

## LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, October 17, 1984 2:30 p.m.**

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

## PRAYERS

[Mr. Speaker in the Chair]

MR. HYLAND: Mr. Speaker, I'd like to rise on a point of personal privilege. The hon. Harry Edwin Strom, ex-premier and longtime member of this Legislature, passed away October 2 after a lengthy illness. He was 70 years of age.

Mr. Strom attended school at Burdett and continued his education in Calgary. During this time he took the responsibility, with his brother, of managing the family farm. In 1938 he married Ruth Johnson of Bow Island, and they raised six children in Burdett and Edmonton.

Mr. Strom became active in public life in his early 20s, serving the public in many capacities. He diligently served in the positions of municipal councillor, school trustee, Burdett Home and School Association, director of Forty Mile Rural Electrification Association, and president of the Agricultural Improvement Association of Burdett, and was elected MLA for the Cypress constituency in 1955.

In 1962 the family moved to Edmonton, and he assumed his first cabinet position, as Minister of Agriculture. After six years in the Agriculture portfolio, he served for a short time as Minister of Municipal Affairs. In 1968 he became leader of the Social Credit Party and Premier of the province, a position he held until September 1971. He resigned as leader of the party in 1972 but continued to serve as an MLA until 1975.

In recognition of his service to the people of this province, honorary doctorates of law were conferred upon him by three of Alberta's universities. As well as his numerous community activities, Mr. Strom took an active role in his church. Until 1962 he was chairman of the board of the Evangelical Free Church in Bow Island. While living in Edmonton, he held various positions with the church, including the position of chairman of the Evangelical Free Church of Canada. Since his retirement from politics, Mr. Strom devoted much of his time to the ministry of Hope Mission, serving on the board of directors and acting as chairman of the building committee.

I was pleased that my colleagues in government accepted my recommendation to have the provincial building in Bow Island named in his honour. The building officially opened this summer. Harry was not able to attend the opening, but his wife, Ruth, participated on his behalf.

My most treasured personal memory of Harry occurred approximately three years ago, when I returned to this building one day after the spring session had adjourned. I met him in the lobby, and he introduced me to his friend with the phrase: "Alan took over from me as MLA for Cypress, and he is now looking after our constituents." I am proud to have been a friend and a colleague of Harry Strom.

All members of this Legislature will appreciate the value of his personal commitment to Canada and, in particular, to the province of Alberta. We all join in expressing our appreciation to the Strom family for their part as the support group to a dedicated Albertan, Harry Strom.

Mr. Speaker, in recognition of the time Mr. Strom spent and in recognition of the bomb attempt in England, where one

parliamentarian was killed and others were seriously injured, perhaps we could have a moment of silence.

MR. SPEAKER: Please stand.

[Members observed a moment of silence]

MR. SPEAKER: Please be seated.

MR. R. SPEAKER: With your permission and the permission of the Assembly, I as well would like to make a few remarks in tribute to Harry Strom, who was a former colleague of mine. I would like to make these remarks on behalf of Dr. Buck and myself, as two Independent members of the Legislature and certainly as two former Social Credit members of this Legislative Assembly.

Harry Strom was a very close friend of both Dr. Buck and myself. During those years we got to know the quality of a man who wanted to give service to his friends and to all Albertans. I don't think that at any time in the public career of Harry Strom he had any enemies or anyone who could feel hate or dislike for the man. No matter who it was — no matter what their ethnic background, their cultural background, their economic background — Harry Strom had time to listen and hear what those people had to say and, in a very compassionate way, try to deal with some of the problems they had in their personal lives. I always respected Harry Strom very, very much for that deep quality he had. He transmitted that quality not only into his public life but certainly into his private life and with the many friends he dealt with. He was a very spiritual man who believed and who transmitted that belief not only to his family but to his colleagues in many other walks of life. Harry will always be remembered and highly respected for that.

I had the opportunity of sitting as a cabinet colleague with Harry Strom and, as well, of sitting in Mr. Strom's cabinet. Following his resignation as leader of the Social Credit Party in 1972, we often sat together in caucus and discussed a number of different matters. On one particular day, which I would like to note here in my remarks, I said to Harry Strom: "You are at the completion of a public career, and I would like you to enumerate for me some of the reasons for your successes". Since that day in 1974, I have cherished a note that I have kept in my possession. In this note, which I feel will be a very historic document — certainly it is the document which outlines the quality of the man — he responded to me as follows:

Any success I have had, I owe to the following: first, my parents; secondly, my wife and my own family; thirdly, my past record of service to people; fourth, my continuing service to people; fifth, my choice of party; sixth, continuing credibility.

It's signed, H.E.S. I feel that was certainly a summary of what made Harry Strom such a great man and a great leader in the province of Alberta.

Thank you, Mr. Speaker.

MR. LOUGHEED: Mr. Speaker, I wonder if I might be permitted to reiterate for the *Hansard* record some of the remarks I made publicly on October 3, on the occasion following the passing of former premier Harry Strom.

I had the honour of serving in this Assembly with Mr. Strom for a period of eight years, approximately between 1968 and 1975. During all that period, I very much admired the compassion and integrity of Mr. Strom. He made very significant contributions to the public life of this province as a citizen, a Member of the Legislative Assembly, a Minister of Agriculture and, in due course, as Premier of this province. I believe all

who were involved in this Assembly at that time recognize that in so many ways Harry Strom reflected what was best about the Legislative Assembly of this province: the decorum — the good manners and respect for others — that has been the reputation of this particular Chamber.

On behalf of all my colleagues and the citizens of this province, we issue, as we did at the public service not too many days ago, our condolences and sympathy to the family of Harry Strom, with the hope that they will be able to carry forward the knowledge that they have had as their father and husband a distinguished Albertan and Canadian.

MR. NOTLEY: Mr. Speaker, on behalf of my colleague and myself, may I join the hon. Premier, the hon. Member for Little Bow, and the hon. Member for Cypress in paying tribute to the memory of Harry Strom.

I had the opportunity of serving four years in the House, between 1971 and 1975, with the late Mr. Strom. During those years I had the opportunity to get to know him, and I consider it a privilege. One was always impressed with his very real sense of humility and his concern for others.

When one looks at the way in which the last years of his life were spent helping others who were down and out in a not very fashionable part of our city, I think one gets a sense of appreciation of the depth of this man's commitment to others.

When history looks at the record of those almost three years, with all the partisanship that is part of our system — and we're proud of it — I think it will accord to Mr. Strom a stature as an effective Premier of this province.

I join other members in expressing my colleague's and my condolences to the family, but they have a memory of a life well lived.

MR. SPEAKER: I'm sure it would be the wish of the Assembly, on the basis of the remarks just made and the tributes paid to Mr. Strom, that I send a message to his family, reporting this observance in his honour.

HON. MEMBERS: Agreed.

MR. SPEAKER: Before we go on with the routine of the House, may I also draw to the attention of hon. members the presence at the table of a new Clerk Assistant, Mr. Robert Bubba, whom I would like to welcome here to the Chamber on behalf of all hon. members. As you may recall, Mr. Bubba was formerly editor of *Alberta Hansard*. Prior to that he had a number of years in the service of *Alberta Hansard*. I know that all hon. members would like me to bid him welcome to this Assembly and to wish him great success in this new career of service which he has just undertaken. I know you'll have no trouble distinguishing Mr. Bubba from the other two continuing officers at the table, but perhaps I might ask him to stand momentarily. [applause]

#### head: **TABLING RETURNS AND REPORTS**

MR. HORSMAN: Mr. Speaker, I am pleased to file with the Assembly, and to provide copies for each member, the communiqués originating from the 25th annual premiers' conference, held in August of this year in Charlottetown, Prince Edward Island. The first relates to federal/provincial co-operation, and the second is a communiqué on the economy.

MR. ZAOZIRNY: Mr. Speaker, may I table with the Assembly the 1983 annual report of the Alberta Petroleum Marketing

Commission. Copies have been distributed to members. As well, I'd like to table a reply to Question No. 123 at this time.

MR. DIACHUK: Mr. Speaker, I wish to table with the Assembly copies of the 66th annual report of the Workers' Compensation Board, for the year ended December 31, 1983, as required by statute. That report was distributed to all Members of the Legislative Assembly by a memorandum from my office on June 28, 1984. In addition, as required under section 62(4) of the Workers' Compensation Act, I wish to file four copies of the actuarial evaluation of the board's pension account as of December 31, 1983.

#### head: **ORAL QUESTION PERIOD**

##### **Alberta Economic Conditions**

MR. NOTLEY: Mr. Speaker, I'd like to direct the first question to the hon. Premier. It relates to the serious unemployment problem, the possibility of a tent city here over the weekend, and the construction demonstration just before the Legislature began. My question is: are there any specific plans in place to meet at an early time with municipal leaders in this province to determine whether an inventory of public projects could be pushed ahead to deal with the unemployment crisis?

MR. LOUGHEED: Mr. Speaker, there are no plans of that nature. The government, being involved as it is with a capital budget of some \$3 billion — which, as the hon. leader knows, is the largest in the country — as provided and approved by this Legislature, has ongoing discussions with various community leaders. During the course of my remarks today I'll be reviewing the economic circumstances of the province, including the manpower situation. On October 3 the government brought forward very extensive programs with regard to the issue of manpower in the province, and I'm sure the Minister of Manpower would be prepared to elaborate on any questions.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Premier. Given the possibility of a federal/provincial meeting on the economy, is the government prepared to consider a summit meeting with municipal leaders to determine what action could be taken in concert, in partnership, to alleviate the distressing rate of unemployment?

MR. LOUGHEED: Mr. Speaker, there's certainly no question in our minds that as we approach a first ministers' conference on the economy, which we anticipate would hopefully be held in the early months of 1985, we would have an extensive degree of consultation with various groups in the province, and that would of course include municipal leaders.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Premier. Given the serious credit problems faced especially by small business and farmers, is any consideration now being given by Executive Council to redevelopment of an interest-shielding program with particular reference to farmers and small business?

MR. LOUGHEED: Mr. Speaker, as the hon. leader knows, I reviewed that matter with the select committee on the Heritage Savings Trust Fund and, in my remarks today, will be referring to the extent of concern with regard to the issue of bankruptcy and foreclosures. But essentially, overall, the economy of this province is generally strong, the situation with regard to busi-

ness is strong, and with exceptional cases that I'll refer to in my remarks, there are no immediate plans to bring in such a program.

MR. NOTLEY: Mr. Speaker, one of those exceptional cases is a 1.3 percent decline in consumer spending in August. Would the Premier give the Legislature some indication as to what particular strategy the government has in mind to boost consumer spending? In particular, would the government consider a repeal of the 13 percent increase in personal income tax passed by the Legislature in the fall?

MR. LOUGHEED: Mr. Speaker, the view of the government is that we have to have sound financial management, and nothing is going to give greater confidence to the consumers and investors in this province than an economic situation in which there is sound financial management. This province has the soundest financial position of any province in Canada. There is no question in my mind that that's what the citizens want us to do. In terms of disposable income, the citizens of the province of Alberta have the highest family income of any province in Canada, the lowest rates of taxation, and the highest disposable income. [some applause]

MR. NOTLEY: A fairly weak response by the caucus, I would say.

Mr. Speaker, a supplementary question. Given the rather serious problem with consumer demand and the opposition of his federal colleagues, when in opposition, to the sales tax increase on October 1, could the Premier advise the Assembly if the government of Alberta has given any consideration to advising Prime Minister Mulroney of its opposition to the October 1 sales tax increase because of the impact that will have on consumer demand right across the country, but also in Alberta?

MR. LOUGHEED: Mr. Speaker, I think this is as good a date as any to take the position that our responsibility lies with the people of Alberta. We'll take positions on behalf of the people of Alberta. We will not be answerable for decisions made by the federal government, even though it happens to be of the same political party. We'll have agreements with them; we'll have differences with them. But on October 17, 1984, we will not start being in a position in this Assembly of defending their actions. Sometimes we'll agree with them; sometimes we'll disagree with them.

With regard to the comments on retail trade, I refer the hon. member to the brochure put out by the government of Alberta, indicating the strength of retail trade per person in July 1984 — the second highest in Canada. The figures have now come in on August, and they indicate that Alberta has regained its position at the top on a per capita basis.

DR. BUCK: You're living in an ivory tower, Peter.

MR. NOTLEY: I hope he's going on something other than this brochure.

The Premier's response was very intriguing. However, my question wasn't whether he was always going to support Mr. Mulroney — that was a very interesting answer. My question was: what representation has this government made, either through the Premier or the Minister of Federal and Intergovernmental Affairs, with respect to the impact this 1 percent sales tax increase is going to have on consumer spending right across the country and on making economic recovery more difficult?

