

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, March 27, 1985 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: TABLING RETURNS AND REPORTS

MR. YOUNG: Mr. Speaker, I wish to table today, pursuant to statute, the 1983-84 annual reports of the Department of Labour, the pension benefits branch of the Department of Labour, and the Alberta Human Rights Commission.

MR. HYNDMAN: Mr. Speaker, I would like to file a replacement errata page for the last page in the budget, in which there is an incorrect arithmetic calculation relating to the manufacturing and processing tax reduction calculations on the bottom part of page 82, which is in Appendix C. Copies of this page will be distributed to all members this afternoon.

MR. BOGLE: Mr. Speaker, I wish to table with the Legislative Assembly the annual report of the Electric Energy Marketing Agency for the year ended March 31, 1984.

head: INTRODUCTION OF SPECIAL GUESTS

MRS. FYFE: Mr. Speaker, I have the privilege today of introducing a group of special people, 24 senior citizens from Chateau Mission Court in the city of St. Albert who are visiting the Legislature. They are accompanied by the person who organized the tour, Maude Eaton, and by their bus driver, Mr. Ed Savoie.

It's of interest that Mr. Savoie was the worthy recipient of the new home built by the Alberta Building Trades Council, the proceeds of which went to the Northern Alberta Children's Hospital Foundation. Mr. Savoie is sitting in the front row, and I know everyone was very happy for him and his family on this win. These people are all very special. I ask them to stand and be recognized by the Assembly.

MR. STROMBERG: Mr. Speaker, may I take this opportunity to introduce to you, sir, and members of the Legislature a group of 81 students from Charlie Killam school in the city of Camrose in my constituency. Along with this large group of outstanding students are teachers Sharon Gilbertson, Donna Reimke, Errol Moen, and Mike Johnson, and parent Bruce Manning. They are seated in the members' gallery, and I ask that they rise and be recognized by the Assembly.

MR. R. MOORE: Mr. Speaker, it's a pleasure to introduce to you, and through you to members of this Assembly, 15 senior citizens from the village of Alix. They're accompanied today by their group leader, Pauline McDonald.

I'd like to note something about the seniors and their contribution to the economic welfare of Alberta that my

colleagues may not be aware of. It was in the village of Alix that the Alpha Milk Company, which is a major dairy company throughout the entire province, had its humble beginnings. That underlines some of the major contributions our seniors make to the economic well-being of our Alberta as we know it today. I ask this group to stand in the public gallery and receive the traditional warm welcome from my colleagues in this Assembly.

head: MINISTERIAL STATEMENTS**Department of Economic Development**

MR. PLANCHE: Mr. Speaker, I take pleasure in announcing today the creation of a financial incentive program to assist Alberta companies in their aggressive pursuit of export projects.

The \$7 million export services support program is designed to encourage Alberta businesses to seek out export opportunities by means of feasibility studies which may eventually lead to contacts for Alberta goods, Alberta services, and Alberta technical expertise.

This program will fund 50 percent of approved front-end or precontract costs, to a maximum of \$350,000 per agreement, for qualifying applicants. Examples of such costs could include legal, travel, bid preparation costs, and professional fees. Under certain circumstances, Mr. Speaker — that is, when a feasibility study results in a contract to undertake a project — the advanced funds would be repayable to the government.

The program is available to established Alberta businesses pursuing projects outside the province which can demonstrate that relative to the precontract cost there is reasonable potential for Alberta content at the development stage. This program is designed to augment, not replace, existing federal government programs. The export services support program will operate for a period of three years, and at that time it will be evaluated.

Mr. Speaker, this province's economic strength is dependent upon our ability to increase industrial diversification. Expanding avenues for export activity is a priority of this government. I am confident that this program, combined with the entrepreneurial efforts of Alberta businesses, will contribute to sustained economic growth and increased employment opportunities for Albertans in the areas of construction, engineering, design, and fabrication within and far beyond our borders.

