

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Friday, March 15, 1985 10:00 a.m.**

[The House met at 10 a.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

**head: INTRODUCTION OF VISITORS**

MR. HORSMAN: Mr. Speaker, I have the honour today to introduce to you and to members of the Assembly a distinguished visitor, the Ambassador of Thailand. His Excellency Manaspas Xuto is seated in the Speaker's gallery. He is accompanied by an assistant from his government and by Mr. Kurt Beier, the honorary Consul General of Thailand in Alberta.

I ask that they rise and receive the warm welcome of members of the Assembly.

MR. SPEAKER: May I interrupt for a moment to express a welcome to our new colleague, the new Member for Spirit River-Fairview. I am sure that when he was nominated, he had some idea of the kind of legislature he might be coming to if he were successful, and I would like to assure him that he has come to a parliament which is known for the participation and attendance of members. I can also assure him that he will find that although we have our lighter moments just about every day, it's a longstanding tradition and a present reality that the members are aware that they have been sent here to work.

I repeat my welcome and my congratulations to our new colleague. [applause]

MR. LOUGHEED: Mr. Speaker, on behalf of the members of the government I would like to extend our congratulations and welcome to the new Member for Spirit River-Fairview, and to say to him that our experience is that this is a house of parliament of which we're all very proud. He's well aware of and sensitive to the traditions here, and we wish him well in his responsibilities on behalf of his constituents.

MR. R. SPEAKER: Mr. Speaker, as leader of the Representative Party in the Legislature, I too would like to welcome the new member, Mr. Gurnett, from the constituency of Spirit River-Fairview. I recognize that his role at this time is monumental, first of all to understand a lot of the procedures and the environment in this Legislative Assembly; sometimes it's different from the realities of a constituency meeting. I certainly wish him well and welcome him to this Legislative Assembly.

MR. MARTIN: Mr. Speaker, there's another very important member of the Gurnett team in the Legislature today. I'm talking about Jim's wife, Jeannie. If members opposite will not hold it against her, I've known Jeannie for many years. We were at the same school in Calgary, Bowness high school; I won't tell you how long ago. If Jeannie would stand in the gallery, I wish she would be acknowledged.

Let me just say that I think all members would agree that nobody is happier to welcome the hon. Member for Spirit River-Fairview than I, now that we again have a gang of us in the House. Mr. Speaker, I will say to you and to members of the Assembly that I predict the Member for Spirit River-Fairview will become a very valued member of this Assembly. Now that you're the caucus, Jim, I as the leader welcome you to the Alberta Assembly.

MR. GURNETT: Mr. Speaker, if I could just express thanks for the very warm welcomes here today. I have very much appreciated each of the people here and in the building who have welcomed me and helped me to feel at home in these last few days. It's very good to be here at last. I'm especially grateful to the voters in Spirit River-Fairview for the opportunity to be here. I hope that in my time here, I'm going to be able to fulfill the responsibilities I've been reminded of with clarity and with honesty and honourably for the people I represent and for the province of Alberta. Thank you.

**head: TABLING RETURNS AND REPORTS**

MR. SHABEN: Mr. Speaker, I wish to table the combined annual report of the Alberta Housing Corporation and the Alberta Home Mortgage Corporation for the year ended March 31, 1984.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. HYLAND: Mr. Speaker, today I'd like to introduce three gentlemen from southern Alberta, members of the Alberta Sugar Beet Growers' Marketing Board: chairman Walter Boras, vice-chairman Paul Thibodeau, and board member Peter Van Den Dungen. I ask the gentlemen to rise in the gallery and receive the warm welcome of the Assembly.

MR. CHAMBERS: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, 27 grade 8 students from Major-General Greisbach school in the constituency of Edmonton Calder. They are seated in the members' gallery, accompanied by teachers Mrs. Tabler and Mr. Opheim. I would like them to stand and receive the warm welcome of the Assembly.

MR. WEISS: Mr. Speaker, it is my pleasure to introduce to you, and through you to members of the Assembly, 56 grade 8 students from Peter Pond school in Fort McMurray. Surprisingly to some members, I'm sure, Peter Pond school is located in the centre of the Lac La Biche-McMurray constituency. They are accompanied by teachers Mrs. Uitenbosch and Mrs. Lush and by parents Mrs. Kineasewich, Mrs. Matychuk, and Mr. and Mrs. Paquette. They are seated in the public gallery, and I ask that they rise and receive the cordial welcome of the Assembly.

MR. OMAN: Mr. Speaker, it's my pleasure to introduce to you and the Assembly today seven broadcast journalism students from the Southern Alberta Institute of Technology, which is strategically located in the constituency of Calgary North Hill. Their instructor, Mr. Darryl Janz, who I think is the dean of television news broadcasters in Calgary, is

also here. I'd like them to stand in the public gallery and receive the welcome of the House.

head: **ORAL QUESTION PERIOD**

**Oil Pricing**

MR. MARTIN: Mr. Speaker, I'd like to direct my first set of questions to the Minister of Energy and Natural Resources. The Premier has publicly indicated that he believes there will be something known as a decontrol of oil prices by April 1. Is the minister able to confirm that there are no major impediments to the conclusion of a new energy deal with the federal government by March 31?

MR. ZAOZIRNY: Mr. Speaker, in response to the question of the hon. leader of the gang, I will say that in the last number of days I have discovered new and diverse ways of saying "no comment". The reason for that in relation to questions about the status of our discussions involving the provinces of British Columbia, Saskatchewan, us, and the federal government, is very simple. As we reach the latter part of those discussions, the possibility increases of some misunderstandings developing via communications that aren't direct, and I know we all want to ensure that those discussions have every opportunity for a successful conclusion.

So in answer to the hon. member's question I must simply say that that is certainly one of the areas of discussion we're involved in. We're continuing with those discussions and working hard to achieve a successful outcome.

MR. MARTIN: A supplementary question to the minister. We wouldn't want the people of Alberta to know what's going on. I didn't think we'd run into any problems at all, now that we have a federal Conservative government.

Specifically, could the minister update this elected Assembly on what some of the impediments might be? I want to ask specifically: has the federal government agreed to drop the PGRT, as promised by Mr. Mulroney in the federal election?

MR. ZAOZIRNY: Mr. Speaker, I don't wish to be repetitive in my answers, except to say that that is one of the subjects of discussion. Those discussions are ongoing, and I think it's inappropriate to talk about impediments when discussions are ongoing. That is the position I must enunciate today.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier.

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

MR. SPEAKER: In the interest of an orderly progression, if that's what we're going to achieve, we might have the supplementaries by the hon. Leader of the Opposition and then continue with the hon. leader of the Representative Party.

MR. MARTIN: A supplementary question to the Premier, if I may. I take it that there are some impediments. My question is with regard to his public statement wherein he indicated that there would probably be decontrol of oil prices by April 1. What assessment led him to make that statement?

MR. LOUGHEED: Mr. Speaker, the best information I had available on that day.

MR. MARTIN: I suggest that he talk to the minister of energy, because he doesn't seem to be aware of it.

My supplementary question is back to the minister of energy. As the minister is well aware, decontrol of oil prices will mean a drop in the value of NORP volumes and a sharp rise in the price of old oil. What mechanism has the minister developed to prevent massive windfall gains for those who hold old oil, most of whom, I might add, are the major multinational companies?

MR. ZAOZIRNY: Mr. Speaker, I've never taken the view that receiving fair value for a commodity constitutes a windfall gain.

Having said that, again I simply can't allow myself to be drawn into discussions of the details of our discussions with the federal government. I must express some surprise. Surely the hon. member realizes how he may endanger those discussions by trying to create various views in the public arena. That's certainly not consistent with our approach to a successful conclusion of these discussions.

MR. MARTIN: A supplementary question. I guess knowledge is dangerous for the public. We don't want them to know, especially in this House.

Much of the current drilling activity obviously is a search for the NOR price. It could mean a \$2 to \$3 drop if we have decontrol of oil. Has the minister developed any mechanism aimed at sustaining and expanding drilling activity when the new oil price changes?

MR. ZAOZIRNY: First of all, Mr. Speaker, I can't concur in the assumption the hon. member makes. If he further explores how the current regulated system operates, he will discover that within that system, including the NOR pricing, is a self-correcting mechanism so that if in fact there is a price being paid in any area or for any qualities of oil that is currently in excess of the market price, that will adjust itself within a period of time.

I do not share his view that the current level of activity in this province is generated by virtue of that above-market price as it may exist in certain specific circumstances. It exists very much as a result of the initiatives of this government back in April 1982, with the oil and gas activity plan. We're delighted with that upturn in activity, of course, and we believe that our industry very much shares our view that fair market pricing is a goal that has long been sought after and that must be achieved in the course of these discussions.

MR. MARTIN: A supplementary question, Mr. Speaker. Has the minister impressed on the federal government the importance for our industry of the issue of tax deductibility of Crown royalties, and have they accepted this in principle?

