 officials and private-sector companies to tell them about the technology available in Alberta, the regulations in Alberta, and how the oil and gas industry in Alberta was developed. Hopefully that will help us get in on the ground floor, so to speak, in order to develop the kind of trade pattern we want to have out of Alberta rather than out of other countries which normally give those kinds of seminars.

Maybe I should go back to our Chinese trade fair. It should be put on public record that as Albertans we owe a great deal of thanks to the Chinese-Canadian welcoming committee, especially Mr. Kim Mah, who were responsible for home visits, field trips, reception and transportation, and other assistance, in fact, in the Forum hotel, where they stayed for the last three weeks; also to mention the fine work Dr. Horner did with the grain growers and transportation display. As you know, we had a hopper car out there, as well as other exhibits — 30 in number, I think — which made a significant contribution to the success of the Canadian content of the exhibition.

Then of course we have to thank Don Hamilton and his Northlands committee for the policy and direction of promotion of the trade fair in general, not to forget president Glen Lavold and general manager George Hughes, as well as Colin Forbes, who initially travelled to China with Mr. Hughes to negotiate the coming of the trade fair to our province. I should also mention Connie Potter, the co-ordinator; Mr. Dick Wong, who helped us here to liaise between the government and Northlands and the Chinese community; and definitely our own Mr. Henry Woo, M.L.A. for Edmonton Sherwood Park, who helped us in the protocol requirements of receiving and sending away our different delegations. [applause] The co-operation between the different departments, chaired by Bryan Edmundson, should also not be forgotten because that again helped make the trade fair the success it was.

Let me repeat to you that without any question our Chinese friends were happy about the results. Our Chinese friends felt very strongly that they had not only accomplished their goal but, more than that, they hope to participate as well in upcoming exhibitions at Northlands to display their goods and services, in smaller ways of course.

I would not want to close my remarks without again thanking our deputy minister, Dallas Gendall, and Clarence Roth, who's up in the gallery, as well as Ken Broadfoot, Erv Lack, and Herman Young, who is in the gallery as well, and Terry Eliuk, Phyllis Ward, Marieke Kortbeek, and all the others who helped make the trade show the success it was. I'm quite sure my executive assistant up there in the gallery, Drew Hutton, sometimes wished his minister would work fewer hours in a day, because he usually had to stick around and make sure all the different items that had to be delivered to the trade show were delivered on time.

Mr. Chairman, I think this covers most of the questions asked. Let me repeat, as my colleague has, that every market, be it Latin America, the Far East, or the Middle East, has its own unique requirements. We cannot possibly hope we could adjust or should in fact use their methods of marketing here in Alberta but rather take our manufacturers to their respective countries and do our best to sell our goods and services.

I would like to make one more comment. Because of the increase the hon. member mentioned regarding the Soviet Union, I would say that about 50 percent of Canada's nongrain trade with the Soviet Union is from Alberta and that is mostly in oil and gas equipment, which for our manufacturers here means more jobs for the people of Alberta and also more jobs for our engineers.

Thank you, Mr. Chairman.

MR. MARTIN: If I could, Mr. Chairman, just a couple of short follow-up questions to the Minister of Economic Development for clarification. It has to do with the comments from the Member for Edmonton Whitemud. I'm aware that there's a caucus committee on deregulation, but I believe the term he talked about as part of the minister's department was "regulatory reform secretariat". I understand 23 briefs on regulatory reform were advanced to this secretariat. If I misunderstood the Member for Edmonton Whitemud, I'm sure the minister will correct me.

My questions to the minister. Would these briefs be made public at any time? If not, why not? It's my understanding that a form letter regarding regulations that cause unnecessary burdens was sent out to some 400 businesses. Would it be possible to get that letter tabled in this House, just to see what was being asked for? The third question: who is on the secretariat? Is it just members from the minister's department?

The other question I have, just to fill us in because the member indicated that the minister is on the committee that is going to be advancing a paper: is it still the intention that the Premier would be tabling that or making some announcement in the spring session about the economic plan for the future, if you like, in Alberta?