MR. MARTIN: Mr. Speaker, I appreciate getting the statement from the minister ahead. In a very quick perusal I see nothing wrong with this in principle. It seems to go some way in terms of at least trying to diversify the economy, which I talked about. But as for any other ministerial announcement, Mr. Speaker, we will have to take a look at the details and regulations to find out which businesses qualify, which don't, under which considerations, and all the other things. So in principle I commend the government. It looks good on paper. I will wait with interest to see the details of the program.

head: ORAL QUESTION PERIOD**Energy Pricing Agreement**

MR. MARTIN: Mr. Speaker, I see that the Premier and the Minister of Energy and Natural Resources are not here. Of course, we have some questions following up on the announcement yesterday, so I'll direct them to the Acting

Premier, whoever that is today; I hope one of them knows who they are. Can the minister advise when the details of the proposed new federal/provincial energy agreement will be made public?

MR. HYNDMAN: Mr. Speaker, I understand that both the Premier and the minister are en route to Alberta today. They will both be in their places tomorrow and at that time would be pleased to answer any and all questions on that topic.

MR. MARTIN: A supplementary question. It makes it a little hard to follow up an important agreement. I'm sure we'll follow up tomorrow. I'm sure you've had some discussion about this. Will this Assembly be allowed any opportunity to review the agreement and debate its details before it is signed?

MR. HYNDMAN: Again, Mr. Speaker, both the Premier and the minister will be in the Assembly tomorrow. At that time they will be prepared to answer any and all questions on this very interesting topic.

MR. MARTIN: Mr. Speaker, I guess that sort of settles my question. We're not going to know anything until tomorrow, so I'll move into the second area, if I may.

Provincial Budget — Municipalities

MR. MARTIN: I'll direct this question to the Minister of Municipal Affairs, Mr. Speaker. It has to do with an ad in today's *Journal* and *Edmonton Sun*. A full-page advertisement appears, paid for with public funds through government members' communications allowances, which claims the following:

Edmontonians will benefit directly from a 4.2 percent increase in unconditional municipal assistance grants.

Mr. Speaker, on page 106 of the 1985-86 Government Estimates, Supplementary Information, Element Details, it is noted that only two of Alberta's 14 cities will receive no increase in unconditional assistance grants, those being Grande Prairie and Edmonton. My question is: can the minister advise which publication is correct, the government estimates or the publicly funded, government members' advertising?

MR. KOZIAK: Mr. Speaker, two errors appear in the advertisement: one that deals with the 4.2 percent increase relative to the city of Edmonton and the other in excluding the MLA for Edmonton Norwood in that ad.

Mr. Speaker, the provision in the estimates the Leader of the Opposition is quoting — I don't have the exact page before me — presumably is the detailed estimates from the Department of Municipal Affairs, which identifies the grants that will be provided to every municipality under the unconditional grant vote in the '85-86 budget, and is the correct figure. The reason there is no increase shown for the cities of Edmonton and Grande Prairie under the list of cities is because both those communities are receiving more than their fair shares under the formula, and the municipalities that receive increases under the program are those that were receiving less than or were at the level they were supposed to be and were entitled to an increase.

The whole idea behind the 4.2 percent increase provided in the unconditional grant category was first to bring those municipalities up to at least a 90 percent level of their

entitlement of unconditional grants. That was our first goal in distributing the increase that was provided. What we did is that those municipalities that were receiving more than twice what they should have been receiving were cut back to 200 percent. In my speeches to the Urban Municipalities Association and the Association of Municipal Districts and Counties I have indicated that over the next number of years we will be bringing those back even further, so we can get people in line with the 100 percent goal. With respect to those municipalities that were in the 100 to 200 percent level, their grants were not reduced, even though they were getting substantially more in some cases than they were entitled to when compared with neighbouring municipalities.

The city of Edmonton falls into the category of receiving more under the unconditional grant program than it is entitled to under the formula, but that will proceed notwithstanding that fact.