MR. ZAOZIRNY: Mr. Speaker, I think I've indicated that it simply isn't possible or appropriate or helpful to be drawn into a detailed discussion of these various issues at this time, due to the ongoing negotiations.

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

MR. SPEAKER: Might this be the last supplementary in this series.

MR. MARTIN: I'm not asking the minister to necessarily indicate where the final bottom line is. My question is: has he raised this with the federal government? Surely it wouldn't be contrary to public knowledge and hurt the negotiations if he just told us whether he has raised this specific issue.

MR. ZAOZIRNY: Mr. Speaker, the views of the Alberta government on the subject of the national energy program and its various components are well known and have been well elaborated by this government. For the benefit of the hon. member I'd be happy to send him a series of my speeches over the last two years on that subject.

MR. R. SPEAKER: Mr. Speaker, my supplementary question is to the Premier. I say this to the Premier: as far as I'm concerned, Mr. Mulroney made a personal commitment at the Red Barn to remove the PGR tax. That personal commitment was to the Premier of this province, on behalf of Albertans. Can the Premier confirm that that commitment was made, and is the Premier going to ensure that the Prime Minister lives up to the commitment?

MR. LOUGHEED: Mr. Speaker, I've never felt I was in a position to dictate to the Prime Minister of Canada. I'm sure the Member for Little Bow is as aware as I am of statements made by political leaders, including some he's made in this Legislature on the subject of energy.

MR. R. SPEAKER: Mr. Speaker, a supplementary. Could the Premier confirm that all is being done from his office, not from the minister of energy's office, to assure Albertans and the oil and gas industry that the PGRT will be removed from Alberta?

MR. LOUGHEED: Mr. Speaker, it's good the hear the belated recognition of these problems by the Member for Little Bow. As the House has just been advised, at this stage the discussions that involve the producing provinces of western Canada are the conduct of the minister of energy.

MR. MARTIN: It looks like we might be caving in again, with the good Conservative buddies over there.

### Unemployment

MR. MARTIN: My second set of questions — of course, they are always related — is to the Premier. Given the complete absence of reference to the unemployment crisis — and I deliberately use that word — in Alberta in yesterday's Speech from the Throne, would the Premier indicate if we can expect any substantial alleviation of the unemployment level in Alberta due to the upcoming budget announcements?

MR. LOUGHEED: Mr. Speaker, I would like to respond to that matter at some length.

Obviously, it's a concern of our government, as it's a concern of citizens, when there are citizens in a province who would like to work and are unable to do so. We attempt to look at these matters as realistically as we can and assess, within our population, the way in which we are responding to the needs of people to find employment. For example, as the Speech from the Throne mentioned, we look at the fact that within our province, for those who are of working age in relation to our population, we are next to Ontario — we would like to be higher than Ontario,

but we're next to Ontario — in the number of citizens working. That's a significant figure. On the other hand, we're well aware that there are citizens in this province — and we are at the national average on that score — who are unemployed and would like to have work.

So we look at this as a matter of approach of a provincial government, and we have a number of approaches, Mr. Speaker. The first is direct programs that we have undertaken, and last October we announced a series of them, to supplement others. They're mentioned at length in the Speech from the Throne, and I'm sure the Minister of Manpower would be happy to report on the progress with regard to them. They cover a wide range. We have established a priority with regard to youth, and we think that is a sound priority. We've primarily worked through the private sector. We believe that is the way for us to encourage activity and jobs on a more permanent basis, and that's been one important feature. I've personally assessed programs of a similar nature in other parts of Canada, and there's no question that our programs for manpower training and job activity exceed the country's. So one area is the direct manpower programs.

I will conclude my long answer with a request to citizens generally, including members of the opposition. If there are some ways in which they see that our manpower training programs can be realistically supplemented, we welcome specific suggestions.

The second area of our activity with regard to employment involves the area of a capital construction program of the provincial government, and that is an important element. In the Speech from the Throne, Mr. Speaker, we mentioned the very significant degree of activity by this government. The hon. Leader of the Opposition is aware of the statement in last year's budget speech that, on a comparative basis, we have more commitment in terms of capital expenditure, which creates jobs, than any province in Canada.

I think we should probably move to this debate after the budget is presented on March 25, but I would like to respond in advance to the question. We look at capital construction this way: if there are capital projects that are needed and they can be accelerated under the present circumstances, that's something we would welcome. If suggestions are made by the members of the opposition, we would welcome when they can be accelerated. But I will say this on behalf of the government: it is not the intention of this government to be involved in the capital construction of projects that are not needed in the near term, because there has to be financial responsibility. But we will await — no doubt we will get them; at least we hope we will. We haven't received very many in the past, but I'm told we will get some concrete suggestions in this second area.

There's a third area in terms of job creation that involves the crucial private sector, and that involves a number of initiatives by this government that deal with the issue of employment. They include our approach with regard to reducing taxation for processing and manufacturing. They involve the small business equity corporations and moves with regard to venture capital. They involve the marketing assistance that we have developed. All those are involved in terms of a series of government programs relative to job creation.

There's a final one, Mr. Speaker, that should be considered by the Assembly and by the public at large. It has to do with the confidence factor. The situation in the province at this particular time is that, next to agriculture, the area of the greatest concern we have has to do with building

construction, because we have an oversupply of apartments and office buildings. That happened through circumstances that we debated in this House.

The fact of confidence in the province by the citizens is important. That confidence factor has to involve the view that they have stability in their current employment; that they therefore can expand in terms of moving out into apartments and homes and expanding their offices. The confidence factor is crucial. That has been the fourth element.

I will just conclude by saying that if the hon. members of the opposition have any way in which they can improve the confidence factor in the province, we'll watch that with interest.

MR. MARTIN: Nice speech. I appreciate your bringing out your rose-coloured glasses and telling us how good it is in Alberta, Mr. Premier. But the bottom line is this: the policies have been a total and absolute failure. I remind you that in this city of Edmonton we have 15.5 percent unemployment. That's the bottom line, no matter what you say.

My question is this: will the Premier indicate if he had projections in 1984 or early 1985 that the rate of unemployment in Edmonton would skyrocket to 15.5 percent, as it did in February?

MR. LOUGHEED: Mr. Speaker, I think what has been said by me and by others is that the degree of unemployment in the metropolitan centres involves to a very large degree the area of those that, by their occupation and trade, are involved in building construction. I believe we have said clearly in the past budget speech and on other occasions that until the inventory of apartments, particularly, and office space is absorbed in this province, which will be a matter of confidence as well as other factors, the rate of unemployment in that segment will remain high. That fact has been clearly put by this province, and almost all objective people who have assessed the economy of the province of Alberta are well aware of that.

If the hon. Leader of the Opposition has any concrete, constructive suggestions as to how we can accelerate the take-up of the vacant apartments and office space, Mr. Speaker, we welcome that.

I might point out that in other areas of the province, particularly northern Alberta, where a number of energy projects are under way as a result of our various policies, the vacancy rates in both office and commercial and apartments and housing have been moving downward very rapidly.

MR. MARTIN: We will be giving alternatives, rest assured of that. But I guess the answer to the question is that the Premier did know that it was going to skyrocket to 15.5 percent.

My next supplementary question to the Premier is this: has the Premier projections regarding the unemployment in Alberta, or its major cities, in the coming spring months?

MR. LOUGHEED: Mr. Speaker, I don't believe there's a way you can quantitatively project it. We watch with interest the vacancy factor in the metropolitan areas with regard to office space, commercial space, and to apartments. It has come down somewhat. It would depend upon the confidence level. I hope all members of this Assembly and others involved will strengthen their confidence, which is justified, in terms of the Alberta economy. It might not be in their political interest, they might feel, to see the economy of

Alberta recovering as forecast. But I think it would help if the confidence factor were strengthened.

MR. MARTIN: A supplementary question. There's going to be an unprecedented confidence level in this province after the next provincial election, I can assure the Premier of that. [interjections]

Will the Premier indicate — and this is a serious question — if there is any level of unemployment in Alberta ... [interjections] The backbenchers are getting a little nervous, Mr. Premier, because they know they are in trouble. Is there any level of unemployment in Alberta which the government considers unacceptable, and what level might that be?

MR. LOUGHEED: As I've said on a number of occasions, Mr. Speaker, I don't think there's any level of unemployment one can consider as acceptable. One can argue the statistics, as to whether or not people are moving from job to job and hence appear in unemployment statistics. But one can never say — and one should never say, and I don't accept it — that you have a level of unemployment that is acceptable.

When you get to the question of what you do about that, I don't think you respond by leaving a legacy of debt to the people involved, and I don't think people would suggest that. We should have a debate about measures, and I welcome the debate about measures. But there's no suggestion, and in my view there never has been, that there is a level of unemployment that is acceptable.