MR. LOUGHEED: Mr. Speaker, from time to time we will be making representations on certain decisions that are made by the federal government. I doubt we would make it on a case like that. What I do hope we'll see developing in Canada in terms of federal/provincial co-operation is a getting together of the 11 governments of Canada, working together in terms of fiscal policy and hopefully overall economic policy, so that when the first federal budget does come forward, it reflects the input of the provinces. For our part, we very much want to be at the table and present the views of the citizens of this province.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Premier. What specific steps is the government considering to deal with the plight of farmers facing bankruptcy? We have almost twice as many bankruptcies this year as last year. Will any new programs to help Alberta farmers remain on the land be announced?

MR. LOUGHEED: Mr. Speaker, as I'll note in my remarks this afternoon, there is actually a very small percentage of farm bankruptcies. Going from memory — and subject to double-checking in my notes this afternoon — of some 56,000 farms, there were 48 farm bankruptcies between the period January and August of '84, compared to 31 for the previous eight-month period.

MR. NOTLEY: But the Premier is not talking about the forced sales or the land up for sale. Could I ask the Premier ...

MR. SPEAKER: Might this be the last supplementary by the hon. leader on this topic.

MR. NOTLEY: Mr. Speaker, we have a government position paper on economic and science strategy, 1985-1990.

DR. BUCK: We won't have to worry. They won't be there that long.

MR. NOTLEY: Is there any 1984-85 program of action which this government is going to introduce to deal with the 150,000 people now out of work?

MR. LOUGHEED: Mr. Speaker, I don't think there is a budget that is more effective in creating jobs than our budget of March 27, 1984. It's been supplemented by a number of programs, including the one I mentioned earlier; a number of programs dealing with the current manpower situation were presented by the Minister of Manpower on October 3 of this year. What it in fact does is create some priorities. We welcome debate on those priorities. This government is far ahead of the rest of Canada in its overall commitment to meet the short-term employment situation.

MR. MARTIN: Mr. Speaker, a supplementary question, now that the Premier has brought up this nice little pamphlet that we find very selective and distorted. What assessment has the Premier made of the fact that in one of the sections, Alberta Employment Growth Since 1971, there are only two provinces, even in his own pamphlet, that have actually gone down in employment rate in the country — Alberta and B.C.? Will this trend continue, as the government's figures indicate?

MR. SPEAKER: I have some difficulty with that question. It seems that the most unspecific question one can ask is what assessment is made of something. The last part of it, of course,

is also out of order. But under the circumstances, the hon. Premier might wish to deal with it briefly.

MR. LOUGHEED: I intend to deal at length this afternoon with the situation with regard to employment in the province. The situation is, of course, that there was such an extreme growth in population by in-migration from the other provinces. In the period 1978 to 1982, the population of the province of Alberta increased at the rate of about 16 percent and the rest of Canada at 4 percent. As a result of that very large in-migration, we have now moved from a position of being comparatively low in terms of unemployment to being the average in Canada, which is what the forecast indicated.

The facts of the matter are that there are more jobs in this province, in comparison with the total population aged 15 and over, than in any other province in Canada. That statistic continues to be there, month in and month out. There are more jobs in this province and more people employed in relationship to the working-age population than in any other province in Canada.

MR. MARTIN: They had a saying outside for that sort of rhetoric.

My question comes back to this pamphlet. In a time of restraint, we're told, my question to the Treasurer is: as they tell us how great it is in Alberta, how much did this pamphlet cost us?

MR. HYNDMAN: It was in the range of \$4,000, and certainly was the provision of information which Albertans want. [interjections] They want to know the actual status of the Alberta economy. These are the facts from Statistics Canada. I know they're difficult for the hon. member.

MR. MARTIN: I've got some other facts for you, Lou.

MR. NOTLEY: The hon. gentleman across the way shouldn't go to any more hockey games, with those kinds of answers.

MR. KOWALSKI: Mr. Speaker, a supplementary on this subject matter. Perhaps I could raise the supplementary with the Minister of Manpower.

MR. SPEAKER: Might this be the last supplementary on this topic. I have a number of other members who have not yet asked their first question.

MR. KOWALSKI: Thank you very much, Mr. Speaker. In the last several minutes, in the exchange of questions between the Leader of the Opposition and the Premier, there was some discussion about unemployment rates. The Premier talked about participation rates. This supplementary is to the Minister of Manpower. Is the minister in a position to bring us up to date on what the participation rate is in the province of Alberta, what the employment to population ratio is, and how it compares across the country of Canada? [interjections]

MR. ISLEY: Mr. Speaker, just for the clarity of members, the participation rate is the number of people desiring to be in the work force as a percentage of the population. The participation rate can vary like the unemployment rates, because there are about three different factors that contribute to the calculation. The employment to population ratio, which the hon. Premier mentioned earlier, is a rate that you can compare from province to province without other variables creeping in. The employment to population ratio in Alberta is in excess of 64 percent

— that means over 64 jobs are generated by this economy for every 100 people in the province — and is still by far the strongest in Canada.

MR. HIEBERT: A supplementary question, Mr. Speaker.

MR. SPEAKER: Perhaps we could come back to the topic. I had suggested to the hon. Member for Barrhead that that might be the last supplementary on the topic. There's nothing to prevent the hon. member from coming back to it.

#### Construction Labour Relations

MR. NOTLEY: Mr. Speaker, I'd like to direct my second question to the hon. Minister of Labour. It's with respect to a memo, a copy of which was sent to all hon. members of the House, prepared by George Akins of the construction labour association. Can the minister advise the House whether he knew of the substance of this report to the directors of the Edmonton Construction Association prior to its public release last week-end?

MR. YOUNG: If I understand the question correctly, Mr. Speaker, the hon. Member for Spirit River-Fairview is referring to a memorandum dated March 14, 1984, a report to the directors of the ECA. The answer is, no, I did not know. There are many members of the press who can attest that that is an answer I gave them earlier as well.

MR. NOTLEY: Mr. Speaker, a supplementary question. Will the hon. minister refer this report to the Labour Relations Board for a decision, or is it the government position that the contents of this particular report do not constitute an unfair labour practice?

MR. YOUNG: Mr. Speaker, the judgment as to whether or not it's an unfair labour practice would be one which would be made by the Labour Relations Board if and when it were submitted to that board. It is the policy of the government that, the legislation having been put in place to determine whether a matter is or is not an unfair labour practice, it is up to the aggrieved party to bring it forward. I would expect that if a party feels strongly about it, they will do so. They may already have done so. I have not checked with the Labour Relations Board on the matter in the last 48 hours.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister has indicated he did not see the March 14 memo prior to its release. However, at any time in the last year did the minister have an opportunity to discuss with any representatives from the construction labour association essentially the options that are listed in the memo?

MR. YOUNG: Mr. Speaker, I have had many, many discussions with all parties in the construction industry: unions, contractors, owners, and industrial contractors. Some of these different alternatives have obviously been discussed, because as a government, as a Department of Labour, through the mediation staff, senior officials of the department, and me in my role as minister, we are trying our best to be supportive of the collective bargaining process. We obviously need to know, as best we can anticipate, what in fact is the position of the respective parties, so we would have tried to explore what rationale or motivation, et cetera, would be involved. But in terms of any firm discussion, apart from the objective of sup-

porting the collective bargaining process and trying to anticipate it, the answer is no.

MR. NOTLEY: Mr. Speaker, a supplementary question. What indication has the minister given the association with respect to the construction industry wages Act, as noted in scenario 1(a) on page 2 of this memo?

MR. YOUNG: Mr. Speaker, I regret that I missed a portion of the question, or else I don't understand the question. Could it be repeated, please?

MR. NOTLEY: In his discussions with representatives of the association, did the minister indicate at any time that the government would support a construction industry wages Act, listed there as scenario 1(a)?

MR. YOUNG: Mr. Speaker, I believe the question raised with respect to scenario 1(a) of this document is very analogous, if not identical, to the question considered by the advisory committee on the construction industry, which was convened effectively last December and which I believe reported on April 30, 1984. That committee addressed a question very similar to this and advised the government not to take any action either at that time or until there was further consideration by that committee or its successor with respect to the question.

MR. NOTLEY: Mr. Speaker, a final supplementary question to the minister. Will the government be considering any immediate action to close loopholes in existing labour legislation, which allows such things as indirect hiring to get around collective agreements?

MR. YOUNG: Mr. Speaker, the commitment I have made to the construction industry — and by that I mean the unions, the contractors, and the owners, and basically through this larger committee but at other times as well — is that the government would await the advice of the representatives of the industry as to the reforms, if any, that would be recommended for construction labour relations.

I had a meeting today with some representatives of the Alberta northwest building trades and, as I understand, they wish to follow up with an additional meeting when we have more opportunity, more time to discuss further some of these matters. I should also indicate that if we're going to have an industry consensus, if that were possible, then I would be hopeful that the advisory committee, which should be in place within the next few weeks, would be the group representing the industry to which I would look as the most comprehensive source of advice.

#### **Federal Government Election Commitments**

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. During the recent federal election, the new Prime Minister, Mr. Mulroney, made some very definite commitments to Albertans and western Canadians that will certainly affect the economic well-being of this province. I wonder if the Premier could indicate his plan to this Assembly at this time and whether he will insist to the Prime Minister that those commitments are carried out for the betterment of Albertans.

MR. LOUGHEED: Mr. Speaker, it certainly would be our view that the new Prime Minister fully intends to meet the election commitments he made to Canadians, including those that specifically affect western Canada, those that were announced both

in Prince Albert, Saskatchewan, and at the Red Barn when he was here in early July.

My feeling about it, though, is that it is going to be a matter of full discussion, hopefully between our government and the various ministers. That involves not just energy but agriculture, transportation, and other fields as well, because I took the hon. member's question as relating not simply to one sector but to all the sectors. We anticipate that those election commitments will be met. Certainly it wouldn't be so much a matter of insisting on it, but we would respect the undertaking by the Prime Minister and the government.

MR. R. SPEAKER: Mr. Speaker, a supplementary. Outside of the first ministers' conference and various ministerial meetings, does the Premier intend to arrange a meeting between himself and the Prime Minister to discuss those issues directly so that the groundwork can be established that Alberta is insisting that those commitments be met, for the betterment of Alberta?

MR. LOUGHEED: We certainly have been in communication since the election and will continue to be. It's obvious that with the formation of a new government in Ottawa representing a very strong mandate in all the provinces, that new government, as we know from our own experience, needs adequate time to become well organized, to discuss the matter in its various caucus groups. I haven't any doubt that the 21 Members of Parliament from Alberta share the same views as the member has expressed and I have expressed, in terms of meeting these commitments. We anticipate that the 21 Members of Parliament from Alberta would press forward in their caucus discussions as well.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. There are at least nine commitments in the area of energy, some 10 commitments that we have enumerated in the area of agriculture, and a number of others. In those two specific areas, could the Premier indicate whether we will have some progress with regard to those commitments in the year 1984? Will the Premier be looking at some type of target date, say early in 1985, for a public commitment and a public fulfillment of those promises to Albertans by the Prime Minister?

MR. LOUGHEED: Mr. Speaker, I don't think it would be fair to establish dates. We have made it clear, as I did in a news conference on September 6, that if in the view of the new federal government it was necessary to have more time to become fully acquainted with all the circumstances in terms of the implementation — many of these matters are extremely complex, have a number of variables to them, and have to be looked at in terms of their budget situation — it would not be our view to establish timetables. I think what we want to try to create is an atmosphere of co-operation and consultation between the provinces and the federal government. I don't think one would facilitate such an attitude by establishing target dates or insisting on particular deadlines.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. Very important to the oil and gas industry of this province is the question of the renegotiation and amendments to the national energy agreement and policy. Could the Premier indicate whether there's any timetable specifically with regard to the promises the Prime Minister has made and the changing of that agreement? Is there a timetable in place at the present time?

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

MR. ZAOZIRNY: Mr. Speaker, as members will undoubtedly be aware, there is in place the energy agreement of September 1981 and, within the context of that broad agreement, an amending agreement of June 1983. With respect to the amending agreement, it has in fact stipulated dates of December 31, 1984, with respect to the oil pricing arrangement, and January 31, 1985, with respect to natural gas. Those provisions are in place.

Within the context of those existing agreements, the Premier's comments come very much to the fore, Mr. Speaker: a recognition on our part of the immense complexity of the Liberal NEP — Liberal inspired and NDP supported — and the time that's going to be required to unravel that difficulty.

MR. MARTIN: You were the one hugging him.