MR. MARTIN: I'll come back to the city of Edmonton, but I want to come back to this infamous ad. Mr. Speaker, we are saying that this advertisement is factually wrong and is misleading to the Alberta public. My question to the minister responsible for the Public Affairs Bureau is: can he advise the Assembly whether or not this advertisement in question was prepared by his bureau?

MR. PAYNE: Mr. Speaker, I'm happy to confirm that that was not the case.

MR. MARTIN: A supplementary question. That's what we felt. I'm sure you're happy to confirm that. My question, then, is to the Government House Leader, who is also an Edmonton MLA. Could the minister indicate to this Assembly who did prepare this ad?

MR. SPEAKER: I have a little difficulty with this line of questioning, and that goes back to when it started. It seems to me that the question period is the time to question government about government policy.

All members are provided with communications allowances, of course, and they may make arrangements with various printers and other people to assist them in preparing material for publication. I do not see it as a purpose of the question period to question individual members or members in groups, if they decide to combine in the use of their communications allowance, asking them how they're spending the money, who is doing the work, whether the ads are correct, or anything like that. It seems to me that what members do with their communications allowance, unless they happen to be breaching some rule or some guideline with regard to the funding, which would make it a matter of public concern, is totally outside the scope of the question period, as it would be if the hon. Member for Edmonton Norwood decided to use his allowance for some similar purpose.

MR. MARTIN: Mr. Speaker, on a point of order. I beg to differ. This is government money, whether or not it comes out of our communications allowances. Surely the Assembly has a responsibility to look after the purse strings.

I'm not questioning the fact that they had the right to put in the ads, Mr. Speaker, but what has gone out is something the Minister of Municipal Affairs admitted was misleading. I'm trying to find out how this information came about, because there are thousands of people out there

who now believe that Edmonton had a 4.2 percent increase in unconditional municipal assistance funds that came out of taxpayers' money. I think that's relevant, Mr. Speaker.

MR. SPEAKER: I respectfully have to differ with the hon. leader. I'm prepared to give the matter further thought, but as it appears at the moment, the reference to the ad was quite unnecessary to the question. It could have been asked as a matter of fact — what the rate was, or was it something else — without any reference to the ad at all. As I see it, the mere fact that it's public money — unless it's improperly spent in some obvious way, in which case it would be a concern for the House, the Provincial Treasurer, and the Auditor General — is not a matter for the question period. It isn't a question of government policy; it's what individual members do in their constituencies and with their constituency funding. As I said, the confidentiality of that has to be just as relevant.

If we're going to start asking this kind of question, we're going to get ourselves into difficulty. Ordinarily, questions are not asked of members of the opposition. It seems to me that the fact that some government members incidentally are ministers and have taken part in the exercise does not change the nature of the thing so as to make it a matter for the question period.

If the hon. leader wishes to continue and ask questions about funding to municipalities and so on, I would see it to be in order. But I respectfully ask him to refrain from a line of questioning which questions what individual members are doing in their constituencies or what kind of publications they're putting out to their constituents, regardless of where the funding comes from.

MR. MARTIN: With all due respect, Mr. Speaker, it seems to me this falls very much under the perusal of the Legislative Assembly. If we cannot question government policy when major policy ads, a whole page — and as the minister admitted, there is false information there. Surely this is taxpayers' money, and it has to do with government policy. It seems to me that would be clear. Again, I'm not questioning the fact that they have the right to do that. I'm questioning that money was spent by this government in a misleading way, Mr. Speaker.

MR. KOZIAK: Rising on a point of order, Mr. Speaker, I'm troubled by remarks made by the Leader of the Opposition, because he used two words which are inappropriate to the discussion. One adjective is "false", and the other is "misleading." I indicated at the outset that the reference to the 4.2 percent was incorrect.

The Leader of the Opposition, Mr. Speaker, spoke of the way members of this Assembly have used their ability to communicate, whether it's through the communications allowance or otherwise. While he's up on his high horse speaking about incorrect statements, at least we admit to the one incorrect statement in our ad. It would be appropriate if he would stand up and admit to the many incorrect statements in the speech he made relative to the speech . . .