I can have debate about the statistics too, but I didn't take that as the thrust of the hon. leader's question. With regard to his gibe about elections, I detect that he and others should look at *Hansard*, March 22 to 25, '82.

MR. MARTIN: Mr. Speaker, the Premier is in the past again, just like his government's policies. I might point out that part of the reason for the debt is high unemployment. As the Premier is speaking, there are probably another dozen people out of work.

My very specific question is: what consideration has the Premier given to holding an interest group, sectoral conference, such as the federal government is now planning, for public discussion of workable alternatives to bring down our rate of unemployment?

MR. LOUGHEED: Mr. Speaker, we had very extensive input through the forum we had on the white paper on industrial and science strategy, which covered this province. Going from memory, there were some 200 excellent submissions with regard to that last September, and discussions ensued with the four members of this Legislative Assembly who conducted the forum. There is ongoing work, as there should be, with regard to meetings that are conducted by each of us as MLAs. Certainly we keep looking for, and I keep welcoming, concrete, practical suggestions from people as to what further action this government could take.

I have to take some issue with the preamble of the hon. leader's question — I'll have to check *Hansard* — if he suggested that it was unemployment that created debt. If he could just assess that a little more carefully, he might realize that by the country getting into the debt position it is in overall, which has been a policy that I think his group continues to practise or preach — I don't think they have that much opportunity to practise, but the degree to which they preach. I suggest that the whole view of constantly getting governments into a position of deficit spending and

into a position where they can't service the debt reduces the capacity to handle the problems of dealing with the issue of encouraging private-sector investment and meaningful jobs.

MR. MARTIN: That was the same speech they made in the Thirties, Mr. Premier. Look in *Hansard* if you want to go back. We'll make an agreement with the Premier: if you'll stay around, we will debate the issue. If you come to the House, you and I can have a good debate — more than question period. I hope the Premier will agree to that.

But let me be specific. Has the Premier any plans to introduce measures to establish Alberta-backed, fixed low-interest loans for small business in this province in order to promote growth in that sector? That would create a lot of employment.

MR. LOUGHEED: Mr. Speaker, the point of fixed-interest loans is a crucial question, because the problem small business has today relates to the fact that, frankly, they have too much debt. They are trying to work their way out of it. What is needed in this province is equity. That involves confidence, that involves the private sector, and that involves getting people to invest. That is why the small business equity corporations have worked out so well. It is an excellent move. I think even the hon. Leader of the Opposition agrees with that move. What we need in this province and in this country is more equity and less emphasis on debt.

MR. MARTIN: Mr. Speaker, I didn't know it was either/or. I think both could be done.

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

MR. MARTIN: My final question is simply this: given the continued climb in the rate of unemployment since the current Manpower minister has held that post, is the Premier prepared to seek the resignation of the Manpower minister, in the name of restraint, so the Premier himself can take over the task of reducing unemployment in Alberta — take it as a personal task?

MR. LOUGHEED: Mr. Speaker, I understood you rewrote that question from one you had last fall, and changed a couple of words.

I think the extent of the programs that are under the jurisdiction of our Minister of Manpower is pretty evident to all involved. I think he is doing a very effective job in the implementation of those programs. If there are changes that could be made — and we welcome suggestions — I'll be prepared to do this.

The only undertaking I will really make with regard to debate is that I'd be happy to come back to hear debate after we finally get some constructive, practical suggestions.

#### Agricultural Assistance

MR. R. SPEAKER: Mr. Speaker, I'd like to address a question that is just as immediate as the matter of unemployment: the matter of agriculture in Alberta. My questions are to the Minister of Agriculture. We have a very serious situation, as we all recognize, in terms of equity being down and input costs up, bankruptcies facing a number of farmers, and shortages of cash flow to put the crop in or

to take it off this spring. Could the minister indicate whether, in the next two-week period, some new initiatives that will assist those farmers in serious problems in this province will be taken by the government?

MR. FJORDBOTTEN: Mr. Speaker, we on this side of the House certainly recognize the importance of the producers' cash-flow concerns at this time. We have taken a number of actions with respect to the Agricultural Development Corporation providing counselling and guarantees for individuals who might be in some difficulty. We have also been working with the federal government on a number of programs that may be helpful.

As always, Mr. Speaker, all our programs are under continuous review. If we see some way we can be of further assistance, we'll act in due course.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. To be a little more specific, in southern Alberta we have a very serious situation. Some 2,200 acres of beets are still under the snow or are ruined and will not be harvested, and that's a loss of some \$1.75 million. It's a situation that last occurred in 1951. In discussions with the minister responsible for the disaster services fund, is the minister prepared to extend financial assistance to those people, on this one-time basis, to assist them with cash flow and the difficulties they are facing right now?

MR. FJORDBOTTEN: Mr. Speaker, the hon. minister responsible for disaster services may wish to supplement my answer. Over the past few months we have had discussions with the Sugar Beet Growers Association as well as the Fresh Vegetable Marketing Board, to look at some way that we might be helpful to them. Sugar beets will be covered under the Hail and Crop Insurance Corporation for 1985; however, there was no coverage in the vegetable area for 1984. Canning vegetables were covered under crop insurance, but not fresh vegetables.

Discussions have taken place with the impacted producers and the Hail and Crop Insurance Corporation as well as members of our agricultural caucus committee, who have been working to see if there is some way assistance could be provided. Considering the situation, Mr. Speaker, at this point there is no assistance planned for those producers in that situation.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether a decision has been made with regard to providing assistance to vegetable growers? If so, why don't sugar beet growers come under the same category as growers of vegetables such as carrots, et cetera?

MR. FJORDBOTTEN: As I stated clearly, Mr. Speaker, vegetables that are for canning are presently covered under the Hail and Crop Insurance Corporation, and the fresh vegetable marketing part of it was not covered. No assistance in addition to that is planned at this time for either of those industries.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The minister said "at this time". Is that a final decision at this point, and can the farmers be notified as such?

MR. FJORDBOTTEN: Mr. Speaker, I wanted to leave the option open to see if we could work out some way to

provide assistance, but none seems to be evident at this time. However, I will continue to review the matter.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to total survival of the sugar beet industry in the year 1985. In the next week we, along with the federal government, have to make a very critical decision. Could the minister indicate the position of the Alberta government in those negotiations, and will all be done to assist that industry to survive?

MR. FJORDBOTTEN: Mr. Speaker, the answer is yes. We are certainly aware of the difficult situation that not only the growers of sugar beets in southern Alberta but the manufacturers and dealers of beet equipment are finding themselves in. Behind the situation is the fact that the federal government does not have a sugar policy which protects the industry from raw world sugar being literally dumped into our market at below our production costs.

To date a number of meetings have taken place between the sugar beet growers and B.C. Sugar, and the lead minister on the issue is the Minister of Economic Development. Because of the concern that was raised about the possible closure of the sugar plant in Taber, we sent a telex to the federal Minister of Agriculture, being very, very supportive of the industry and saying that under the Agricultural Stabilization Act the federal government had a responsibility to support the price of sugar beets to growers. As yet, Mr. Speaker, we have not received a response from Ottawa. But we're very supportive of the industry and have made very strong representation, recognizing the shortness of the time frame we're working in and that growers must soon make a decision on whether or not they will be planting beets for the 1985 crop year.

MR. R. SPEAKER: Mr. Speaker, a supplementary. I understand the federal minister responsible for the Wheat Board is in the city today. Is it the intention of the Minister of Agriculture or the Minister of Economic Development, who is not in his place, to meet with that minister and press the issue, hopefully to conclusion?

MR. FJORDBOTTEN: Mr. Speaker, I understand there is an opportunity this weekend for one or both of us to meet, and we intend to do that.

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

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

MR. R. SPEAKER: A large amount of acreage, some 400,000 to 500,000 acres of crop, is under snow in northern Alberta. That is, still sitting out there is some 5 billion loaves of bread to feed Canadians. Could the minister indicate whether consideration is being given to further extension of the advance in terms of crop insurance? At present the advance is up to 25 percent; in some cases it was extended beyond that. Is the minister considering an extension of 50 percent to these farmers, so they can have cash flow to take off the crop and seed a new crop as well?

MR. FJORDBOTTEN: Mr. Speaker, we are looking at that within the Hail and Crop Insurance Corporation at the moment. I'm aware of about a hundred individuals whose crops are under snow and in poor condition, or the chances

of recovery are very slim. There have been additional adjustments made on that and an additional advance made to them, recognizing that the chances of recovery are very slim in some cases.

MR. R. SPEAKER: Mr. Speaker, a final supplementary. Can the minister indicate whether a team of personnel from his department is in the area reviewing the situation constantly so that any farmer that has difficulty has someone to whom they can make a presentation, so the problems can be solved as quickly as possible?

MR. FJORDBOTTEN: Mr. Speaker, we have very competent people within the department in the region. In addition, the Alberta Hail and Crop Insurance Corporation, if they're contacted, has been directed by my office to give every consideration. In addition to that, if anyone contacts my office I make sure their account is reviewed.