MR. ZAOZIRNY: So we intend to proceed in a deliberate and reasoned way to ensure that in a comprehensive fashion, a much better and more effective energy policy for this country emerges.

#### **Western Canada Lottery Foundation**

MR. GOGO: Mr. Speaker, I have a question for the hon. Minister of Consumer and Corporate Affairs. It relates to the announcement last week of the British Columbia government withdrawing from the Western Canada Lottery Foundation. Could the minister advise the Assembly what impact she anticipates this will have on organizations in Alberta that have expectations about increased funding for such events as amateur sports, et cetera?

MRS. OSTERMAN: Mr. Speaker, in the context of the announcement made by me last January with respect to projection of lottery profits for this year, and therefore the expectation that those organizations and foundations would have had, I don't believe there will be any major impact.

MR. GOGO: A supplementary, Mr. Speaker. Reports indicate that some 52 percent of all the lottery sales of the foundation in western Canada are in fact generated by citizens of British Columbia, and that's the rationale given by that government. Is the minister now advising the House that, based on her expectations of those sales, there will be no decrease in allocation to organizations in Alberta?

MRS. OSTERMAN: Mr. Speaker, that's quite accurate. For the information of the House, it's important to note that while British Columbia may have generated some 52 percent in sales — and that's partially because they have more games than the province of Alberta — the returns to Albertans are based completely on those dollars that are wagered in Alberta and, consequently, the same in British Columbia. The 52 percent of the overall foundation business that was generated from British Columbia would have been shared entirely by British Columbians, so there will be no loss to Albertans.

MR. GOGO: A final supplementary, Mr. Speaker. With the withdrawal of British Columbia, can the minister advise the Assembly whether there will in fact be a reduction in the administrative personnel required to run the western Canada foundation?

MRS. OSTERMAN: Mr. Speaker, there may only be a slight reduction. I think it's appropriate to say that we've lost some economies of scale. There will be two parallel organizations in terms of administration in the three prairie provinces which still constitute the Western Canada Lottery Foundation — that does not cease — and the British Columbia lottery, whatever they're going to call themselves. There certainly will be a significant reduction in staff. There were quite a number working in British Columbia for the foundation, so those people's jobs will cease as of April 1, 1985, as will some small administration that would have been attached to them.

#### **Social Problems**

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Social Services and Community Health. It has to do with the broad area of social problems in this time of despair and economic recession. Has the minister developed any plan for relieving the incredible and increasing burden on the food banks in this province?

DR. WEBBER: Mr. Speaker, in terms of social allowance and social allowance programs to Albertans, the hon. member has been reminded in the past — and I'll remind him again — that our social allowance benefits in this province are better than social allowance benefits anywhere else in this country. With the recession we've gone through, there have certainly been many people who have been hurt economically and who have come to our programs for assistance. This is shown in the social allowance caseloads in terms of the number of social allowance recipients we are serving in this province. In addition, I have reminded the member in the past that, in my view and in the view of this government, social problems need to be dealt with in a team-effort way on the parts of government, community, the church, and families. I think that in the last few years we have seen a real effort on the part of volunteers and the people in the community to try to help each other. So the benefits provided by the food bank agency here in Edmonton, in Calgary, and in other places in North America are a demonstration of the efforts on the part of people in the community coming forth to help people the way they can.

MR. MARTIN: A supplementary question to the minister, Mr. Speaker. It's not because they want to; it's economic reality. In view of the fact that Edmonton's Food Bank says that an estimated 40 percent of the people receiving food are under 12 years of age, has the minister had any assessment of this fact, and is the minister's department prepared to do anything about it to help out the food banks?

DR. WEBBER: Mr. Speaker, certainly we have discussions with the Edmonton Gleaners' Association, more commonly known as the food bank. Through the MLAs in the Edmonton and Calgary areas, I've asked for information related to the kinds of people being served by the food banks, and I've gotten a good response. By and large, the people who go to the food banks are there on a once-only basis. As best we can estimate, over two-thirds of the people who have gone to the food banks here in Edmonton have gone there on a once-only basis. I will be having ongoing discussions with the Edmonton Gleaners' Association. We want to keep a close watch to make sure that our social allowance system and our programs do serve the needs of Albertans, so those discussions will continue.

MR. MARTIN: A supplementary question, Mr. Speaker. Maybe they only go once because they starve in the meantime.

The answer I ask for is not discussions. There's despair out there now.

But let's go into a related area. On what at least looks like the first day of winter, has the minister asked his officials for any estimate of how many Albertans are entering the cold months homeless or without secure accommodation?

DR. WEBBER: Maybe I could ask the hon. member if he has any specific examples he'd like to bring to our attention. In the past I've extended to members the invitation that if they know of particular hardship cases, we want to know about them. We will deal with them in the best way we can.

In view of the caseload we have now, it is on track with what we had anticipated, given the unemployment rate and the economic situations we have gone through. There will always be a lag between the number of people who are on social allowance and the time when an economic recovery begins to take place. So in terms of the number of people we are serving, it is on track with what was expected.

MR. MARTIN: Mr. Speaker, I didn't ask if it was on track; I wanted to know if they had any estimate of how many people might be homeless. I guess the answer is no.

I'll ask another question. Has the minister asked his officials for any analysis of why suicides have increased by 35 percent in the city of Edmonton in the first six months of this year as compared to the previous year? In particular, does this assessment conclude one way or the other whether this increase is related to the current depression?

DR. WEBBER: Mr. Speaker, the hon. member is very selective when he picks out his statistics in terms of suicide. If he would examine the suicide statistics over the years, he would find that there is an up-and-down pattern. At the same time as the number of suicides has increased in Edmonton in the first six months of this year — according to the medical examiner's office, from which I believe those numbers came — there's also a corresponding significant decrease in the number of suicides in Calgary. So overall, my recollection is that the numbers are much the same as they were before. However, I would have to check that out further.

In terms of trying to find out the cause of suicides, I'd seek the hon. member's assistance there as well. There are many who have said in the past that when the province was in its boom period, we had a suicide rate that was partially explained by the fact that many people came here with high expectations and, in many instances, those high expectations were not met. Then some of these people — in many cases the same people — are now saying that having gone through the economic recession we had, disruptions of families with lower incomes, in certain instances, and unemployment were explanations for the suicide rate. However, if you examine it carefully over the years, you will see that there are fluctuations, admittedly higher than what we would like to see.

I would also like to point out to the hon. member that we are making a concerted effort to try to cut down on the number of suicides in this province. We have some \$800,000 budgeted for training programs — and these training programs are dealt with by the suicide advisory committee to me — to try to have teachers, social workers, and native people in their communities better able to identify those children who may be at risk. Programs are under way in Fort McMurray, Grande Prairie, and a number of other centres in this province.

We also spend a considerable amount of money in terms of research. In addition to the Heritage Savings Trust Fund moneys that have gone into medical research, we have over \$500,000

specifically earmarked for research in the area of mental health and the causes of some of the mental health problems and diseases that exist. In addition to that, Mr. Speaker, I would indicate that we have in our employ a provincial suicidologist, the only suicidologist employed by any government in this country.

So we are concerned about suicides, and we are making efforts and will continue to make efforts to try to cut down on these unfortunate situations.

MR. MARTIN: If the minister wants my assistance, maybe he can hire me for his media adviser at the same salary.

A supplementary question to the minister, Mr. Speaker. There is a study done by the Canadian Mental Health Association dealing with the effects of unemployment on suicide. He referred to Calgary. The suicide rate in Calgary came down a little partly because unemployment did over the last year.

MR. SPEAKER: If the hon. member could conclude . . .

MR. MARTIN: He asked for my assistance.

MR. SPEAKER: I'm also trying to assist the hon. member. If he could briefly conclude the information he's giving to the Assembly, maybe he could get back to getting information.

MR. MARTIN: A supplementary question, to go into another area. I hope the answers don't require my assistance, Mr. Speaker. An estimated 40,000 women in this city were battered by their spouses in 1983. The Canadian Mental Health Association says that the single best indicator of child abuse is having an unemployed father in the home. My question is: has the minister had his department do any analysis of the relationship between this problem and the economic conditions we face now?

DR. WEBBER: Mr. Speaker, the whole question of family violence has taken a higher public profile in the last few years not only in this province but in this country and also on this continent. Family violence is a multifaceted problem in terms of spousal abuse, child abuse, and incest. I don't believe that in the short term we are going to resolve the problem of family violence in North America or even in this province. However, we have to make attempts in that direction, particularly in terms of dealing with the victims of family violence. In terms of women who have been abused, I believe we have 12 women's shelters in this province. There will be two more coming on stream in the next few months, and there are plans for at least another one. However, even in that area I think it would be difficult to imagine that we would have women's shelters in every community in this province, simply because of the finances that would be required.

We have looked at and have in place a program dealing with family violence, particularly in the rural areas, with a trial we undertook in northeastern Alberta. I know the hon. member would say that that particular trial hasn't met with great success. In my view, one of the primary reasons it hasn't met with great success is its management. That management has been changed, and improvements will be coming about there. But the concept of having satellite homes or refuge centres is an important one that we want to try out in the northeastern part of this province before seeing whether or not it's possible to extend that to other areas in the province.

Mr. Speaker, one could go on for some time in terms of the programs we have in place for victims of child abuse and the perpetrators of family abuse, in terms of counselling, and

there are a number of centres in Alberta where that is taking place. So when the hon. member raised the whole matter of family violence, he raised a most difficult matter. I think the attitudes of North Americans need to be changed before we see significant improvements in cutting down on family violence.

MR. SPEAKER: I'm very much concerned about the passage of time. We've recognized very few members, as a matter of fact. If the hon. Member for Edmonton Norwood has a very brief, genuine question and we could have a very brief, genuine answer, we could then go to the next member.

MR. MARTIN: I'll be very brief, Mr. Speaker. One final supplementary. Is the minister saying that his department has no concrete studies in any of the social problem areas that I've mentioned, showing how they are affected in terms of the high unemployment? Are there any studies done at all in any of these areas?

DR. WEBBER: Mr. Speaker, there are a number of studies in the area of family violence. We have a person in our department — Katrine McKenzie, to be specific — taking on a new post as chairing the committee on prevention of family violence. This particular committee is working closely with the Minister of Advanced Education in his responsibilities dealing with women's issues. So a number of studies have been done. In terms of the causes of family violence, it's very difficult to come to any concrete reasons, although a number of theories relate to some of the reasons for family violence.

MR. SPEAKER: The hon. Member for Clover Bar followed by the hon. Member for Red Deer.

DR. BUCK: Mr. Speaker, I'll hold my question until tomorrow.

#### **Ambulance Services**

MR. McPHERSON: My question to the Minister of Hospitals and Medical Care relates to the recent tragic events which have raised some questions about the training level of ground ambulance operators in the province of Alberta. Have those questions or concerns caused the minister to review provincial support of a provincewide ground ambulance training program?

MR. RUSSELL: Mr. Speaker, I think the impression out there is that the government doesn't in any way support ambulances as part of our health care system, and that is simply not correct. Our contribution toward the support of ambulance services is very significant. That must be put against the background of the broadest array of medical services and total capital and operating support for all the hospital boards in the province, giving us in effect the best supported, by way of finances, health care system of any of the provinces.

The issue being raised is that not enough is being done, that we should take on ambulance service as yet another provincial responsibility. That's one of the very, very few health care services that is left as a matter of local autonomy. It's done because it is, after all, an insurable service. It is left to the citizens of a local community what level and kind of service they want and to what extent they're willing to provide for it by way of public financing. Then of course citizens have the option of insuring the cost of that service if they use it.

Aside from that, all interhospital transfer as well as our very effective air ambulance program are totally paid for by the province. Those two programs themselves are worth in excess of \$10 million in the current year. I add to that the very effective

training programs for paramedics carried on by our two technical institutes. We're now graduating about 50 graduates a year.

So the contribution by the province and the framework in which it is supposed to operate are very significant. I think it's proper that citizens of communities should decide for themselves what ambulance services they want in their communities.

MR. McPHERSON: A supplemental, Mr. Speaker. If the responsibility is with the municipality, is the minister aware of any locations within the province of Alberta that have substandard service for ambulance?

MR. RUSSELL: Mr. Speaker, I have great difficulty in responding to the use of the word "substandard". We have three kinds of ambulance services in the province: the nonprofit voluntary, which is essentially servicing some of the rural communities; the publicly funded, such as Calgary and Edmonton, through either an ambulance authority or their fire departments; and in some cases commercial companies have contracts with the regions they serve. There is a wide variety of level of services provided among those three kinds.

I very much hesitate to use the word "substandard", because I have to believe that if the service being provided is not adequate, the citizens in those regions would make that known very quickly to their local councillors.