The only other comment I would make has to do with the economic council of Alberta. I am well aware that the minister says he is having private meetings. I'm sure he's having private meetings with all sorts of groups advancing their causes. But the point we make about the economic council is that first of all we'd like this to be done in a more organized way, as I mentioned, with some of the best minds possible. That wouldn't preclude the same sorts of meetings the minister is having. Where economic councils are being used, as I understand it, the other advantage is that they present reports — some of them

every six months, others once a year — and that is then made public. Of course the government does not have to take that advice, nor should they if they think it's wrong, because we are the elected members paid to make those decisions. But it does stimulate debate within other groups in society. Out of that debate, when it is made public, perhaps it is better for all of us that we can enter into the dialogue of whither Alberta in the future, if you like. To me that would be one of the advantages. That still would not preclude the MLAs doing their job, as the minister alluded to, and lobbying the minister, and the minister seeing other groups. But it would be another input that I believe other governments have found of some value when we've talked to them. Basically I wanted to narrow down on those three or four questions if I could, Mr. Chairman.

MR. PLANCHE: I haven't had hands-on involvement in the regulatory reform activities other than attending as I'm able. I see no reason at all why I couldn't provide a letter that was sent out requesting input, and I'll have that to your office.

The members of the secretariat are all seconded from Economic Development. They are officials from there; I think there are two men and a lady. If you need more precision on that, I'm happy to get it for you.

On the third one, the representations that come in, I'd like to get some advice from the chairman of the committee as to what manner they arrived in. If it's possible to get them to you, there's no reason why not, providing they arrived in a way that I'm free to make them public.

I appreciate your representations one more time on the economic development committee.

MR. MARTIN: Just to follow up, the one other question, the fourth one, in terms of the paper the minister is working on with the three other ministers.

MR. PLANCHE: The Premier will make the decision as to when he wants to make his first document public. I believe he has made some plans in that regard, but I'd rather he comment.

MR. R. SPEAKER: Mr. Chairman, to the Minister of International Trade with regard to the seminars that are going to be held, I believe it was in Pakistan — is that correct? In that arrangement between the two governments, does Alberta pay part of the cost, and is that budgeted here? Or does the host country look after the costs of that type of invitation? Would the group that will be going to present the seminar be various persons not only from government but also from the private sector that have skills in various areas of technology?

MR. SCHMID: An excellent question, Mr. Chairman. First of all the seminar has in fact already been held in Thailand. It is over. It was a six-week seminar. The only thing I did was open the seminar itself, and I went on at that time on a trade mission to Malaysia. There were professors and private-sector company representatives, paid for by the federal government, to present Alberta's case, so to speak, in technology in oil and gas in Thailand.

The same thing will happen in Pakistan, where again the federal government, under their Canadian international assistance program, will introduce this kind of information in Pakistan. Private-sector and Alberta instructors, trained technologists, and professors will again make the presentations in Pakistan at the cost of the federal government but with Alberta Advanced Education co-ordinating these efforts.

The hon. member asked another question, and since I'm on my feet, I want to reply to him on that. Yes, we do have trade

missions going to other parts of Canada as well, but normally of course these are not publicized. Very much in the same way, those into the United States are also not publicized as much as overseas trade missions.

For instance, as I mentioned during my opening remarks, we had an incoming buy mission for lumber from central Canada. On that one mission alone, they bought over \$1 million in lumber. From now on I expect they will buy at least 30 percent of their lumber requirements from Alberta. I mentioned that last weekend we had four delegations here, and they have now left also. There was a lumber mission from different states of the United States that came to Alberta to familiarize themselves with the lumber products we have from different lumber mills. Again, I'm very confident that additional sales will result from that mission. As in everything else, I think our trade relationship with the United States is such that we normally do not make a big fuss about it. When the people come, we invite them. And of course we go there on missions. We went to Tulare last year for the sale of farm equipment in California. It was very successful as well.

All these different missions are really intended to help Alberta manufacturers, so much so that ministers of the governments of the Atlantic provinces, for instance, do their best to attend the receptions and dinners we give in those provinces for the promotion of our oil and gas equipment. What they're looking for is joint manufacturing or joint ventures in their own province with Alberta manufacturers involved because of their development in the oil and gas sector as well.

Agreed to:

1.1 — Program Support	\$ 3,171,000
1.2 — Planning and Services	\$ 4,889,100
1.3 — Development of Industrial Program	\$ 5,395,800
1.4 — International Trade	\$ 5,388,400
Total Vote 1 — Economic Development and International Trade	\$18,844,300
2.1 — Railway Relocation	—
2.2 — Grain Handling/Storage Facilities	\$53,530,000
2.3 — High Technology	\$ 5,096,000
Total Vote 2 — Financing — Economic Development Projects	\$58,626,000
Total Vote 3 — International Assistance	\$ 7,106,900
Department Total	\$84,577,200

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

[Motion carried]