MR. GURNETT: Mr. Speaker, during the last few months the people in Spirit River-Fairview have made clear to me a number of concerns related to agriculture, which I'd like to raise with the hon. Minister of Agriculture. The minister's counterpart in Manitoba is now reviewing debt adjustment legislation, and I ask the minister to outline what sort of review this government has done of debt adjustment legislation.

MR. FJORDBOTTEN: Mr. Speaker, as part of our ongoing review of the whole area of credit we look at what not only other provinces are doing but other jurisdictions, including the United States. We have looked at debt adjustment legislation, and it certainly didn't look like a reasonable alternative to us. It also has constitutional limits with respect to the province's authority to force federal banking institutions to change conditions of loans. It was one aspect that we didn't feel would fit within the province of Alberta.

MR. GURNETT: A supplementary question, Mr. Speaker. In view of the fact that legislation like that has operated in the past, I question the ability of not doing it again.

There has been a 56 percent increase in farm bankruptcies in Alberta during the last year compared to 1983. I'd like to ask the minister if he could advise why the government of Alberta declined the invitation of the government of Manitoba to attend a national conference regarding a write-down of all farm interest loans to the 8 percent level.

MR. FJORDBOTTEN: Mr. Speaker, it is very clear that since last July's ministers' conference we have worked on one of the top priorities of all ministers of agriculture, including the federal minister, which is the financial condition and situation of our producers. At that time we established a task force, which had representatives of all provinces, who worked together over the period from July to November, at which time they made their report. During that process all the options that were worthy of consideration were put before that group. Out of that group of options they selected 12, six of which could be implemented relatively quickly and six that would take longer, and we were working through that process.

The reason I didn't agree to go to that conference in Manitoba was that we were already working on a national process, and the minister from Manitoba hadn't put on the table some of the options that were being considered at that time. However, the task force was there. If there were

options that could be considered, there was a vehicle to do that, and I felt that was adequate.

MR. GURNETT: A supplementary question, Mr. Speaker. It seems to me that when there's a crisis, it's necessary to continue to explore all avenues. Since almost three-quarters of the farm loans in this province are not from the provincial government, I'd like to ask if the minister has formally responded on behalf of the government to the suggestion by Unifarm, in its recent submission to the caucus committee on agriculture, that all farm interest rates be reduced to 7.5 percent in this province.

MR. FJORDBOTTEN: Mr. Speaker, the formal response hasn't gone to Unifarm at this point. We have had discussion with them and will be responding in due course.

MR. GURNETT: A supplementary question, Mr. Speaker. The minister's own statistics office has indicated that total net farm income last year declined by 16 percent in Alberta. That was following a 22 percent decline the year before. Has the minister undertaken any review of government assistance programs regarding fuel or fertilizer costs, to ascertain if there is a way to reduce input costs through those avenues?

MR. FJORDBOTTEN: Yes we have, Mr. Speaker, recognizing that the cost/price squeeze that producers are in today is caused by increasing input costs and the reduction in the market price of the products they sell. We are price-takers on the world market. There are limitations to what we can do in that area. However, we are more aggressive than any other province in assisting with marketing our agriculture products.

When we come to the input side, in the fiscal year 1984 there was some \$59 million in rebates on farm fuels. As the hon. Member for Spirit River-Fairview is aware, there's no gasoline tax in Alberta, so we were in effect rebating the royalties to them. That program is always under review, Mr. Speaker. We've made some modifications to the program to increase the benefits to producers over the years, and we continue to look at that. We also have the natural gas protection plan, which gives some \$9.8 million to producers, and the natural gas rebates for primary agriculture producers, which is another \$2 million.

So we are working very significantly in those particular areas and will continue to monitor and adjust the programs in order to do all we can to help our producers.

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

MR. SPEAKER: Might this be the hon. member's final supplementary.

MR. GURNETT: In view of the perception that seems to exist amongst a large number of the agricultural community that the government is arbitrary and makes statements rather than consults, I wonder whether or not the minister has asked his officials to set up provincewide public hearings to give the agricultural community input on their concerns about the hail and crop insurance program.

MR. FJORDBOTTEN: Yes, Mr. Speaker, we have. In fact, the board of the Hail and Crop Insurance Corporation toured the different areas of the province to get input on how they might modify their programs. As the hon. member is likely

aware, we made a number of modifications this past year which came from direct representation from producers across this province who saw their insurance plan, their protection plan, being improved in some way to benefit them.

In addition we receive representation on a regular basis from farm organizations, which have as their members the producers of this province. We take under consideration the input that they have received and they bring to us, to try to do all we can to make the program work effectively and remain actuarially sound and meet the needs of our producers.

#### **Elk Island Teachers' Strike**

MR. LYSONS: Mr. Speaker, I'd like to direct my question to the Minister of Labour. Could the minister tell the House if negotiations in the Elk Island school dispute are ongoing?

MR. YOUNG: Mr. Speaker, I can respond to the hon. Member for Vermilion-Viking that the two parties have representatives meeting in Edmonton. I believe they commence in 10 minutes' time. So we do expect to have negotiations on a fairly continuing basis since they were adjourned last Wednesday evening. There was some discussion yesterday, but it was of an exploratory rather than negotiating nature.

#### **Edmonton General Hospital**

MR. PAPROSKI: Mr. Speaker, I'd like to address my question to the Minister of Hospitals and Medical Care. It deals with his current deliberations with the board of the Edmonton General hospital. Would the minister please update the House on any plans that have been finalized with respect to the future of the Edmonton General hospital?

MR. RUSSELL: Mr. Speaker, hon. members may recall that almost a year ago in this House I announced an agreement in principle on a very exciting and comprehensive plan of development for the existing Edmonton General hospital, whereby they would expand and update their active care programs into the new Mill Woods area and develop the Jasper Avenue site, where that old hospital has been for many years, into Edmonton's finest geriatric and auxiliary care centre.

During the intervening months we've proceeded on that basis and have reached agreement on all issues and programs except one; that is, whether or not it is necessary to leave an emergency service in that part of Edmonton, bearing in mind the other emergency services that are near and available. Out of this last point of disagreement has arisen a great amount of misunderstanding at the public level, generating petitions, et cetera, to save the hospital. Of course, there is no thought of knocking down the existing geriatric centre or the Youville pavilion or any of those things.

As a result of that we have again commenced discussions, which are continuing today, with respect to that particular aspect of the issue; that is, emergency services in that part of the city. If there is some compromise that we can reach, the government would be willing to look at it. But I share again with hon. members our resolution — shared by all members of the House, the Premier, and other provinces — to do something about the rising tide of hospital and health care costs in the country. Any decisions that are taken have large price tags and an ongoing, heavy financial commitment attached to them.

It's a complex issue. I recognize that there's a fair amount of emotion out there in the Edmonton community at the moment. We are doing out best to respond to the objectives and principles held by the board and the messages they're bringing on behalf of some concerned citizens. On the other hand, we're trying to balance a response to that with the fiscal responsibility we all share in the House.

I suppose the short answer to the hon. member's question is that we're very, very close to reaching total agreement. If we can find a way of resolving an answer to the best way of dealing with emergency services in that part of Edmonton, we'll have a magnificent program under way and one which will serve us well. Discussions with respect to that item are continuing today and on into next week.

MR. PAPROSKI: A supplementary, Mr. Speaker.

MR. SPEAKER: Might this be the hon. member's final supplementary.

MR. PAPROSKI: According to the minister, the major disagreement is in the area of emergency care. If the minister could comment on that area, what is the major stumbling block? Where is the disagreement?

MR. RUSSELL: In times of population shifts and changes that go with it, I suppose it's to be expected that there would be public concern about the availability of emergency services in that part of Edmonton. We're trying to balance that concern with the fact that the new emergency service at the nearby Mackenzie Health Sciences Centre just opened. The one at the Charles Camshell hospital is being expanded, as well as the one at the Royal Alexandra hospital. Not too far away, of course, is the Misericordia.

Balanced with that is what has happened to Edmonton since the Edmonton General was built in 1895. We have the equivalent of another city northeast and southeast. There are families there that need and require hospital services, and we're trying to bring those services to where the people are and still make the best use of the institution that's been developed at the Jasper Avenue site. The emergency service is a very small detail but one that has generated a fair amount of misunderstanding and emotion at the public level. We're trying to work our way through that in a factual way, Mr. Speaker, bearing in mind the points I mentioned earlier.

MR. SPEAKER: We've reached the end of the allotted time for the question period. I apologize for limiting the hon. Member for Edmonton Kingsway to just one supplementary on an important topic. I have mentioned the hon. Member for Calgary North Hill and, with the indulgence of the House, perhaps we might deal briefly with his concern. Is it agreed?

HON. MEMBERS: Agreed.