MR. McPHERSON: A supplemental, Mr. Speaker.

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

MR. McPHERSON: Will the minister consider establishing a provincewide education standard or minimum training standard?

MR. RUSSELL: Again, Mr. Speaker, that is something that's being left to the local authority. In my first answer, I made reference to the very effective two-year training program for paramedics through our two technical schools. I understand that both of those will soon be accredited by the College of Physicians and Surgeons. It's simply a matter of a community availing themselves of those people who are available for work, if the community so wishes.

MR. SPEAKER: The hon. Member for Calgary McCall.

MR. NELSON: Mr. Speaker, I'll withdraw until tomorrow.

#### **ORDERS OF THE DAY**

##### **head: GOVERNMENT MOTIONS**

12. Moved by Mr. Lougheed:  
Be it resolved that the Assembly approve in general the operations of the government since the adjournment of the spring sittings.

MR. SPEAKER: With the indulgence of the hon. Premier, I haven't recognized all the faces in the Speaker's gallery, but I do see the new Member of Parliament for Edmonton West. Might I ask Mr. Murray Dorin to stand and receive the welcome of the Assembly.

[A member of the press fell off the press dais on the floor of the House]



MR. LOUGHEED: Can I start now? The combination of that introduction and that incident and the fact that the Leader of the Opposition applauded me for the first time in his life has unnerved me at the start. I don't expect it at the end.

Mr. Speaker, hon. members are aware that the purpose of this motion relates to the parliamentary concept of accountability. We have as a system in the Legislative Assembly of Alberta the session normally opening in the month of March with a Speech from the Throne and a Budget Address, followed by the full spring session, an adjournment period, and then a fall session. The adjournment period has lasted about four and a half months. I think it's therefore appropriate that the leader of government should account to the Legislature for the actions, programs, and policies of the government over the period of time, discuss the upcoming fall session, note any other particular events that have occurred, and deal with the state of the provincial economy.

I want to say that it has been — and I don't mean this by way of threat to my colleagues in the Legislature, Mr. Speaker. I did try to discipline myself in the preparation of this address, but there was such an amount of activity that I find I have a fairly long address, which I know doesn't surprise too many. I want to say too that this summer I had the opportunity to do a considerable amount of travelling through the province, and in the course of my remarks I wish to refer to those particular occasions when I've been able to observe firsthand some circumstances within Alberta.

At the outset, Mr. Speaker, I'd like to make a reference to the important and historic visit of Pope John Paul II to the province of Alberta last month, and trust that the Legislative Assembly concurred with the decision of the government to respond to this visit and commemorate the visit with a special one-time grant to Alberta's Agency for International Development by allocating, over and above the existing \$7 million, a further \$3 million on a matching basis with the people of this province.

I think a word needs to be said about that program. It is a very special program. It's one in which this province is far ahead of Canada. It shows the generosity of spirit of Albertans, in the sense that what is involved is that through various church and other organizations, an effort is made to gather support, matched by this government, for poor people in various parts of the world. It's really a very unique program, and I'm therefore pleased that we related an expansion of the program to the visit of Pope John Paul II. In addition to that, we had some scholarships presented in honour of the visit of His Holiness to the province of Alberta.

I want to say a word about voluntarism in connection with that visit. This province is very special in a number of ways, and one of the really special factors is the way we can have an event and involve volunteers from all religious groups, all parts of the province of Alberta, to come and pitch together and work and do the job they did in organizing that visit in a splendid way. I would like that recorded in the Assembly.

Mr. Speaker, one of the important events of the past four and a half months was the federal election on September 4. Obviously, as a Progressive Conservative I was pleased with the results and with the election of a new federal Progressive Conservative government with a mandate all across Canada. Of course I was pleased with the popular vote for our party's federal candidates and pleased that one of the members is in the Speaker's gallery today and that we led the nation in terms of that popular vote. But I want to say this, and it relates to some extent as a follow-up to the questions that were asked by the Member for Little Bow: it's inevitable in a federal system that there will be differences and regional conflicts, but hope-

fully there will be compromises made in a spirit of goodwill. I believe that that's what will occur.

We are aware — it's not partisanship but really a statement of fact — that the financial circumstances faced by the new federal government are really quite serious — very serious indeed. In the deficit situation today in the federal government, 33 percent of their total expenditures have to be committed to covering and servicing the debt. That compares with under 2 percent for those of us in this Legislative Assembly. That's really very serious. I want to come back to it later in my remarks.

As I mentioned earlier in the question period, our approach is to give the new federal government time to become organized, to effectively work out their caucus committees, develop their relationships, and establish their priorities. We're aware of the complications of forming a new government.

In terms of federal/provincial relations, the Minister of Federal and Intergovernmental Affairs tabled in the Legislature today the communiqué from our premiers' conference which occurred in August in Charlottetown. To be brief about it, I just want to say to members of the Assembly that I detected a real feeling of co-operation, of spirit, of wanting to work together between the provinces, again recognizing that there will be differences. The expression in our communiqué was:

Therefore be it resolved that a new era in Federal-Provincial relations begin with the objective of constructing a framework which would enable the Provinces and the Federal Government to collectively work for the attainment of their mutually agreed economic priorities.

That's an important position, and I look forward to the preliminary meeting on November 13 in Ottawa with the 11 first ministers. I've had some personal experience with both the ups and downs of federal/provincial relations and hope I can play some contribution in establishing that new framework.

Mr. Speaker, I want to start my remarks about the scene here in the province with the noneconomic areas, as I refer to them. First, with regard to education, I think hon. members would be interested that the preliminary data coming in indicate that enrollment in our basic educational system is essentially stable. But at the same time, we're involved with a multitude of new initiatives that have been announced by the Minister of Education and his department. They include a review of the secondary program of studies; a review of the School Act; the introduction of a new management and finance plan; the introduction of evaluation policies covering student, teacher, program, school, and school system evaluations; implementation of diploma examinations; release of responses to task force reports on computers, gifted and talented, guidance and counselling, and libraries; and release of a discussion paper on the preparation of teachers. We have recently also announced plans to undertake a significant internship pilot project for new teachers. That is quite a program in the area of education. Obviously we will have various different time frames. As a result of my personal interest, I have been advised today by the Minister of Education that the discussion paper on the secondary studies review is imminent and one that I hope will form part of the debate in this Legislative Assembly.

During the course of the adjournment, Mr. Speaker, I spoke to the Canadian Education Association at their national meeting held in Edmonton, at which time I put some emphasis on a view I hope the members support. What is needed in terms of education is a phrase I call the "new basics", which means that essentially we have to keep in place a basic liberal arts education but at the same time make adjustments for a pendulum that has swung too far, and move to a situation in which there is more mandatory content, less optional content — more

emphasis in terms of mandatory requirements in the areas of mathematics, science, foreign languages, English, and other areas as well. So the new basics is a thrust of this provincial government, and I hope all members of the Assembly will look very closely at this discussion paper when it is presented soon.

As well, I want to refer to the situation with regard to enrollment at our postsecondary institutions. Members will recall that this was a matter of some discussion during the spring session. I'm advised by the Minister of Advanced Education that in the fall of 1984, almost 68,000 Albertans will be enrolled in full-time postsecondary education, an increase of 4.6 percent over the previous year. The increase in the university sector was 3.5 percent, but it was 12 percent in the colleges, only 3 percent in the technical institutes, and 10 percent in vocational centres. As we've said before in this Legislature, we've consistently funded postsecondary institutions at a level among the highest in Canada. As you'll recall from the budget discussions, we increased our operating grants to postsecondary institutions by 4.7 percent this year. Our operating grants per student in the university sector in '83-84 — these are important figures — are \$7,133, compared to \$6,979 in British Columbia and \$4,980 in Ontario for the same year.

There is an important point that needs to be emphasized with regard to student aid and student assistance in this province. There are over 45,000 students receiving student aid provided by the Alberta government, compared to 37,200 in the previous year. Student assistance from the Alberta government has nearly doubled over the course of the last two years. These are important to keep in mind in terms of the commitment we have to postsecondary institutions. As we move into the skilled era ahead, I think it is clear that continued, improved relationships between the provincial government, the Legislature, and postsecondary institutions are required.

I want to say a brief word about our hospital system. We have a continued commitment to the best hospital system we can possibly have. Frankly, I'm told by observers that it may be the best anywhere, not just in Canada, with the network of specialty facilities, regional hospitals, and small-centre hospitals as well. Fourteen new hospitals came into operation in the past year, and 11 were of the modular prototype the minister has referred to, which reduces schedules and costs and at the same time reflects the state of the art in terms of patient care. Six hundred beds, serving a population of 80,000 all the way from Grimshaw to Raymond, have been opened over a very recent period.

Mr. Speaker, I guess I do have some difficulty with the critics — and I think they're few — who suggest that we're wrong with our small-centre hospital approach. I just can't see that. We have the specialty cases which are sent into the larger regional hospitals or tertiary care hospitals, but it strikes me from a human point of view that if a person is ill and his family is near at hand, that has to be the right way to do it if it can possibly be done. In terms of our budget of health care, our problems do not stem, contrary to some particular advice, from this problem of maintaining a high quality of small-centre hospitals. In fact, as has been mentioned, new 10-bed hospitals are less than 1 percent of operating costs.

I'm told that construction work is now progressing on the two new urban hospitals that were mentioned in the Budget Address, in northeast Calgary and Edmonton Mill Woods. I think members are aware of, but it should be underlined here, the recently announced policy for hospitals in terms of their operating surpluses and deficits. Boards will now have incentives to be cost-effective in terms of management practices, and this should yield funds which they can retain. I think that's been a good idea.

We're involved in terms of assessing utilization and have concern of course with the escalation of medical care costs, as has been debated extensively in this House. The minister has established a special utilization committee. It has been formed to advise the government on what factors contribute to the accelerated utilization, and they're to report on September 30, 1985.

I want to say a few words, too, about the Department of Social Services and Community Health. The first priority of the department over the coming year will be the implementation of the new Child Welfare Act, passed in the spring sitting of this Legislature in response to the recommendations of the Cavanagh Board of Review and scheduled for enactment in mid-1985, its focus being protection of Alberta's children while supporting the well-being of the family unit. In the past month, the child welfare management study, the Thomlison report, was undertaken at the government's request.

Following the Cavanagh Board of Review on all aspects of child welfare, an extensive public consultation process was established in conjunction with preparation of draft legislation. It focussed on child welfare case management practices at the field level. The government is in the process of responding to recommendations of the report through case reviews and consultation with interested groups throughout the province. The solid foundation of the new legislation is already being enhanced by the government's response in the multifaceted task of revamping Alberta's child welfare system.

With regard to this department I want to say a word about the announcement in the budget last year on the home care program. You will recall, Mr. Speaker, that that was one of the new initiatives we had in last year's budget. I am informed that this year, with this major expansion, the increased funding is expected to allow approximately 5,000 more Albertans, mostly senior citizens — that's a major figure — access to home care services, with funds being used in four ways: to include seniors who have a medical condition but who only require support services, to develop palliative care services, to expand the program to all 27 local health authorities, and to provide home care to some handicapped individuals residing in special housing projects. I felt that was a very important initiative of our last year's budget, and I'm told it is evolving well with the co-operation of the home care people and the health units in the province.

The next area I wish to refer to is native affairs. Members should be aware that during the course of this summer, the joint Metis/government committee submitted its report to the Minister of Municipal Affairs on the development of Metis settlements. It outlines new legislative and policy recommendations. This is being discussed in detail, and the goal is self-sufficiency for the settlements.

Another development over the course of the summer was a matter that members will recall was a subject of some debate in the spring session. That involved the Ombudsman's report on the allegation of provincial government involvement with the Lubicon Band. I recall the allegations because they were part of my estimates. I think the report's conclusions speak for themselves.

I believe we've been making some real progress in this area in the way I mentioned some time ago in the Legislature — by working essentially band to band, settlement by settlement, isolated community by isolated community. Yes, it's slow, but it's perhaps a steady and more assured way to make progress, step by step.

One of the areas I was involved in — and I believe I reported this previously to the Legislature — is the desire to respond to road projects. There are 23 road projects, as well as many water

and sewer projects, now under way with settlements, reservations, and communities.

The new Poundmaker Nechi centre was opened this past July, an alcoholism treatment for native people as well as a training program for native counsellors. The implementation of the new Child Welfare Act will have several positive impacts on native children and families.

In the area of the administration of justice, the Attorney General has been involved with the Solicitor General in putting into place the new young offenders legislation. All of you are familiar with that, and I need not emphasize it.