Department of Housing

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

MR. SHABEN: Mr. Chairman, 1984-85 will be a year of transition for the housing organization of the province, of Alberta. In the current year the province will be involved in fewer than 10 percent of the expected housing starts that will occur, compared to a high of 50 percent of the housing starts that occurred in 1981 and 38 percent of the housing starts that occurred in 1982. The total provincial Housing capital budget will be reduced by 68 percent, from \$644 million in 1983-84 to \$204 million in 1984-85. The Home Mortgage Corporation's

capital budget will be reduced from \$400 million in 1983-84 to \$148 million in 1984-85, and the Alberta Housing Corporation's capital budget will be reduced from \$244.7 million in 1983-84 to \$56.7 million in 1984-85. The total provincial subsidy and operating budget will be reduced by 24 percent from 1983-84 to 1984-85.

Mr. Chairman, seven major housing programs have either been suspended or phased out for '84-85, as well as significant reductions in seven other housing programs. Since Bill 41 was introduced in the Assembly on Friday, members are well aware of the proposed amalgamation of the Alberta Housing Corporation and the Alberta Home Mortgage Corporation, thus reducing the number of housing agencies from three to two.

A number of our major programs continue, Mr. Chairman, but in a much reduced way. I'd just like to note a couple of them. The senior citizen home improvement program, which is so very important — we expect that \$51 million will be required in '84-85, and it will continue to provide assistance for about 50,000 senior homeowners to help them remain in their own homes. The seniors' self-contained program: the total number of units we expect to provide during the '84-85 fiscal year is a maximum of 500; lodge units, a maximum of 110. In the future, it's our intention to support the needs of low-income Albertans, senior citizens, by existing or innovative programs, as required.

A recent development in the housing area that members of the Assembly may not be aware of is an awards of excellence program. That program was announced in March of this year and will provide awards to Alberta builders who provide outstanding homes for moderate-income Albertans. There will be six awards in 1984 and 13 awards in 1985. It will be a way of recognizing excellence by builders in terms of design and value for Albertans.

Another fairly recent program is the beginning of a mortgage insurance program, where we provide mortgage insurance on mobile homes to approved lenders. That program began last year, and there's been a good response to it. What it has done is provide an opportunity for individuals to purchase mobile homes at reasonable interest rates with the capital provided by the private sector.

The essence of the direction the Department of Housing, the Alberta Housing Corporation, and the Alberta Home Mortgage Corporation are moving in is to be supportive of the private sector and to continue to provide and meet the needs of low- and moderate-income Albertans, at the same time reducing the call on the taxpayers to provide this shelter that is so important to Albertans. I believe we can continue to have the best housed citizens in Canada, and yet at the same time reduce the demand on the public purse.

Mr. Chairman, I'm prepared to respond to questions any member may wish to put forward.

MR. NELSON: Mr. Chairman, I just have a couple of very brief comments I'd like to make — no specific questions. As one of the constituencies with probably the largest use of funds from the housing the minister oversees, I guess I'd just like to deal with those people in Calgary McCall who are certainly appreciative of the assistance given them over the years. Over the period of high house prices, high interest rates, and so on, we had a number of people who would not normally have had a home without the assistance given by the department and those people involved with it.

Notwithstanding some of the difficulties that some people have found themselves in — of course some of the difficulties that have arisen have possibly even been passed through to the minister and the many members of his department. However,

most of these get resolved fairly well and, in the main, I think most people become satisfied with those explanations and the reasons for some of the problems they feel have occurred.

Mr. Chairman, I would really be remiss in not thanking the government, the minister, and those people in the Department of Housing for their efforts in looking after some of those people. Of course having the very, very large constituency I have, with all the new development, it sometimes becomes very difficult to answer the many queries people have with regard to housing. Certainly there are still concerns that are prevalent. In many cases, people are still having difficulties meeting mortgage payments. I know the department is making every effort to negotiate and make arrangements so these people can hopefully maintain their homes in some fashion until such time as the economics of the province turn around in such a manner that some of these people will not only be able to catch up on back payments but will also meet their obligations, as I'm sure most of them wish to do.

In conclusion, I would just like to thank the minister and his department for their indulgence in looking after the needs of many constituents, not only in Calgary McCall but throughout Alberta. Without that assistance, many of those people would not have homes and would not have the opportunity to participate as do other people who have the economic ability to do so.

Thank you, Mr. Chairman.