#### Unemployment (continued)

MR. OMAN: Thank you, Mr. Speaker and hon. members. My question is directed to the Minister of Manpower. If my memory serves me correctly, I believe the federal government designated a sum of money to be distributed to the provinces for aid in their unemployment problems. I wonder if the minister could indicate to us if this is a

designated percentage per province or something that can be negotiated. If so, is he vigorously pursuing the matter?

MR. ISLEY: Mr. Speaker, I share with all hon. members that at the recent successful first ministers' meeting in Regina, a new labour market strategy for the nation was laid on the table and agreed to by all our premiers and the Prime Minister. It's interesting that many of the principles in that strategy parallel very closely the principles we adopted with our major new initiatives last October; for example, a recognition that the co-operation of the private sector is needed and that we need to work with them in developing jobs and training opportunities in their area, multiyear funding and planning, and a tying of training to job creation so that you not only assist someone into a job but enhance their abilities to find follow-up jobs.

At that conference a commitment of \$900 million was made by the federal government. To date \$200 million has been distributed in the student summer program, and you may recall the announcement of Challenge '85 Alberta, which we made a week ago Monday. Negotiations are currently under way to determine, number one, the formula under which the balance of the money will be allocated and, number two, the type of program mixes that will be developed in co-operation with the provinces. So I am pleased to report that negotiations are under way.

#### Request for Emergency Debate

MR. MARTIN: Mr. Speaker, I rise under Standing Order 30 and request leave to move adjournment of the ordinary business of the Assembly to discuss a matter of urgent public importance, that being the strike by the teachers of Elk Island school division. Several conditions in Standing Order 30, as elaborated in *Beauchesne's* fifth edition, citations 285 to 294, must be met for such a motion to be entertained. Under Standing Order 30 the matter proposed for discussion must relate to a genuine emergency calling for immediate and urgent debate.

There are two questions here. One is the matter itself: is it an emergency? *Beauchesne* says it "must be so pressing that public interest will suffer if it is not given immediate attention." The second part of that is: is consideration of the matter urgent in the parliamentary sense? By that they mean urgency of debate. That means that when ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands it, a discussion take place immediately.

I'd like to refer quickly to those two questions, Mr. Speaker, and indicate why we think the matter is urgent. First of all, is the matter so pressing that public interest will suffer if it is not given immediate attention? The strike in Elk Island school division has been going on since February 19. That's 19 school days of the less than 200 days in a normal school year. Admittedly there are some attempts through the correspondence branch getting correspondence out, but I think all members here, including the Minister of Education, would agree that correspondence is really not a very desirable alternative. It seems to us that with the length of this strike many students, especially students in grades 10, 11, and 12, are in serious danger of losing their semester. As well, there is a significant disadvantage for those students who anticipate writing province-wide examinations vis-a-vis other students across the province. I think we would all agree with that. It is potentially acute for grade 12 students who want to go on



to postsecondary education. In many university faculties it is a fact that there are quotas. Certainly, losing this much time out of your studies ...

MR. SPEAKER: I hesitate to interrupt the hon. Leader of the Opposition, but it would of course be possible under the guise of justifying the reasons for the debate to engage in the debate itself. That would be a total circumvention of the principles that apply to this kind of situation. I think the hon. leader has dealt with the question of urgency. If he wishes to deal briefly with the other point he has, perhaps we might hear him. If other hon. members would like to comment, I'd then be glad to hear from them as well.

MR. MARTIN: Mr. Speaker, then we agree that there is an emergency for certain people. The only other point I would say is that communities in the Elk Island school division are being polarized. There are some not pleasant passions being developed there, and I think that's another reason for emergency.

As you requested, Mr. Speaker, I'll go to the second matter. That is the question: is the matter urgent in the sense that ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands a discussion take place immediately? The question will obviously be raised that perhaps there is opportunity to debate this on the Speech from the Throne. I would say this is not the case, though. The Speech from the Throne goes on for a number of days, and perhaps not all members could participate in that debate if it's done before the budget.

There are a number of areas discussed in the Speech from the Throne, so this is not a clear and pertinent discussion on a single matter. As we well know, all sorts of things from the Speech from the Throne can be discussed that would not focus on the Elk Island strike, and that's the importance of it.

Other matters could be brought up, Mr. Speaker. I think the House leader will point out that the opposition could place a motion on notice and designate it for debate on Thursday. This is certainly possible. The point I make here is that by next Thursday another five school days will have elapsed. I've tried to indicate that 19 days have gone by already; I believe another five days would further hold the students up to punitive measures.

I listened with interest to the Minister of Labour when he said that negotiations were going on. I am glad negotiations are going on, but they've been going on for a long time. It seems to me ...

MR. SPEAKER: I hesitate to interrupt the hon. leader again, but it seems to me we're getting back onto the first point. If that indicates that he has adequately dealt with the second point, perhaps we might see whether there are other hon. members who might have some comments about the proposal.

MR. CRAWFORD: Mr. Speaker, I think all hon. members are familiar enough with the citations in *Beauchesne* and with our own standing orders in respect to this particular matter. The real issue today, I suggest, is the opportunity to address this issue. By custom, the Leader of the Opposition follows the seconder of the address in reply, and that would be an opportunity to address this matter at that time. From his position, the Leader of the Opposition has long enough in his speaking time to be able to address basically any

issue he chooses. I recognize the argument that it be specific, and he may find that in the throne speech debate there are a number of other issues that attract him. He has to make the decision as to his priority in speaking on all the issues. If you're going to make the argument that there are a number of issues to be addressed, then each person who speaks must make the choice as to which are the most important. It would be a rather weak declaration of his view of the importance of this matter, I suggest, if he didn't rise after the seconder of the address in reply and deal with the matter then.

MR. R. SPEAKER: Mr. Speaker, I'd like to make a comment with regard to the urgency of the issue at hand. Certainly, the matter is urgent. The students are losing education; parents are concerned. I know from telephone calls and letters my colleague Dr. Buck and I have had that the matter is urgent.

An emergency debate usually fulfills the purpose of a general discussion of the issue. I see that that may be airing the issue, but I don't see it solving the problem. So I question that at this time.

The second opportunity that is available to us in this Legislature is Bills by private members or by the government. If the hon. member is talking about legislating people back to work, that won't happen through the emergency debate. I don't know whether that's his suggestion. I find myself a supporter in this Legislature of the process through the labour Act, the process that must be adhered to and respected because we as legislators approved it. The public must respect it for that very same fact. I don't know what the solution to the problem is other than that if immediate action is to take place.

The minister has indicated that discussions will be proceeding and are being handled. I hope the minister and officials are involved in accelerating and enhancing that discussion to bring this deadlock to a close as quickly as possible.

In terms of the emergency debate now, if the hon. member who is raising it has a suggestion as to action in terms of legislation, then we could focus the debate much more and I would be more sympathetic to that cause at the moment.

MR. GURNETT: Mr. Speaker, I'd like to speak in support of the motion. The idea here is not to come up with specific solutions, but as the representatives of a lot of concerned people we have a responsibility to address the issue and have it discussed. This is the best forum for it to be discussed in. As any of us who are parents or teachers are well aware, the time lost is an emergent kind of situation and children's futures are suffering. I suggest that we have to overrule day-by-day technicalities and say that in an emergent situation like this, we have to give consideration to the serious feelings and concerns of the people who are involved, and have an opportunity for public discussion of the issue.

MR. SPEAKER: I thank hon. members for their comments, and I'd like to thank the hon. Leader of the Opposition for giving very ample notice of his intention to raise this matter. As has always been my custom, I share that notice with the leaders of the other parties in the House: the Government House Leader in this case, the leader of the Representative Party, and the government Whip. If we're going to have a serious discussion of a serious topic of

this kind, of course it's necessary for members who may wish to participate to prepare themselves.

Notwithstanding the very ample notice given by the hon. Leader of the Opposition, I have been unable to discover a justification for setting aside the business of the House at this point in order to narrow, in effect, the discussions in the House to this particular matter. It almost never happens, as far as I am aware, in any parliament of our tradition that an emergency debate occurs when there is opportunity for members to participate in the debate of the motion for the address in reply to the Speech from the Throne. The hon. Leader of the Opposition has pointed out that he is unable to find directly in the throne speech itself the matter he has raised, and I guess that's not surprising. But as all hon. members know, debate on the motion for the address in reply is not confined to the four corners of the Speech from the Throne. By tradition, members are at liberty to debate any topic they wish. If the hon. leader wishes to devote part of his time to a debate on this topic, he is going to have a very early opportunity to do so.

It would seem to me that under the circumstances it would not only be technically wrong but substantially and practically unsound to set aside the business of the House, as has been suggested.

Would hon. members agree that we might revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

#### head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. STILES: Thank you, Mr. Speaker. It's my pleasure to introduce to you, and through you to members of the Assembly, 21 students from the Ross Ford school at Didsbury in the Olds-Didsbury constituency. The students are accompanied today by their teachers Marion Hebron and Brian Large. They are also accompanied by parents Mrs. Ward, Mr. Brodie, Mrs. Brosh, Mr. Durell, Mrs. Shultz, Mrs. King, and Mr. Simpson.