In the sense of the overall administration of justice in the province, the Alberta branch of the Canadian Bar Association, which is the senior legal professional body in the province, recently presented to the Attorney General some recommendations. He is reviewing those recommendations — one of them includes a proposal for a director of public prosecutions — and he no doubt will be prepared to answer any questions of the members here in the House.

There was some discussion raised by the Member for Edmonton Norwood during the question period on suicides, which is a concern of the government. At the same time, though, the statistics with regard to crime are encouraging. The statistics indicate that Criminal Code offences as reported by the police are declining. They declined in 1983, and they are continuing to decline in 1984.

Relative to Recreation and Parks, I'm sure all 79 members would support the announcement made late last month on the community recreation and culture grant program that will begin in 1985. It will aid volunteer community groups and clubs as well as municipalities. The granting of funds will now go, as I believe has been the subject of debate here on frequent occasions, not just to capital but to operating, a case where ... [applause]. You finally convinced everybody. It's been generally well received, not only by members but, as I understand it, by municipalities and groups.

I want to say a word about the preparations towards the 1988 Winter Olympics. They're proceeding very well. The benefits will not just be the capital facilities. I'm more and more convinced, after the way in which the Summer Games were received in Los Angeles this past summer and the interest of North Americans in Olympics, that we are developing a really exceptional tourist opportunity coming about for the 1988 games. I think the success of those Summer Games gives us a great opportunity.

I wouldn't want any members to have me go through an address of this nature without giving a report on Mount Allan, which the Member for Clover Bar and I intend to be skiing in due course. It's going well.

DR. BUCK: As long as the artificial snow [inaudible].

MR. LOUGHEED: I'm told there will be. Ninety-five percent of the ski runs have been cleared, and construction and infrastructure is under way.

With regard to the area of parks, some of you may not have had the experiences of travelling the province that I had. I was with the Member for Red Deer last summer when we opened one of the urban parks as part of the Heritage Savings Trust Fund capital projects division. He insisted I do that by bicycle. We went through Bower Pond and Heritage Park. What impressed me about that, Mr. Speaker, was the way in which the community had determined how this project should get under way and how you could see such a wonderful mix of senior citizens, young people, and families. I hope I will have

the opportunity to see those urban park developments in other parts of Alberta as well.

I want to say a word on the cultural side about historical sites. Perhaps I've taken a little too long to be convinced, but I am convinced — I want to mention tourism later — that historical sites, properly developed the way we're doing it in our capital budget, are going to provide an opportunity to keep a visitor longer in Alberta. That's what some have been suggesting, and I think it's a good idea. As I understand it, we're in the process of having a large number of these historical sites come into an operational basis fairly soon.

I discovered one other thing in my — I won't call them travels — activities. I really have come to the conclusion that in terms of economic factors, the arts in this province are becoming an industry of their own. I was at a small theatre last week, where I was told that in Edmonton there are more professional groups and more people employed, most of them operating in the black — a very significant employment factor arising in the arts that's a growing feature of our Alberta way of life and needs to be recognized. I'm always concerned when I make these comments, Mr. Speaker. I'm usually reminded by the ministers about the comments when they come before the Treasury Board with their budget presentations.

In terms of other areas, I'd like to say that the interest of concentrating on the state of Alberta's economy, I'm not referring today in my remarks specifically to progress in the portfolios of Municipal Affairs, Transportation, Public Works, Consumer and Corporate Affairs, Workers' Health and Safety, and Personnel Administration. I'm sure the respective ministers will be pleased to respond to inquiries during the course of this fall session. Knowing them, if they're not asked they'll find a way to make their positions, efforts, and various actions clear.

Overall, a great deal happened in a period of four and a half months. That brings me now to a review in the Legislature of the state of the economy of Alberta. I believe it would be useful to start with a reference to our white paper on industrial and science strategy, not in regard to the state of the Alberta economy today but with a particular aspect of that document.

You will recall, Mr. Speaker and members of the Assembly, that on page 55 we refer to the External Limitations Upon Alberta's Industrial Strategy. I thought it was useful to do that. It's particularly important today, having regard to the tremors in the oil pricing situation, to recognize that the effectiveness of our strategies in a federal system is subject to very real and obvious limitations. It is important to enumerate them to avoid unrealistic expectations and to assure that citizens evaluating the state of the Alberta economy in this white paper recognize that the provincial government's scope and capacity to influence economic and industrial strategy are significantly constrained. I'll just mention three:

Interest rates are determined by decision-makers outside the Province ...

Alberta's principal products are sold at prices which are heavily influenced by market forces outside Canada. This is particularly true of oil, wheat, feed grains, canola oil, coal, forest products and sulphur and is substantially the case with natural gas and red meats. In particular, the world oil price is a very significant factor ...

Export market accessibility for Alberta products and services is subject to the tariff and non-tariff barriers and obstacles of the many countries to which Alberta now sells such products and services. I raise that, Mr. Speaker, because I believe it is important to have that focus in a current assessment of the state of the Alberta economy six months after the Budget Address.

Relative to interest rates, a very difficult area, the prime rate in Canada is now at 13 percent. One-year mortgages come in at 12.75 percent to 13.5 percent. But what's the forecast? There's a wide range of forecasts in terms of views as to what will happen in the next 12 months. We tend to believe in a high degree of stability in interest rates, but we know there are others who disagree with that. I think all of us should watch the United States postelection Congress and the way they come to grips with their deficit. That will have a considerable bearing on their monetary policy and hence on interest rates in the United States, which have such a significant effect upon us here.

The exchange rate situation is very interesting and very significant. A year ago when I stood in my place and spoke, the exchange rate was a Canadian dollar at 81.3 cents American. I'm told it was at 75.36 cents yesterday. That's quite a variable. The significance of this exchange rate is really important to a resource- and commodity-producing province such as ours. I hold the view that the lower dollar is clearly a plus for our grain producers, livestock producers, gas and oil producers, petrochemical plant operators, tourism industry, and forestry operators. I admit that there's a limit to where one could say the lower dollar will benefit our province, because it's relative to the total Canadian economy, but I am prepared to say in the Legislature that the 75-cent dollar is a plus compared to the 81-cent dollar across the board for a province such as Alberta.

What I'm emphasizing again, Mr. Speaker, is the question of monetary policy in Canada, and I'm sure this will become important in discussions of first ministers. I hope we can convince the new federal government of what we undertook and started in February 1982: the view that in terms of monetary policy in Canada, there should not be a monetary policy that tries to artificially prop up the Canadian dollar in relationship to the U.S. dollar, that we should let market forces pertain within reasonable limits. That will be a challenge for us but one I want to put on the record here today, since we might discuss the upcoming first ministers' meetings over the course of this session.

Today is a somewhat nervous day for me to be discussing commodity prices. We recognize that OPEC is in a fragile position, that we as an energy-producing area are very much involved in world oil pricing. The move by Norway on Monday was significant. Our general view, though, is that fragile as the situation has been, and having regard to the meetings and discussions we've held with many, many people, we believe the world oil price will generally hold. There may be some ups and downs. I hope that all in this Assembly share with me what I do each day: I read the world oil market before I read the sports pages, and that's been quite a change. It's really important to us to get the world oil market and to be conscious of what's going on, because we can talk all we want about jobs and the future. It's very, very key for us to be aware of those factors.

I might say that it would be appropriate to perhaps make this comment. If there is an opportune time for Canada to move towards market-responsive oil pricing, it's probably never been better than right now from the consumer's point of view. That has to be looked at as a plus for Alberta as well in this particular time.

I'd like to refer to what others say about the forecast of Alberta's economy and the overview of it. The Conference Board of Canada has generally been considered fairly pessimistic. They base their assessment on percentage changes, not on per capita data, although I'm told they may be reconsidering that. During the period when we were involved in adjournment, the Conference Board came out with their report, and I quote from page 35:

The province [of Alberta] will, therefore, start to recover by the second half of 1984, and moderate economic growth is expected in 1985. This trend is contrary to the national forecast, in which slower growth is expected next year.

In short, what they're saying is that although it will be moderate, recovery is under way here in the province of Alberta in '84. In the rest of Canada, they are looking at it the other way.

We've also had another group, the Economic Council of Canada, and I have to publicly take issue with their assessment regarding the oil and gas industry. I believe they've misunderstood the situation significantly. But regardless of their misunderstanding of our primary basic industry in terms of jobs, their conclusion is that Alberta will experience much slower growth than in the past but will still grow quite strongly. That's the position of this government. We want to return to steady growth. We do not want to get into a position of a boom period that we can't sustain.

As the budget speech said on March [27], "economic growth should return to Alberta this year", and it appears by the data I'm about to present that that's so. The general assessment is that despite the weaknesses in anticipated areas like residential and commercial construction, Alberta's comparative economy is as strong or stronger than any other province and, with sound policies, our prospects for the future are better than any other province.

I'd like to refer you to a new publication that we're going to put out with regard to some of the economic indicators. It will be produced quarterly. It will have various data in it. I think it is important that we try to impress upon our consumers and our investors a sense of confidence in the province.

Let me move next to a sectoral assessment of our economy. The first sector I choose is naturally the energy industry, and I say that because of its significance upon our economy. Nineteen eighty-four has been a buoyant and strong year of activity for this primary sector. We recognize that the energy sector is the key. Alberta's prosperity, its indirect impact upon service, construction, and even retail consumers' disposable income: they're all key to government revenues and hence the ability to sustain capital and other programs. In short the energy industry really has all the factors involved in it. It's a primary industry. It's an industry that has a considerable multiplier effect. Even in the area of agriculture, it's important with off-farm income. It plays a major role in the revenue positions of the provincial government. Agriculture is the other primary industry and, although it has a significant impact on many communities, it's a lesser overall impact. Energy led Alberta into a downturn in 1983, and it's leading it upward in '84 and '85.

I'd like to give the members of the Assembly, Mr. Speaker, some data with regard to the current reports of the industry. Let me start with crude oil. Alberta's production of crude oil continued at capacity through the second quarter. I have to inform members that this was a difficult time. We had some concern of shut-in oil production, and I don't think I need to repeat the importance of avoiding shut-in oil production. It's not something you pick up next month; you pick it up 12 years later, in terms of both revenue and cash flow. We overcame the problem but not in the way we would have liked. We were able to overcome the problem because a fire occurred in one of the Syncrude cokers, and that permitted us to get through the period.

The National Energy Board also recently relaxed export restrictions on Canadian oil not taken by Canadian buyers under a nomination system. That nomination system still requires some important improvements. The disposition of our crude

oil, the total volume of sales of Alberta crude oil and equivalent, increased by 20 percent in the second quarter compared to the same period of '83. More flexible petroleum export policies contributed to this increase.

Deliveries to the United States: it wasn't too many years ago, members of the Assembly, that there was no significant oil export to the United States. In the second quarter, it grew from 187,000 barrels a day to 286,000 barrels a day. That's been a major change while we've been sitting here in the Legislature in the last few years. Elsewhere in Canada, deliveries of Alberta oil in the second quarter have improved upon 1983 levels.

With regard to natural gas, the position has been very positive. Alberta natural gas deliveries increased 6 percent in the first six months of 1984 compared to the same period in 1983. In the first six months of 1984, Alberta's industrial sector experienced a 20 percent increase in natural gas demand. This is important, Mr. Speaker. This is largely the result of increased petrochemical activity, and I'll come back to that in a few moments as well.

Outside Alberta, in terms of Canada, the Canadian market for natural gas deliveries rebounded in the first half of '84 to approximately the level of '82. Ontario is 70 percent of our natural gas sales in Canada outside Alberta. Quebec continues to expand; they've had a 36 percent growth in volume since '82.

The very important area of exports of natural gas, which we discussed in the spring session: in the second quarter of 1984, export volumes increased 12 percent over 1983, almost back to their 1982 levels. This is before we put into place the new natural gas export pricing situation. In terms of export of natural gas, we're now back at the 1982 position. This new export policy that was announced on July 13 by the federal government is expected to improve export volumes.

We're involved in a number of announcements. One was made just yesterday by Pan-Alberta Gas Ltd. There was an important one made by TransCanada. As the minister and I were discussing before we came into the Legislature, literally almost every week those people who are out in the marketplace are doing what we want them to do. Let the marketers get into the marketplace in the United States. They'll work the deals out, because they'll work them out in the way that works best between the buyer and the seller. So if we can reduce the involvement of government in this area and get ourselves into a market-responsive pricing system, which is about to commence on November 1, it really has to be a very important move for our province and for a basic industry within our province.