MR. R. SPEAKER: Mr. Chairman, in the last few moments we have, I want to make a philosophic statement first of all. I hope we as legislators and small "c" conservative-minded people have learned a lesson over the last few years with regard to public funding of housing. We see the effects of government interfering with the marketplace. That's what we did. We bowed down to the federal government. I remember the discussion in this Legislature when we were so happy that the federal and the Alberta governments had co-operated in housing programs, when we had spent the most of any government across this country. So we built, and we put in millions of dollars through lending, guaranteeing, and other mediums, and intervened in the private sector. Sure we built buildings, but we're living with the effects of that kind of operation.

Today we have high vacancy rates. We have people who can't pay their mortgages, because they bought homes at costs they couldn't afford when they bought them. Maybe that day both the husband and wife had high incomes, but today they can't afford them. I hear example after example of people walking away from their homes.

This morning a fellow drove me from the little town of Blackie into Calgary. He is very involved in town affairs. We were talking about what's going on in the town of Blackie. A couple of years ago, you couldn't get a place to live in Blackie, because everybody wanted to go out and live in Blackie. You could rent anything you put up, and rent it for a lot of money. I said, what's happening today? He said: we have 18 new homes empty, and this is no different from any other town. What happened? He said: there was money available, and people came out because they thought they could get work; they came out and lived in this community; the government gave them money, easy money; they built nice big homes, and the bottom fell out.

We weren't prepared to adjust in that marketplace. We couldn't. You can look at Calgary, at Edmonton, and at every small town across this province. We're living with the effects of government intervention. My remarks today are that I hope we as people who think in terms of conservatism — and I say that with a small "c" of course — have learned a lesson, that

we don't become tempted when it's easy money. We had lots of money in this province because of oil and gas revenue. We were able to hand out and distribute billions of dollars to many Albertans. We did it, and we forgot our principles.

Most likely I could look back in my remarks when I even supported that kind of thing happening. I can think of one of my speeches in 1975 when I stated very clearly that it was the wrong thing to do. But I'm sure that between '75 and '81, I unfortunately said some things in support of public housing. We forgot what we really stood for in terms of principles when we came to this Legislature. And housing — as I examine these past five or six years of exercise in government — was where we really corrupted the basic tenets we stood for.

My words today are that I hope that's a lesson, that as we administer and as the economy hopefully builds up again, we as legislators, as publicly elected people, don't leap into the breach once more; that we say, look, this time we're going to leave it to the marketplace, leave it to the private sector. And we know that through thick and thin, when it comes out at the other end, it's right.

What did we do? When we made money easily available in the housing market, we increased the price of housing. We're going to live with the same thing in the area of ADC loans as well: we made easy money available. I would have to say that I was very supportive and have helped many, many young farmers gain access to ADC loans. I can remember historically the day we raised the loan from \$30,000 to \$50,000, and one of my hon. colleagues back in the early 1960s said: the day you do that, that makes a quarter of land worth \$50,000, not \$30,000. Within a year, that's the way it was.

When we gave young farmers the ability to buy a quarter of land and have access to \$200,000, what was the going price of land? Two hundred thousand dollars for a quarter section of land that has some irrigation on it. We increased the cost of land. We did the very same thing in the housing field. As I said, we intervened and corrupted the marketplace. As legislators, let's hope that in the future programming in housing — certainly we need some social housing where there are people in need: senior citizens, the disabled. That is a place for government to be involved and to be supportive, to show that we as legislators in this House care and that we can balance our social responsibility with our economic responsibility. But next time around, when we have this opportunity again, let's not go out and say to people that have jobs and have the capability of earning their way: here's some easy money. Let's let them deal with the private banking institutions and provide for their shelter. It would have worked out if we had let things

happen, but we got a little anxious. It was a great political gimmick, and we went for it.

Mr. Chairman, those are my opening remarks at this point in time. I'll adjourn the debate until we return again to Housing.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. CRAWFORD: Mr. Speaker, before the member gives his report, maybe I could ask hon. members to agree that we deem the clock to be stopped when it reaches 5:30, in order that the report can be completed.

MR. SPEAKER: Are you agreed?

HON. MEMBERS: Agreed.

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration the following resolution and reports as follows. Resolved that sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1985, for the Department of Economic Development: \$18,844,300 for economic development and international trade, \$58,626,000 for financing of economic development projects, and \$7,106,900 for international assistance.

The Committee of Supply has had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

MR. SPEAKER: Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it is not proposed that the Assembly sit this evening. Tomorrow evening the House will consider certain Bills for second reading. I want to indicate to hon. members that it is proposed to start tomorrow night with Bill No. 35, the Child Welfare Act. If there is time after that, we will consider Bill No. 8 and those following it in order, so far as the House is able to deal with them in that time frame.

[At 5:31 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]