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

#### ORDERS OF THE DAY

MR. CRAWFORD: Mr. Speaker, on Votes and Proceedings, to be called Monday, there is notice of a motion in respect to changing the membership of one committee. I think the hon. Leader of the Opposition would prefer if, by unanimous consent, we could proceed with that motion now, and I certainly would accord with that. The motion simply replaces the hon. leader on the Members' Services Committee with his colleague from Spirit River-Fairview. I so move.

[Motion carried]

#### head: CONSIDERATION OF HER HONOUR THE LIEUTENANT GOVERNOR'S SPEECH

Moved by Mr. Alexander:

That an humble address be presented to Her Honour the Honourable the Lieutenant Governor as follows:

To Her Honour, the Honourable W. Helen Hunley, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for

the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

MR. ALEXANDER: Mr. Speaker, it is a significant opportunity for me, on behalf of the constituents of Edmonton Whitemud, to move Her Honour's Speech from the Throne, in no small way because it is an historic first occasion of addressing "Her" Honour.

It also affords me a great deal of pleasure to be the first member of this Third Session of the 20th Legislature to express my great sense of confidence and comfort at the presence of Mr. Speaker in the Chair. Not only is he a superb Speaker, he is also a wise counsellor. When I questioned him about the history and formalities of this speech, expressing, for example, the matter of pride either for oneself or on behalf of one's constituents, Mr. Speaker cautioned me that pride is one of the seven deadly sins. Thus I have spoken of the significant opportunity.

The throne speech spoke of economic recovery and employment stability. It began with the state of the Alberta economy and its relationship to the global economy. In the context of the global economy, members may recall an encouraging note from the Soviet Union this week. A Mr. Gorbachev was appointed leader. Press reports noted that Mr. Gorbachev's swift rise to the top of the conservative Soviet leadership suggests that he is an orthodox politician, a tough infighter, careful not to offend the old guard with radical views. To quote Mrs. Thatcher: I like Mr. Gorbachev; I think we could do business together.

It is also reported that he proposes to pursue a conservative economic program. I wonder if he could persuade some western leaders to do the same. If so, perhaps there's hope for this planet yet. Wouldn't it be a kick: Soviet supply-side economics. It's likely, though, that Mr. Gorbachev has been watching the awesome strength of the U.S. dollar, as we all have. There's a story there about economic recovery and employment stability, and I think we'd better look at it. With an inflation rate at 4 percent, GNP growth as high as 6 percent in some quarters, 700,000-odd new businesses, about 8 million new jobs, and unemployment in the 7.5 percent range, the U.S. is showing some nice numbers.

On the other side of the ledger is, of course, a huge debt in the range of \$1.5 trillion, a budget deficit of about \$165 billion, perhaps more, and interest rates that are still a bit high. Those numbers are not so nice. The throne speech noted that high rates could easily choke off recovery in Canada and Alberta.

Paradoxically, perhaps, the best leading indicators of economic health, the stock and money markets, seem to be hovering near all-time highs. They seem to be looking right past the poor numbers. What in fact do investors see? What are the money market managers and economists so enthused about? As always, some see mud and others see stars. The noted Canadian economist Carl Beigie has made a trenchant observation: "The U.S. dollar," he said, "is a clear winner in a reverse beauty contest; all the others are so bloody ugly." I understand his view, if I do not endorse his language.

Others see something that is very right. To oversimplify, the economic strength is attributed to three keys: stability, management, and confidence — perhaps most of all, the swelling sense of self-confidence inspired in no small way by a president who has faith and expresses it.

The economic strength in the U.S. is, of course, a key for Canada and Alberta, and while it has pounded our dollar to new lows, it has also helped our economy out of recession.

We continue to be dependent on them as our largest trading partner, and we had better look after that relationship, including consideration of such things as freer trade.

However, the question nags us: why is our dollar so weak when our interest rates are so high? Obviously, investors see a different story, which has implications for economic recovery and employment stability. While U.S. confidence swells, our country's leaders are gripped by a mood of sober realism. This, too, is a healthy sign, if it's not quite so happy. The Prime Minister, Mr. Mulroney, reflected some of that realism in his recent interview with *Fortune* magazine. Mr. Mulroney was responding to the cries of nationalist critics, who have since renewed their caterwauling, saying he is putting the country up for sale by inviting more foreign investment or by free trade. He said:

Who wants to buy it? What is there so compellingly attractive about Canada that causes us to think that anybody is going to rush in simply because somebody says, "I'd like to do business with you."

The Prime Minister went on to say:

Our products have not always been of the highest quality. Our deliveries have been lacking in reliability. Our expertise has been in large measure borrowed. Our technology has been purchased.

He was of course speaking of Ontario, not Alberta.

While U.S. businessmen are showing a new interest in Canada, some of them have observed that Canada is probably the most underinvested area in the world in terms of its political stability and potential opportunity over the next 10 years. In Mr. Wilson's state of the economy address last fall, he sketched a stark reality about the outcome of 10 years of terrible management, political instability from an investment perspective, and loss of confidence — quite the opposite to the current U.S. condition. Our government in Ottawa has the monumental job of rebuilding from a severely eroded foundation. Indeed, in the government sector Canada's recent fiscal record, as measured by OECD statisticians, is now among the worst in the industrial world. We can take no pride in having been so identified by international agencies, including the IMF, which has issued at least two warnings about our fiscal situation.

The federal government's financial status is characterized by a crushing burden of debt and not much inclination to cut costs, and thus, very little room to manoeuvre. This is not merely polemic; it is objectively observed. In the minds of many leading economists and financial analysts, it is underinvestment which has created the current circumstances of slow economic growth and high unemployment in Canada.

What to do about this daunting global and national scenario? Shall we wring our hands or act? This government acted by producing a white paper on industrial and science strategy, and as the Fraser Institute, among others, remarked:

The government of Alberta deserves great credit for taking the initiative to articulate their proposals ... and thereby expose themselves to merciless critique and cross examination.

Our public forums had lots of critique. I didn't find it merciless. They had even more creative and constructive dialogue and creative thinking, all of which, in my view, provides excellent base for the forthcoming position papers.

Albertans are strong on ideas and strong on economic prospects. The Alberta economy, especially in this global context, is in a relatively healthy state. To be sure, as the throne speech observed, oil prices may be vulnerable, agriculture prices are too low and costs are too high, and we

haven't enough residential and commercial construction to occupy our tradesmen. What we do have is also impressive. In fact, it's substantial enough to be the envy of a good many good-sized countries.

Projects in either progress or planning stages amount to nearly \$14 billion in value. That's private-sector work that represents a robust confidence in Alberta. This inventory of projects represents an economic engine which should pull us to steady and sustainable recovery, which of course has positive implications for employment since the companies planning those projects are also employers.

The throne speech noted that our government would reinforce private-sector recovery. I've heard criticism of that policy, suggesting that the unemployed can't wait for the private sector; they need jobs now. For balance and perspective let us remind our critics that almost \$3 billion in public works construction in various programs, half a billion dollars in a multiyear job creation and manpower training program, and half a dozen other programs, aren't exactly the equivalent of sitting around on your hands. In addition, the recent small business equity program, spurring \$50 million in private investment, has created a tremendous response. To date about 465 new jobs have been created in that program, and it isn't quite seven months old.

There is an increasing degree of confidence around the province. Businessmen are telling me of a dramatic change in the investment climate, greatly increased levels of activity, and willingness to launch new enterprises. That's bullish news. Perhaps the members will be able to persuade the Minister of Tourism and Small Business to continue his highly successful program.

Specifically on the matter of employment the throne speech recognized the need for employment stability and job creation. Notwithstanding all previous programs and efforts, I urge fellow members to give special and immediate consideration to acceleration of projects, to additional public works, to advancement — be it LRT or whatever is reasonable, as the Premier said earlier — which can be done to provide jobs in the metropolitan Edmonton area. We all know, as we sit in our places, that the 15 percent unemployment rate recently published is simply too high. We cannot allow it to remain if it remains within our power to change it.

In the matter of agriculture the throne speech addressed the opportunities and difficulties faced by members of our backbone industry. Members of my own family are farmers, and I'm sensitive to some of these difficulties. I enjoy the fundamentalism of farmers in both their good humour and their toughness. For example, I recall the remark of a delegate who lamented last fall that farmers are the only businessmen who buy retail, sell wholesale, and pay the freight both ways. The remark is humorous; the circumstances are not.