I want to mention the question of industry activity. This is startling, and let me quote from my material:

Industry activity during the first eight months of 1984 continued to be high in comparison with last year. Although seismic activity remained stable, all other aspects of industry activity, particularly in the oil sector, improved. Land sales increased significantly. The rig utilization was considerably higher than last year. Well licences issued by the Energy Resources Conservation Board increased substantially. Both the number of wells and footage drilled rose significantly, although the average depth of wells decreased slightly.

That's a very important industry activity factor.

I won't take the time to go into detail on the multitude of interesting projects that have been developing in terms of oil sands, heavy oil, and enhanced recovery; you know about them. They involve the Shell project at Peace River, the Dome project at Lindberg, the expansion of the Alberta oil sands, the decision

of the Energy Resources Conservation Board with regard to Syncrude, and a number of experimental oil sands projects.

I want to say a word about the Husky Oil upgrader, Mr. Speaker. I wasn't sure, until I checked, that that occurred on June 6, and the House adjourned on May 31. It was a very important matter that we were involved in as a provincial government. We looked on it this way: if we could get a heavy oil upgrader, it clearly was part of our strategy of upgrading our resources. It also seemed to us very significant on a job-related basis, because it was very labour intensive in many elements of it, particularly the fieldwork that is involved in terms of heavy oil. We therefore looked at the situation as to what role the Alberta government could play.

We took the position of acting as a catalyst, I think it's fair to say, to bring together the parties on June 5 and 6 to develop a project that is really quite remarkable in terms of co-operation between Husky company, which is 68 percent owned by Nova, the governments of Saskatchewan and Alberta, and the federal government. The Minister of Energy and Natural Resources and I were involved in this together with others. It's true that we were involved in a decision to put in a very significant amount of the taxpayers' money in the sense of a loan guarantee, but I have found that very few people question that particular action on our part. It was done to facilitate job activity, and it's beginning to show up in parts of Alberta and will spread in due course as the activity accelerates. It was a very important decision that we made, and I'm sure the minister and I will be pleased to answer any questions. It shows the underlying strength of the energy industry as well.

In terms of industry expenditure, I won't do anything other than to mention that yes, there has been a major discovery in the Beaufort. That's not necessarily all negative in terms of Alberta and shouldn't be construed that way, because a great deal of the support work comes from this province. One of the important developments that has occurred over the last number of years is the decision by company after company in the energy industry to move back to western Canada with a base here in Alberta. Those corporate decisions are being made every day, and I think that really poses a very bright prospect for the future of this particular industry. The revenues and cash flow of the industry have shown a steady improvement, and no doubt that will be part of the debate.

I had noted some comments I was going to make, Mr. Speaker, with regard to expecting the new federal government to meet their election commitments. I answered those very questions during the question period, though, and the timetable was also mentioned.

It should be noted that the National Energy Board put out a report with regard to the status of the oil situation in Canada on September 12, 1984, which showed the continued reliance for oil upon Alberta's conventional fields and oil sands. The conclusion about this sector is very, very positive. Despite the fragile nature of world oil pricing but because of our particular Canadian energy scene, I think we can see a situation in which this primary industry today is both strong and growing stronger. I believe the United States natural gas market is very promising, better than we thought back in March 1984.

I believe too that it is important for our government, and for myself and others involved, to continue to maintain a constant communication and intelligence system with those people who are in the industry. I was delighted that the chief executive officers of the British National Oil company made a visit to Alberta in September, and we had the opportunity to communicate and dialogue with them.

Let me move to the next sector, which is petrochemicals. We've seen several new world-scale plants opening just

recently, and others will open. In Alberta we now have by far the largest petrochemical-producing area as far as Canada is concerned. It's really a success story in diversification and upgrading. But members might be interested in another success story that really is impressive when you go and see what's going on. Canadians are being involved more and more in the design and operation of these world-scale, highly technical, state-of-the-art plants. Just last Thursday I was in Joffre, and I got into a conversation with a young lady who came from Lacombe, took her training at SAIT, and was involved in a very significant job in that plant. She really reflected to me what it's all about in terms of trying to have skilled jobs in our province of the nature such as we can have in petrochemicals. All these plants were completed ahead of schedule and at or below budget. I won't go into them in detail. I was at a number of the openings. But they certainly show the confidence of the people involved.

There's a challenge ahead in the petrochemical industry. We've got to keep our feedstock pricing at a level that will be competitive for the sale of their products into the world and United States marketplaces, and that will be one the challenges for the government of Alberta in the weeks ahead.

Moving next to the sector of agriculture, it was a tough summer, and it's a difficult situation with regard to the drought conditions in southern Alberta. As the Assembly probably is aware, I went there in early August and worked with the southern Members of the Legislative Assembly to try to see what we could do to respond to the circumstances. It was serious. We helicoptered into dozens of places to try to get a feel for what the circumstances were and what could best be done. As far as the grain producers concerned in the drought situation, we reached a conclusion, which I hope will be supported by the Assembly. We have an all-risk insurance plan, and that all-risk insurance plan has to be supported. The concept is there. It's an insurance plan. We felt that what we had to do is maintain the viability and credibility of that all-risk insurance system. I'm sure this is going to be a matter of debate in the fall session, as it should be. I'm told by the Minister of Agriculture that the yield by the grain producer in the area is somewhat better than we thought when we were there in August but that it's still serious. The coverage certainly expanded. I don't have the figures in my mind of the people in the area who picked up crop insurance, but the percentages were into the 60s. So we should, hopefully, have a debate in the fall session about our crop insurance system.

Livestock of course is another matter. We spent a lot of time trying to come up with ways to help the producer get through this difficult situation. They didn't particularly like our former way of doing it, which was the farm feed freight assistance plan. As the Member for Cardston will recall, on one particular occasion they alleged to us that those sort of programs really ended up in terms of people in other parts of Alberta having the feedgrain or the truckers getting the benefit. So with the good advice of the Canadian Cattlemen's Association, we developed the concept of the payment direct to the producer.

The Minister of Agriculture communicated that with his counterpart in Saskatchewan, and we came up with a joint program, which was the right way to do it. Alberta took that initiative, and we told the people in southern Alberta on the occasion when we met with them that this was a provincial government program. We were going to do it regardless of whether the federal government came in. We were glad they did. They've come in, and they're fully supportive and fully co-operative, but I think the people in southern Alberta were aware that we were committed to taking that action. We supplemented those programs of drought assistance for the live-

stock producers with some additional efforts made in terms of availability of pumping and in other ways.

I don't want to leave the Assembly with the impression that there's not a real concern by all of us about the moisture content in southern Alberta. It's been a steadily eroding problem. There have been some improvements over the course of the last number of weeks, but for those of us who are involved and concerned with the province's economy and agriculture, let's hope that we have a winter condition in which there is a good snow cover right through this whole province. That has to happen, because that moisture situation is deteriorating badly and has to be reversed.

This brings me to the Western Grain Transportation Act, Mr. Speaker, and some of the discussion we had last spring after the Western Premiers' Conference in Kelowna. As a government we have always been opposed to the idea of the payments to the railways. We think they should be to the producers, and the more I get into this subject, the more convinced I am that that's the wise point of view. As you recall, the other situation we mentioned when we presented the western premiers' communiqué was that the cap of 31.5 million metric tonnes was really quite a questionable decision by the federal House of Commons. The more we saw what was occurring about August 1 this year, with the freight rates going up for our grain producers, the more it became evident — I have to use a strong word — that that cap was nonsense. I hope the federal parliament will change that very quickly. It doesn't make any sense at all, and it works against the whole concept that we're really trying to do in terms of improving our western grain transportation system. I have noted that the new federal government intends to follow up on this matter.

Just in the last three to four weeks, I personally met with the chief executive officers of both the Canadian Pacific Railway and the Canadian National Railway. I don't think they enjoyed the discussions as much as I did, but that's been rather traditional between us. We made it very clear to them that we felt that the freight rates established in the federal legislation were established on a presumption that the commitment to improving the capital structure was in the neighborhood of \$16 billion and is now going to cost only \$12 billion, and there should be an adjustment in the freight rates to meet that. They of course gave their answers, which no doubt you'll hear. But I really feel very strongly that we're into something here, that if we can get the federal government to take a new look at it, get the other provincial governments, we can recognize that there were some mistakes made — there were some improvements — in that Western Grain Transportation Act. I think the atmosphere is developing in a multitude of ways to improve that. So I hope we'll press forward there as well.

There is no question that we have to have concern over net farm income. In terms of calendar 1984, statistically it's really a situation in which total farm cash receipts are projected to increase almost 6 percent. A good part of this comes from higher livestock receipts. With regard to the crop prospects, canola is proving particularly bright. But we have to constantly look at the issue of net farm income to see whether or not this government should bring in some various policies. We discussed one element in the question period, but there may be better ways for us to look at helping in terms of net farm income. The farm bankruptcy situation I have noted here, and I think my figures were reasonably close to what I said during the question period.

Mr. Speaker, during my helicopter trip south. I became even more convinced, if I hadn't been fully convinced before, of the need for our commitment to irrigation. The figures are really quite significant when you go through a drought situation such

as we did. Irrigation farming accounts for as much as 20 percent of the total production, with only 4 percent of the land base. Twenty percent of the total production of agriculture comes from that irrigated area, with only 4 percent of the land base. That has to show an area in terms of priority.

I really believe it is important for us to move with these water management decisions, and we moved with the decision on the Oldman River dam. I don't intend to be partisan, and I'm trying to make just a couple of comments here. I have to say, though, that when I went to the opening of the Dickson dam in the Innisfail constituency, one thing struck me. It struck me that one of the hard decisions we have to make here in public life is to be sensitive to public opinion and public comment. But we also should be able to filter that comment and determine whether it is a very small minority view or it represents the public generally. After all the debate and discussion on the Dickson dam that went on, and then when you saw the end product, to think we would have just slightly considered in our mind changing our position because of some of the public criticism — it really would have been a very bad mistake. A lesson should be learned by this Legislature from the debates we had and the end result that occurred with regard to the Dickson dam. If I could explain it this way: how could it make sense for us to allow a spring runoff of our rivers to occur without capturing that runoff, holding it, and using it for proper water basin management? That should so obviously be a priority of our government.

With regard to food processing, I want to say that last Friday I was privileged to be invited to attend the 10th anniversary of the association. In 10 years they've developed four times the value of the products that were produced in this province. They're now up to \$4 billion. Members would be, as I was, just amazed at the diversity of products that are now produced in this province. I think that if you go into a major retail store in this province and they're not showing our Alberta food products, Members of the Legislative Assembly ought to express their criticism — not by legislation, though. Having said that, I would have to say that there has been a considerable improvement by the retailers in this province in merchandising and displaying Alberta products. What can make more sense for an agricultural food producing area such as Alberta than to have our own citizens consuming our own high-quality, high-value products?

The challenges in agriculture are many in terms of grain markets and transportation, the red meat stabilization Act, the rationalization of the meat packing industry, and others. Despite these difficulties, it's certainly a very strong, stable industry with a terrific record of productivity and with a need for this provincial government and this Legislature to be ever conscious about the net farm income position.

I want to move forward with a comment with regard to tourism. Our 1984 tourism revenues are expected to grow but not by very much. Mr. Speaker, I'd like to say that we discussed this matter at a planning session in Executive Council recently, and we believe tourism is an area in which we can make some significant new initiatives. We intend to do so and will be developing them more fully with the Legislature. The special emphasis should be on the next Olympics, Expo 86 in Vancouver, Kananaskis Country, historical sites, and other areas.

Relative to small business, in 1983 there were 14,000 new businesses incorporated. In comments that are made, I hear quite a bit about bankruptcies, but the actual data are that we're well under 1 percent in terms of bankruptcies and a ratio less than Ontario or British Columbia. The Small Business Equity Corporations are proving to be quite a success. Every day the minister gives me an update, and now he tells me there are 24

new businesses or new businesses involved with the Small Business Equity Corporation.

I am told that in terms of its loans, the Alberta Opportunity Company is now 10 percent new, 65 percent involved in expanded business, and 25 percent purchasing existing businesses, which seems to be a reasonable balance. In other sectors, in the forest industry the lumber manufacturers are having a record production this year, and pulp is maintaining its production in an improved market. The Pelican Spruce Mills in Edson: that was a good decision by this government, in terms of a \$40 million operating guarantee. If there is a debate — and I will take it on, no doubt — in other places about the question of the government being too interventionist, I'll use the example of the Pelican Spruce Mills. That wasn't intended as a warning; that was just an inside comment, Mr. Speaker.

In terms of technology, the Electronic Products Test Centre in Edmonton is certainly going to assist the electronic firms in certification here in western Canada. The supercomputer installation at the University of Calgary, which the Minister of Economic Development has spearheaded in terms of \$10 million of computer time, is going to really help.