In many excellent presentations at the white paper forums, the common concerns of agriculture seem to be focussed on three or four key items. There was almost unanimous support for our government's approach to the western grain transportation policy, endorsing direct payment of transportation subsidies to farmers rather than to the railroads. There was widespread support for the idea of an agricultural development bank. I think the Alberta Cattle Commission submission summarized many of the points very well. Their comment was that unless we can halt the growing balkanization of Canada's agriculture sector, we will face the real likelihood of national production controls and/or restricted access for our products to the U.S. market, either one of

which will seriously impede further development of our agriculture community.

In any kind of efficient world market for farm products, it is clear that our producers would be strong competitors. Policy-induced market failures, however, make life difficult. One such failure to be avoided would be a government-mandated debt moratorium. As an independent farmer from the Marwayne area — otherwise called Bud Miller country — told us, "We are still suffering to some extent from the debt moratorium of the Thirties, which is one reason it makes farm credit hard to get in hard times." The Agriculture minister has approached the problem realistically, as outlined in the throne speech.

I referred earlier to the farmers' toughness, which in the forums often took the form of ringing endorsements of a freer market for agriculture products and straight talk about the role governments ought to play. A few comments from the Palliser Wheat Growers submission will suffice to indicate what I mean. They said that the main reason we have not exploited our potential lies with federal tax, marketing, and transportation policies that create high input costs, inhibit access to world markets, and discourage domestic consumption. Secondly, the main emphasis of the provincial government should be to assist us in changing or removing the policies that have inhibited the industry, and not in creating equal and opposite programs. Thirdly, in general terms they're strongly opposed to government targeting specific areas of production and sectors of the economy for special treatment, as this merely puts a heavier burden on established producers and proven sectors to aid the unproven. The role of the provincial government should be to create an environment in which the private sector can thrive to make its own decisions about what to produce and where and when to market it.

I like their kind of straight talk. I take it to mean that we in government will have done a great service to agriculture if we can persuade our colleagues in governments nationwide and worldwide to clean up the regulatory environment and then get the heck out of the way.

One of the concrete ways in which this government has attempted to assist businesses to greater operational efficiency is in the area of regulatory reform. The throne speech referred to continued efforts in deregulation. As chairman of the caucus committee on reform I'm pleased with the progress of our government over the past year, and I see many encouraging signs immediately ahead. Our committee's progress report will be released soon. The report records substantial progress in reducing regulations and improving attitudes of regulatory officials in almost every department of government.

We are pleased as well to report a co-operative effort with business groups to study and alleviate paper burden. All the forms used by our government are currently under review as to their necessity and the possibility of reduction of the form-filling burden to employers. This should make possible the transfer of unnecessary cost of doing business to such things as more productive investment and stable employment.

Equally vital in this area is the new intergovernmental initiative which our secretariat has undertaken. I think we can take some credit, not immodestly, for stimulating a greatly increased level of interest in deregulation among other provinces and the federal government.

The throne speech made reference to privatization. Some commentators have made the uncharitable observation that this is doctrinaire conservatism. They are, of course, wrong.

Privatization seeks two clear-cut and rational objectives. One is to have necessary services provided by the most efficient supplier. If that means government, there need be no privatization. If it means that business, private employers, can supply the service more efficiently, then privatization is obviously called for. The second objective is to reduce government's portion of the gross provincial product. All but the socialists and liberals among us believe that we as Canadians and Albertans need less government in our lives. I certainly do. Privatization is one way to achieve that. In Great Britain, where the Thatcher government has moved dramatically in privatization, the move is called "rolling back the frontiers of the state".

The long-term payoff from privatization is, of course, a more competitive economy less subject to the stifling influence of slow-moving bureaucracies, and less inclination to misallocate resources. Some excellent examples of privatization are well known to members, including the sale of PWA, privatization of some personnel services, reduction of our interest in the Alberta Energy Company, and privatization of road construction operations. It is my hope that we may soon be able to follow through on the eminently sensible suggestion made by the Milvain committee, perhaps to get on with privatizing Alberta Government Telephones. This might produce some incremental benefits for Edmonton MLAs by removing that normally harmless device, the telephone, as an instrument of war.

Mr. Speaker, in the context of the throne speech and the issues we face, perhaps a word about municipalities, which was raised. The co-operation of the city of Edmonton is not out of place in this discussion. As one of the largest business corporations in Alberta, the corporation of the city of Edmonton has a unique place. The corporation's current chairman of the board has a distinctly adversarial style which seems to ignore any demarcation or differentiation in roles between municipal and provincial governments. I personally recall years when Edmonton was a somewhat more peaceful, more co-operative, and perhaps less expensive place to live and do business. Collectively Albertans heaved a sigh of relief when the confrontation politics of the previous federal government came to an end. Regrettably it didn't quite come to an end; it simply transferred to Edmonton, where the legacy seems to live on.

Edmontonians are regrettably being politically set off, one against the other. Members of this Assembly should strive for a session in which the serious legislative and policy matters we all face — for example, the toll revenue sharing question, the complex and risky question of the timing of the Genesee project, funding of adequate social services, and alleviating critical levels of unemployment — could be dealt with more co-operatively.

All of us are dedicated to pursuing the best interests of our constituents. The mayor advised Edmontonians recently that this government must do something about unemployment or he would get angry. He didn't tell us how many jobs that would create, but it seems to me that there's a verse somewhere in Proverbs that says that he who troubles his own house shall inherit the wind. Edmontonians deserve a better inheritance.

Notwithstanding differences of style or party, I ask all members to devote their energies and ingenuity to the alleviation of the currently high unemployment level which prevails in Edmonton. I ask this not to avoid the mayor's anger or our opposition's rhetoric, nor to water the dandelions either inside the House or out, but because we all know that 15 percent unemployment is simply too high and requires our urgent attention.

The throne speech spoke of education. Education is one of our most important investments in the future. What education provides today will shape the profile of tomorrow. If 1984 was an eventful year, 1985 holds potential to be a watershed year for the determination of important philosophical, spiritual, academic, and administrative decisions. It will be a test of our wisdom as well as of our tolerance and understanding.

As a member of the School Act review committee, albeit with a desultory attendance record, I have enjoyed the development of our position on governance entitled Partners in Education. I commend the committee chairman, the hon. Member for St. Albert, on that achievement and also for her patience with me.

With the final report of the Ghitter committee in hand, it seems we have a clearer picture of the conundrum that the committee began with, if not a clear resolution. On the matter of private and independent schools, the committee has properly stated the following principle:

If we are to err in our judgment, we must err on the side of trust and the good judgment of individual Albertans, rather than to veer towards easier solutions of more controls and more government involvement.

Proceeding from that commendable principle, the committee nonetheless concluded that

Private schools must be accountable in their operation to Alberta Education, which must monitor the standards of education being provided in these schools, to ensure that acceptable standards are being followed.

This sounds distinctly like where it all began: drawing private or independent schools under the public system, which doesn't want them and where they don't want to be.

Notwithstanding this apparent difficulty, I suggest that the recently released Woods, Gordon report provides the School Act review committee and the minister with wider scope for a mutually acceptable solution. The report recommends public funding be supplied for the operating expenses of private schools on a slightly enhanced basis from the quasi-voucher system which is now in place. Secondly, Alberta Education can allocate resources for the development of appropriate monitoring and control systems and procedures for private schools. Then the question might well be before us, and it may be explored, as to whether such monitoring could be performed by an independent self-regulatory body which would be satisfactory to the minister. But, Mr. Speaker, this is not the forum for such detail.

I also look forward, as the session proceeds, to the discussion of curriculum review in the secondary program of studies. I personally also hope to see an end to the concept of revising history books, equated by some people with book burning. Who can claim to be educated if they don't know history as it was, or is, much as we all might wish it were otherwise?

I noted a crucial phrase in the throne speech: "a focus on family stability". This is an area of special interest to me and my constituents. All of us often stop and ask ourselves why we do all that we do in our occupations. One motive is to support our families and to enhance the possibilities that our children can enjoy their right to life, liberty, health, and happiness. If the family is the basic building block of a stable society, should we as members not evaluate all the legislation, regulation, programs, and policies which impact on family stability? Does our policy approach support or destabilize that institution? I look also forward to this discussion in the coming session.

Mr. Speaker, I appreciate this opportunity to reply to Her Honour's Speech from the Throne. It was a speech of realism, declaring both the challenging problems and the even greater prospective opportunities. I hope hon. members appreciate the opportunities and approach them with renewed confidence. Though some would have a government solution to every problem, let us be reminded that Albertans don't feel that way. They know there are no constraints on the human mind, no walls around the human spirit, and no barriers to our progress except those we ourselves erect. Ours are opportunities for which most of the world would be intensely grateful. Let us make them come to pass.

MR. CAMPBELL: Mr. Speaker, it is with a great deal of pleasure that I rise to second the motion placed before the Assembly by my colleague the hon. Member for Edmonton Whitemud. I'd like to offer the member my congratulations on an excellent presentation. It is indeed a hard act to follow.

In asking me to second the motion, the Premier has bestowed a very great honour on the constituency of Rocky Mountain House and its representative. For that I wish to thank him most sincerely.

I'd like to pay my respects to our new representative of Her Majesty the Queen. Her Honour the Lieutenant Governor is one of the most cherished natural resources of the constituency of Rocky Mountain House. I've had the privilege of working with Her Honour on many occasions and can think of no more worthy person to assume the duties of Lieutenant Governor.

To you, Mr. Speaker, I offer my sincere thanks for your fairness, leadership, and guidance. It is indeed an honour to be a member of this Legislative Assembly.

With your indulgence I would like to spend a few moments talking about the richest area in the province, the constituency of Rocky Mountain House. We have a long and varied history, abundant natural resources, hardworking and spirited residents, and some of the most beautiful scenery in the world. It was no accident that David Thompson picked the spot where the North Saskatchewan and Clearwater rivers meet to build Fort Rocky Mountain House for the northwest fur company in 1798. He knew then that the natural advantage of this area and the availability of a good water route to the east would guarantee success. He was proven correct when, a short time later, the Hudson Bay Company built Acton House a few yards away. Neither fort survived the 1800s intact, but the original sites are now preserved in a national historic park. A quote from a young carpenter in 1840 gives us an idea of life in Rocky Mountain House at that time: "It was a monotonous life — nothing but work, sleep, and dried meat." I assure you that things have picked up since then.

The settlement of this constituency as we know it began in the early 1900s, when settlers arrived from Great Britain and the U.S.A. The gifts of nature which they developed for their survival are the same ones residents of the constituency depend on today for their livelihood. Agriculture, the forest industry, coal mining, and recreation formed the basis of the region's economy as early as 1911. We've modified the economic base somewhat since then. The early settlers did not realize the value of what lay beneath the soil. The oil and gas industry has been a part of the constituency since the mid-1930s, with varying degrees of success. Unfortunately, the wells drilled from that time until the 1950s were dry. Rumour has it that it had something

to do with a certain tool pusher named "Dry hole" Jackson, but I can't say for sure.

Mr. Speaker, the abundance of natural resources in our area poses a serious question. How do we decide which type of land is best for a given area? While most of us would agree that recreation in the eastern slopes is important, we must also take into account the potential for economic development. The level of oil and gas exploration and development, the potential for an expansion of the forest industry, livestock and grazing, and the best use of our coal reserves are all factors we must consider in land use decisions. For this reason we are very pleased that the revised policy for resource management of the Eastern Slopes provides for detailed discussion in each region. A review of the draft integrated resource plan for the Nordegg-Red Deer River area is now under way, and we expect that there will be a great deal of public input.

Mr. Speaker, as you can see, the constituency of Rocky Mountain House is a prosperous one for good reason. Natural advantages are of little use without a determined and hard-working population. We are very fortunate in Rocky Mountain House to have an active small-business community which has persevered through these times and will lead the way to recovery. Their hard work has helped make the towns of Rocky Mountain House, Sylvan Lake, and Eckville thriving centres for the community at large. The family farm has been instrumental in developing our agricultural resources. We can all learn a lesson from their experiences, for to be a viable entity all members of the family must pitch in and work together. It is the sense of community spirit and the value of hard work which forms the backbone of rural Alberta.

The health of our agricultural industry is a key determinant in the economic well-being of this province. Not only is it the social and economic base of rural Alberta; it also provides economic opportunities for Albertans throughout the province. Therefore, as a government we have a responsibility to soften the blow which adverse conditions have on our farmers. I'm speaking of conditions such as we have seen over the past year: the severe drought of last summer, the early snow cover over much of the province, soft world commodity prices, restrictions on cash flow, and low farm net incomes. In spite of these setbacks, the family farm has proven to be extremely resilient. However, to ensure the continued success of our agricultural industry, we must be prepared to share some of the risks our farmers take on a daily basis.

It has been my pleasure to serve as chairman of the agriculture caucus committee. We met on a regular basis last year to attempt to arrive at acceptable solutions to the problems facing our producers. I can't say that all our recommendations were accepted, but a number were, and the committee was very pleased to have made substantive input. At this particular time I might add, and certainly the Minister of the Environment will agree, that when the minister was before the agriculture caucus committee, he felt as though the committee used barbed wire for dental floss.

Over the last year the government has had to remain very flexible, introducing new programs to deal with problem situations as they arose. Available credit is the key to an efficient and productive agricultural industry, yet farmers caught in the cost/price squeeze found it increasingly difficult to obtain sufficient credit to keep their operations intact. In response to this the Alberta Agricultural Development Corporation instituted a number of changes to its programs.

Without young farmers entering the agricultural business, the future of the industry is not secure. To help alleviate this situation, the Alberta Agricultural Development Corporation relaxed off-farm employment restrictions on its beginning farmer program. This will help ensure that there's an adequate cash flow in new farming operations.

Changes to Alberta Agricultural Development Corporation programs were not confined to beginning farmers. Initiatives announced in August 1984 offered producers additional options for meeting their credit needs. Briefly, the changes included a provision for renovation on arrears on ADC direct farm loans up to \$50,000 per farm family, guaranteeing small business bonds obtained from commercial lenders, and trade account debt consolidation and fixed rate financing through Alberta farm development loans.

The Agricultural Development Corporation loan and loan guarantee portfolio is in excess of \$1 billion; therefore, the corporation has a responsibility to manage these funds in the best interests of the industry and the province. A certain amount of flexibility in the system is essential. The program changes, with the flexibility permitted, resulted in improved producer access to operating credit and gave relief to ADC borrowers.

The severe drought of last summer brought with it the worst condition faced by grain and livestock producers in 50 years. It was imperative that the government act to ensure that a viable agricultural industry could be maintained in the province. The livestock drought assistance program announced last August was designed to help livestock producers retain breeding herds through an extended and more costly winter feeding season. The federal government, recognizing that the impact of a drought of this magnitude would be felt across the country, agreed to pay one-half of the estimated \$30 million cost of the program. The same arrangement was made with Saskatchewan and Manitoba.

In December 1984 a \$2 million feed freight assistance program was announced for those areas unable to obtain assistance under the livestock drought assistance program. The program was approved in response to the early winter, which left some farmers no option; they either purchased additional feed or sold their stock.

I was very pleased that in the Speech from the Throne measures to support the farm sector through the current cost/price squeeze have been earmarked as a priority for the upcoming session. I was also pleased to note that this will be done in co-operation with the federal government. It has been my experience, through meetings held between the agriculture caucus committee and our counterparts in Saskatchewan and Manitoba, that a joint effort is required to reach acceptable solutions to problems facing our producers.

As we are all well aware, there's been an increased emphasis recently on marketing our agricultural products abroad. To do so, we must be cost competitive with our competitors. There is no room in the international marketplace for the inefficiencies and distortions in our national agricultural policy. It is imperative, therefore, that we work together with the other prairie provinces and the federal government to remove these inefficiencies. I welcome the initiatives of the Speech from the Throne which state that we must pursue improvements in federal grain income stabilization programs and work towards implementation of a national red meat stabilization program.

For our agriculture industry to diversify and truly meet its potential, we must press the federal government to introduce changes in the national feed grain policy. The

distortions and disincentives caused by federal government policies and a pricing system which has not kept pace with the changing market structure require immediate attention. If we are to become involved in more than just the production of raw grain for export, or hewers of wood and drawers of water, industry and government must work together to remove the measures which either directly or indirectly distort the price our feeders pay for their grains. Our goal should be a system which allows accurate price recovery in the marketplace and accommodates all interests. Directly related to this is a need to press for substantial changes in the Western Grain Transportation Act. With these issues designated as a priority for the next year, I feel confident that we will be able to reach an agreement with the federal government.

Mr. Speaker, during the process of a public review of the white paper, Proposals for an Industrial and Science Strategy for Albertans 1985 to 1990, a great deal of input was received concerning the future of our agricultural industry. These suggestions will be incorporated into a position paper on agriculture and food which will be issued later this year.

This process of public participation in the future of our province is an extremely healthy one, and I look forward to reviewing the position papers as they become available. It is important, Mr. Speaker, that we not lose sight of the fact that it is our farmers who guarantee the success of Alberta agriculture. To them we owe a thank you for their

hard work and professionalism, which has gone a long way towards securing a bright future for all of us.

I am proud of this government's commitment to agriculture and feel certain that the initiatives announced in the Speech from the Throne will help our agricultural industry reach its full potential. Mr. Speaker, it gives me great pleasure to second the motion proposed by the hon. Member for Edmonton Whitemud.

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

MR. SPEAKER: Does the Assembly agree with the motion of the hon. Leader of the Opposition?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, the present intention for business next week is to sit on Monday and Tuesday evenings and to continue with the debate on the address in reply to the Speech from the Throne. I move we call it 1 o'clock.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

[At 12 noon, pursuant to Standing Order 4, the House adjourned to Monday at 2:30 p.m.]