I just want to take a brief moment and an aside to say that I was invited to the occasion of an opening of a small operation — not a large one — called Keyword, in Calgary. I went because of what it really said about the province today in terms of our evolution, Mr. Speaker. Five or six young people tried to adjust to the economic circumstances of '82-'83. What did they do? They came out with a particular invention or process or machine called KEYWORD 7000. What it does is take word processors of one particular make, like IBM, and tie it in with a word processor of another and make it work together effectively. It was really quite exciting to see these young people telling me about the sales they're making in the Los Angeles market. These are people that are living here, residents of this province, now into 100 employees and growing. Those success stories are there.

The Minister of Economic Development convinced us that we should have a program to guarantee that Alberta manufacturers and processors obtain conventional bank loans for export tenders. That was quite a decision, and we're now into quite an involvement: five companies, \$50 million of guarantees. I think it's very significant in terms of what's going on relative to export trade. I'm sure this Legislature is aware that, in Alberta, exports account for between 20 to 30 percent of our gross domestic product and that exports between '77 and '82 have grown by an annual average rate of over 16 percent. I know the Minister of International Trade is constantly attempting to improve those data.

A word about labour, Mr. Speaker. The lost time due to work stoppages is the lowest it's been in many years, and only Prince Edward Island has fewer days lost.

Let me come to the housing and construction area. In terms of housing programs, since 1983 we have developed a program for our senior households to make the homes safe, warm, and in good repair. Since 1983 we've put \$140 million into 50,000 senior households. When people talk about what a government can do in terms of economic situations, what a government can do in a positive, creative way relative to jobs, this is the sort of program that I recommend other provinces look at. Three thousand new jobs in the current year, and what does it do? It provides the opportunity for seniors to improve their homes, to stay in their homes, not to go into institutions. It has a very positive social and also an economic benefit.

I was going to take some time to refer to some of the other housing projects, but I think I should move to an overview of the difficult housing situation we're in. Extensive building and

out-migration have left large vacancies in apartments in this province. It is the one really major weak spot in Alberta's economic assessment. Surprisingly, the vacancy rate in homes is as low as 1 percent. This is partially explained because some of them are being rented, and that of course increases the vacancy rate in apartments.

The foreclosure data is a cause for concern. For 1984, 2.7 percent of mortgages are forecasted to be subject to final foreclosure. Mr. Speaker, this is partially explained by the unique Alberta law in which it is not possible for a lender to take a personal judgment against the homeowner. I know that if we change that law, the statistics would change too. They would drop. But it's my view, and I hope it is the view of the Legislative Assembly, not to make that change, that for the short-term problem we're in, the best position would be to sustain what we now have and not get people involved in personal judgments if they're in difficulty relative to foreclosing on their home. We made some amendments in the spring to speed up the process, and I think it's reduced the merit of people walking away, so to speak. We've also extended past August 31 the mortgage interest reduction plan for those of limited income in the program.

The main vacancy situation we have is with apartments, and the range is between 12 and 14 percent. Residential construction starts will therefore remain low until most of this inventory is absorbed, and this will take a couple of years.

Commercial construction is the other serious area in terms of our construction field and the economy of the province. We have vacant space. Nineteen percent, 2.3 million square feet, of office space in Edmonton is vacant. In Calgary we have 27 percent vacant; that's 6.9 million square feet. Thanks a lot, PetroCan. It's going to take some time to absorb the overbuilding that's involved here. It's going to be a matter of time, and there are different forecasts as to how rapid that absorption will be.

Industrial and institutional have held up very well. Some of the major projects are being finished, but it's held up extremely well. Engineering construction — which is gas and oil, roads, water and sewer, and dams — is very strongly sustained in this province.

Mr. Speaker, I guess the question, noted in our brochure, that must be on the minds of the members of the Assembly and of citizens is: with the difficult situation we're having in apartments and office space, how can a province such as Alberta have 20 percent of Canadian construction with only 9 percent of the population and two of the four areas weak? That's something to ponder. In short, is it realistic for us to expect that with 9 percent of Canada's population, we could exceed 20 percent of Canadian construction? We do expect it to hold up, but we think we have to recognize that in two of the four construction areas, there will be a period of time when we'll have to work our way through the inventory.

Are there any alternatives? I welcome debate on this. Obviously it would not be to go out and build more apartments or office space. Certainly it should be the decision of the government not to be building on its own but to be renting and, with minor exceptions, that's what we're doing. As I mentioned in question period, we have a provincial capital budget of \$3 billion that's the highest in Canada. So are there any real answers, other than leaving it to the private sector to work our way through? What's the most likely factor in terms of the private sector working its way through at least the office space, and the office space bringing in people, like the decision of Shell company which will involve taking up some of the slack in the apartment area? The operative statement that really has to face the Legislature of the province of Alberta is the con-

fidence factor — the confidence that the investor has in the province of Alberta. I want to come back to that point, in conclusion.

In terms of sectors, let me move to the manpower scene, the labour force and employment. We dealt with a fair amount of that, as we properly should have, during question period. As we said during the Budget Address, the forecasted unemployment is expected to remain at the national average through 1984. This has occurred. We do not expect a marked improvement for some time. Why did it occur? Because of the very large migration into Alberta from 1978 to 1982 — and I quoted those figures in question period — which was not justified by the circumstances we had with the national energy program and other factors. But what was going on in Canada was that the economies in the other provinces were stagnant, and in the period of '78 to '82, people moved to this province. Some of them moved here perhaps too late in terms of the adjustment period that we obviously knew we were going to have. So in terms of the issue of unemployment, most of it comes down to fewer jobs in construction, real estate, and related services.

I suppose it's politically easy to stand on a platform in the Legislature and promise magical answers. I can't do that, because it's not going to change in a very dramatic way in this province until apartment and office construction regains normal levels. That's with those people who are involved in or related by way of skill to the construction or related areas. It's only after we've worked our way through the excess capacity here that we'll find ourselves in a more normal-for-Alberta situation. But it raises a couple of questions. One I mentioned in question period. In normal circumstances, how many permanent jobs can a given province reasonably sustain in relationship to its working-age population? What can a provincial government do to minimize the social impact of such unemployment and with what priorities? Let me respond.

As I said earlier in the question period, we've consistently had the highest number of jobs in relationship to the population in Canada. There has to be an upper limit. Having said that, we have to work in every way we can to try to get the government of Canada looking at the issue of building on strengths. That's what it's going to eventually come down to: a Canadian issue dealing with the question of employment and job creation, building on strengths. And those strengths are here in spades in western Canada in terms of energy, agriculture, and transportation. That is really where the future of Canada will be and that, with the private sector, is where the response will be to the concern for the people without jobs today in Canada.

Mr. Speaker, unemployment is a very sad and debilitating experience, and there is no level of unemployment that can ever be acceptable to society. Difficult as it may be, public policy should strive for full employment, leaving aside of course the obvious debate of questioning statistics. It is this social concern that led us to bring in our programs of October 3, a substantial expansion in special manpower programs. We decided that we had to have priorities, and the priorities are a matter of reasonable debate. We made the decision that the priorities should be in terms of working through the private sector and not through the public sector. We made the other decision in priorities to aim to our young people who have to get that first job, who are graduates of the postsecondary institutions or our high schools, and we've said that that should be our priority. We can't do all of this all at the same time, particularly with the other factors I've raised, although some of the programs are general.

The third priority, which I know is a question of good debate: we said that we felt that the priority should, at least initially,



go toward those people who have lived in this province for three years. That is a decision we made and are prepared to defend. We're also of the view of course that as the situation improves, it is a condition that can be altered. My understanding is that the new and existing commitments to these manpower programs aggregate over half a billion dollars. They lead the provinces of Canada. They provide over 80,000 employment and training opportunities. But again, I come back to saying that the federal government has made some major election commitments in this area, and all of us will be interested in watching and observing how they respond.

Let me summarize the state of the Alberta economy. The weak spots: excess inventory of apartments and offices; the second one, youth unemployment in particular; the third one, pressures of net farm income. The strengths: the oil and gas sector; petrochemicals; engineering and industrial and institutional construction; the disposable income of Albertans creating retail trade back now to the highest in Canada; and, I believe, investor confidence. I believe this mood of confidence has been supported by the results of September 4 and a new federal government. They have an obligation to capture that mood of confidence with new policies which will meet their commitments.

I was going to say some things about the province's financial position. Let me just say that we are, as I mentioned in the question period, in a situation where well under 2 percent of our revenue is required to service our debt. We have a good, solid position of financial management. I think Albertans want us to do that, but equally they want us to respond to the needs of our citizens with compassion and concern about elements of our society that are unfortunate, that are in difficult circumstances. We intend to continue to do that.

Let me conclude by looking ahead. What are the prospects for Alberta's economy? Are our best days ahead, and how can we assure that we realize our full potential? Well, I said last year in my address to this Assembly that we had come to the time for us to take stock, to reassess our

economic strategy, our accomplishments, our setbacks, the changes that have occurred, the opportunities involved, the competitive position of the province for the balance of the '80s.

We had completed a preliminary stage of economic strategy reassessment, and we wanted to go further over the course of the summer months. We did that. On July 11 of this year, we did what no other government in Canada did. There may be days when we might regret it, but I think generally we'll think it was right to do. We stuck our necks out and presented a white paper: Proposals for an Industrial and Science Strategy for Albertans, 1985-1990. It's a great target for the critics, but I have received a surprisingly positive reaction — and I don't mean in the sense of the proposals, but by our doing it — from our citizens saying, we want a government that has a plan, that knows where it's going, that knows what its objectives are and knows how it thinks it can get there. I've also had institutions in this province say to me, thanks for doing it. It gives them a better idea in terms of deciding on their priorities within their various institutions or even associations. I've had organizations as well as small-business people come to me and say, "Glad you did it; it's a good idea", and then ask about the process and where we go from here. I guess that's what I wanted to mention in terms of the process.

The purpose is that it is a white paper and it is for discussion. We believe there's a need for a government not to ad hoc its industrial strategy or its science policy. When it has a document such as that, Mr. Speaker, I think it tends to have a more co-ordinated approach to the economic issues. I think, too, that it

creates an atmosphere of stability and certainty, and it encourages — here's the key — long-term risk investment.

What's the process? We've published 20,000 of these documents; more are being ordered. We've had lots of discussions. Four of our members conducted forums in the centres of this province; 152 briefs were received. I'm told that all the people who wanted to make a submission were accommodated. Individual MLAs, including me, have had sessions with individuals, some much more extensively than others, and I think that's great in getting the input. In due course we will be issuing a series of position papers during 1985. There will be a few occasions on which we will be responding earlier in terms of policy statements on specific proposals.

I guess, therefore, I'll conclude this way. A lot has happened in the last four and a half months, during the adjournment period. The state of the Alberta economy is strong, with strengths and weak spots. We have to work together co-operatively. We have to know where we're going. The key issue in this province is confidence — confidence in ourselves and in the view that the prospects for our young people are better than they've ever been, prospects that Alberta truly will have our best days ahead of us.

Thank you.

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

MR. SPEAKER: Is it agreed?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

## head: GOVERNMENT BILLS AND ORDERS (Second Reading)

### Bill 6 Pre-judgment Interest Act

MR. STILES: Mr. Speaker, I move second reading of Bill 6, the Pre-judgment Interest Act.

In doing so, Mr. Speaker, I should explain the Act. This Bill will provide for the payment of interest on all judgments of our courts; that is to say, the payment of interest on the amounts awarded as judgments, for the period prior to the award of the judgment. The Bill will also provide for the manner in which the interest is calculated. There are some other provisions of the Bill which will be supportive of the main principle.

The present situation in our province, Mr. Speaker, is that interest is payable on amounts awarded by our courts in the area of debt actions where the court sees fit to award interest. It's also payable where the parties have agreed upon interest in the matter which is disputed in terms of contract disputes; interest would be payable on those. In the other cases before our courts, and particularly where parties are injured, where personal injuries are involved, there is no provision in our law for those parties to recover interest on the amounts they're awarded. In essence this means that where a party is not at fault in an accident or some instance in which an injury is involved, the party who is not at fault should be compensated. It's important to note that the disability or the effect of the injury or accident is instant. The party is instantly disabled, certainly instantly affected by the circumstances of the accident. However, because of various reasons, it often takes a considerable length of time before the matter is dealt with in the courts or before the parties involved can settle the amount or the extent

of the injury and the amount of compensation that should be paid to that person. Often these cases go on for several years. Two, three, four, even five, and sometimes more than five years pass by before the individual who has suffered the injury and has been affected by it recovers that compensation.

Very often these involve motor vehicle accidents. Very often, in fact in almost every case, the individuals are covered by motor vehicle insurance. What happens in effect is that the insurance company involved will put aside a sum of money which they consider to be sufficient to cover the damage they are liable to have to pay, and that money is out there in the marketplace earning an income to the insurance company. The matter goes on through the court system, eventually comes before a judge, an award of damages is made, and the injured party receive their award of damages. However, no interest is paid on that money for that period of time. In effect that means that the injured party is shortchanged. That, essentially, is what this Act will change. The party at fault, or the insurer of that party, has had the use of the money over the period of time that it has taken to settle the amount of the award, and the injured party, the person who is the innocent victim, has not had any income from that award. Bill 6 will change that so the injured party is the one who has the benefit of that interest and not the party or the insurance company of the party who was at fault.

Another aspect of this Bill will hopefully be to encourage the early settlement of these awards between the various parties, so we won't have so many of them clogging the courts and causing some of this delay. Delays are occurring for various reasons, and it's not entirely because the insurance companies are necessarily deliberately promoting delays by any means. I wouldn't want to be thought to be saying that. But these delays do happen. The fact is that there is no incentive whatever to the party who is going to pay the damages to pay it early. I don't think anyone will ever part with their money sooner than they absolutely have to. That's just a natural fact of human nature. Insurance companies and defendants in these actions are no different. But this Act will create an awareness in the public and certainly within the insurance industry that interest will be paid. That awareness will cause the insurance industry to at least have an incentive to pay sooner, or certainly there will no longer be an incentive to delay, which presently exists. So we hope this Act will encourage early settlement of these matters.

There is a provision in the Act which allows a judge to use his or her discretion in the event that a plaintiff, an injured party, unduly delays the proceedings and is dragging them out. The discretion is there for the judiciary to modify or disallow the award of interest. So that safety check is there.

I should also mention that during the adjournment period since the spring sittings, Mr. Speaker, we have received a number of submissions from individuals, the insurance industry, and the legal profession with respect to this Bill. That was the purpose in letting the Bill go over to the fall sittings. As a result of those discussions and that review, there are some amendments we have considered, and they will be brought forward when the Bill moves to committee stage.

This Bill, Mr. Speaker, addresses the concerns of a great number of people over the years. I hope hon. members will support the principle contained in this Bill. Innocent injured parties should be fully compensated. They should not be short-changed by the system, which is the present case. I ask members to support the motion for second reading.

MR. LEE: Mr. Speaker, I welcome the opportunity to speak to second reading of Bill No. 6, the Pre-judgment Interest Act.

I want to begin by acknowledging the work of the hon. Member for Olds-Didsbury, who has laboured, researched, amended, drafted, consulted, listened, and advocated for some period of time to bring this Bill forward. I commend the hon. member for that good work.

Interest rates are a subject of great interest to us all, particularly after the trauma of the past couple of years. You get a pretty good idea of the definition of eternity when you buy a \$15,000 car on the installment plan or have a third mortgage, paying interest only. Eternity seems a very long period of time when interest rates are involved.

Mr. Speaker, my remarks are centred on and built around the responses I have received from the legal profession. If there is a profession that is as maligned as that of the politician, it is lawyers. I dug up a couple of definitions of lawyers. First of all: a person who helps you get what is coming to him. Another definition I've heard: a lawyer is willing to go to court and to spend your last cent to prove he is right. Mr. Speaker, I'm not speaking to you directly of course. And thirdly: a lawyer is known as someone who keeps you out of jail by putting you in the poorhouse.

Mr. Speaker, my perspective here is somewhat different in that I invited the response from lawyers within my constituency. I received 12 letters, and I have been impressed by the detail of their interest in this subject. It's my view that speeding up the court system is not enhancing their legal fees at all, so I'm delighted that they have responded. I want to speak to the three main reasons I see for this Bill, one question I have about the principle, and two possible ideas as well.

Mr. Speaker, I think the problem was best defined in a letter I received. It was well-written, and it reads as follows:

Since we lack a pre-judgment interest act in Alberta, insurance companies can sit back and wait for the injured person to proceed through our legal system. When settlement is finally forthcoming, and the matter proceeds to trial, they then pay off the damages awarded with the profits which have been devalued by reason of inflation while they have been earning monies on the monies they hold for the damages. In other words, they are able to utilize funds which are rightfully the property of the injured persons as a means of funding their own operations and enhancing their own profits while the injured person received no compensation whatsoever.

Mr. Speaker, I believe that defines the problem extremely well. I appreciate the response.

To set the stage for the three reasons that I believe this Bill ought to be approved: first of all, it will speed up the court system by giving the defendant an incentive to go to court and to pay the damages as soon as possible. That incentive clearly does not exist right now. Let me quote from another response from a member of the legal profession in Calgary Buffalo. He quotes that he's been a practising lawyer involved in this area for some time and for many years has

had the good fortune of having practiced in another jurisdiction both before and after the Pre-Judgement Interest Act came into force.

He goes on to say:

The benefits of the Pre-Judgement Interest Act [in another jurisdiction] are many fold. Perhaps primarily it assists in unclogging an overcrowded court calendar by removing the incentive to Defendants to delay payments of damages, monies which in many cases are set aside by the Defendants in accounts or reserves which themselves draw interest, which interest currently is not being paid to the claimant.

So we have an example elsewhere where clearly the advantages were obvious.

Mr. Speaker, I had an example myself in the past year. I should say it's not secret that I'm a bachelor, and I spend a great deal of my time buying pizzas at some of the finest pizza-steakhouses in the city of Calgary. Tragically, Mr. Speaker, one of them in Calgary burned down about five months ago. Fortunately, in the clause of the insurance there was a business interruption provision. What happened was that as long as the business wasn't operating, the insurance company had to pay the owner the salaries and the wages of its employees. I've never seen a restaurant rebuilt so quickly, because the insurance company knew that as long as the clock was ticking away, it was costing them money. That seems to me to be an important incentive and certainly a provision here.

I say to members of this House: who here has not paid the price of a slow court system? We've all complained about it. We now have an opportunity to do something.

Mr. Speaker, the second reason I believe this Bill ought to be approved is that here is an example of a Bill that is operating well in two other provinces in Canada, British Columbia and Ontario. I quote from yet another letter. The lawyer says:

Jurisdictions including British Columbia and Ontario have adopted similar legislation. My colleagues in British Columbia in particular indicated that legislation of this nature had cut by at least one half, the time which injured persons normally have to wait before receiving appropriate compensation.

One half. I think that's a significant factor indeed. Clearly this is a Bill whose time has come.

Thirdly, Mr. Speaker, there's the issue of fairness to the plaintiff. The plaintiff should not lose the interest. In most cases they're severely penalized as it is, with an injury that in most cases is lifelong. Let me quote from one other correspondent:

One of the biggest problems that we face in presenting claims of injured persons is that insurance companies have no incentive to settle in that the monies that they eventually will have to pay can be invested by them in various real estate projects etc. paying them a high rate of return on monies that rightfully belong to the injured party. Because we have lacked a Pre-Judgment Interest Act in Alberta, these insurance companies can sit back and wait for the injured person to proceed through a long and tortuous legal system and at the end of it all, the injured person receives a settlement for damages but nothing to compensate him [or her] for not having that money between the time of his injury and the time of the eventual settlement or court award. In effect, insurance companies are using the monies that belong to injured parties as ways of funding their own operations and their own investment and profit picture.

Mr. Speaker, one of the concerns that's been raised is the potential for plaintiff abuse. I believe the hon. Member for Olds-Didsbury addressed that very well. In fact, I have a letter on file where another lawyer has pointed out that there have been incidences of plaintiff abuse and, therefore, it is necessary to give the courts some ability for discretion in the awarding of the interest rate. There are many good reasons for judicial discretion, Mr. Speaker. There is also the incidence of the potential in cases of negligence, where because of the lengthy delay of time and the awarding of the inflation factor, there could in fact be a double award. So I think judicial discretion is necessary.

Mr. Speaker, in speaking to the principle of this Bill, I just want to bring to the attention of the House the need for one

additional consideration. Let me quote to you the problem as it's presented to me in another response:

2 The legal rate of interest right now is 5%. This only applies after judgment. Let us suppose then that the prescribed rate of interest is 11% under the Pre-judgment Interest Act. As I read the matter now, after the enactment of the Pre-Judgment Interest Act, the successful party would get interest at 11% up to the time of judgment but would only [receive] 5% after that time. I think there should be a paragraph put in stating that wherever pre-judgment interest has been awarded pursuant to the Act, such rate of interest shall continue after the judgment at the same rate until payment of the judgment shall have been made.

That's one suggestion that I draw attention to when speaking to the principle of the Bill.

Mr. Speaker, I support this Bill. There is a concern about judicial discretion and twinning the pre- and post-interest rate. I raise the question of plaintiff abuse, but I believe that can be dealt with by judicial discretion. For the reasons of speeding up the court system, the successful introduction of this legislation elsewhere, and, more than anything, fairness to the plaintiff, I urge all members of the House to support the principle of Bill No. 6.

MR. GOGO: Mr. Speaker, rising to speak in favour of Bill No. 6, the Pre-judgment Interest Act, sponsored by the hon. Member for Olds-Didsbury, I want to comment that for some time I've had a very deep interest in this subject. I think excellent reasons have been given by both the sponsor of the Bill and the Member for Calgary Buffalo, although I would be the last one ever to be accused of being desirous of removing food from the mouths of lawyers' children.

I for one have long supported the principle that if you can make an arrangement or a deal with a lawyer for contingency fees, that's fine. I wish we would expand it to include areas of medical malpractice. For some reason, it's okay in insurance with sustained injuries, but it's not okay when you get to matters that deal with other professions. Obviously, the history of that type of action in Canada hasn't been very successful. I suppose it would be in the interests of most people here today if I said no more on the matter of medical malpractice.

Mr. Speaker, reference has been made by the Member for Calgary Buffalo to the successful experience they've had in British Columbia. I don't know how successful it has been in the province of Ontario. It seems to me that over the past 10 years, we in this House have always tended to model our legislation on the experience of Ontario. So perhaps, if for no other reason, we would tend to follow in the footsteps of Ontario in enacting legislation of this kind.

My concerns, Mr. Speaker, relate primarily to the injured party who, through no fault of their own, is involved in an accident and obviously has great grounds for compensation. This eternal waiting period, which goes on for years and years and years, for reasons told to us by the Member for Calgary Buffalo, whereby interest on the amount taken from reserves and placed in a certain fund have never accrued to the benefit of the claimant or the person who's been injured, clearly indicates that initiative is necessary to offer perhaps a way of an incentive for the insurer to speed up the action.

I'd like to comment that I've had negative reaction from insurance adjusters, people who are in the employ of insurance companies in attempting to reach a settlement very quickly once determination of who is at fault is arrived at. In my reading of the Bill, Mr. Speaker, in no way do I see where an adjuster

or adjusting firm is at any loss, so I'm at a loss to understand why they object to this Bill being passed by this Assembly.

My understanding is that if you are involved in an accident and are insured, you inform your insurance company, and they in turn hire an independent adjuster, depending on the company. The adjuster conducts an investigation and makes a recommendation. Undoubtedly he's employed by the insurance company, and he must serve that insurance company if he hopes to get any repeat business. By his ethics and training, he's supposedly to ensure that the claimant or the injured receives fair compensation. In no way do I see that failure to reach an agreement with an adjuster prevents somebody from hiring legal help and beginning an action. So I fail to see the reasons why they object to the very nature of Bill No. 6, other than that they are employed by insurance companies and have become agents of the insurance industry.

I agree with the reasons the Member for Calgary Buffalo gave. The one exception I would make is that I think we should add some incentive and have the interest rate at prime plus five. Then we would find out very quickly how quick this action of prejudgment interest would take place.

The final comment I would make, Mr. Speaker: I'm ever so pleased to see section 6 of the Bill. I've had many citizens say: you in government tend to pass so many laws affecting us; why don't you pass a law sometime that is binding on yourselves? Section 6, as we all know from reading the Bill, is binding on the Crown.

With that, Mr. Speaker, I endorse and urge members of the Assembly to support Bill No. 6, the Pre-judgment Interest Act.

[Motion carried; Bill 6 read a second time]

MR. HORSMAN: Mr. Speaker, it is proposed that the Assembly will sit tomorrow evening. By notice to the House, it is the intention of the government to call Motion No. 12 at the commencement of the evening sitting of the Assembly. I would now move that we call it 5:30.

MR. SPEAKER: Does the House agree?

HON. MEMBERS: Agreed.

[At 5:20 p.m., pursuant to Standing Order 4, the House adjourned to Thursday at 2:30 p.m.]