MR. SPEAKER: Order please. With great respect to the hon. member, I think we should get on with the question period. I am not prepared to reconsider the matter at the moment, but I should draw attention to the fact that he seemed to indicate that this was government spending. I respectfully suggest to him that it does not come under the ordinary category of government spending, whether it is

spent by a member of the government caucus or by the hon. Member for Edmonton Norwood. I don't think his spending of his constituency allowance is government spending either, in that context.

MR. MARTIN: A supplementary question, Mr. Speaker. We will go on with the hon. Minister of Municipal Affairs, who seems to be rather touchy about what's going on. [interjections] Oh, look at them; they really are getting a little . . . Yes, it's another Edmonton M.L.A.

Mr. Speaker, to follow up on what the hon. minister was talking about, the formula they arrived at. Edmontonians do not care about his formulas. My question for the minister is: was any consideration given to the plight of Edmontonians specifically? They are suffering from a 15.5 percent official unemployment rate. Was any special consideration given to Edmonton in regard to the high unemployment rate before these figures were arrived at?

MR. KOZIAK: Mr. Speaker, the budget speech goes on to speak eloquently of everything that has been done with respect to the levels of unemployment, particularly as identified for the city of Edmonton. For example, the support for student assistance is unparalleled in this nation on a per capita basis. The University of Alberta, the Northern Alberta Institute of Technology, and Grant MacEwan College are located in the city of Edmonton. Students who because of circumstances can't find jobs are now able to improve their education with unparalleled government support and assistance. That speaks to that particular issue.

Of course, Mr. Speaker, the advertisement that triggered the question in the initial instance was incorrect in another respect: it forgot to mention the additional moneys the city of Edmonton will receive as a result of the new grants in lieu of taxes that will be provided to municipalities for senior citizens' residences. As the hon. Leader of the Opposition well knows, under the Municipal Taxation Act senior citizens' residences are exempt from taxation. A couple of years ago the mayors of Edmonton and Calgary met with the Minister of Housing and me and made the case: here we are, building senior citizens' residences in this province at an unparalleled rate and taking normal taxpaying land out of the system and freezing it for the purposes of taxation, thereby making the municipalities contribute to the provision of senior citizens' residences. The Minister of Housing and I looked at this and said, "You know, maybe they have a good case." So we responded with a program in the budget which sees \$800,000 from the Department of Municipal Affairs and over \$3 million from the Department of Housing assist municipalities by providing grants in lieu of taxes directly to municipalities for these senior citizens.

I don't have the exact figures in front of me, but I'm of the view that the amount the city of Edmonton is going to receive this year would far, far exceed a 4 percent increase in unconditional grants. That wasn't in the ad either, but that's good news that I'm sure the mayor and city council, not only of Edmonton but of all the municipalities in the province of Alberta, are happy to hear today.

MR. MARTIN: You're going to have to shape up the answers if you want to run for Premier, hon. minister.

My simple question is: did the unemployment rate in Edmonton play any role at all in the minister organizing his budget to present to cabinet?

MR. SZWENDER: On a point of order, Mr. Speaker. According to *Standing Orders*, the Leader of the Opposition is allowed two questions. I believe he has used those two questions and gone on to a third one. If he wants to forfeit his two questions on frivolous requests, I don't think he should be allowed to go on to a third, which deals with unemployment and the debate on the budget. Could we get a ruling from you on this, Mr. Speaker?

MR. SPEAKER: There's nothing in *Standing Orders* about the Leader of the Opposition getting the first two questions or the leader of the Representative Party getting the next question.

As I understand it, we're on the question of municipal funding, more or less related mainly to the city of Edmonton, and there may be various spin-offs on that. As the hon. member knows, the rule of relevance is extremely difficult to apply, and I wouldn't want to apply it too narrowly to this set of questions.

MR. KOZIAK: Mr. Speaker, responding to the question the Leader of the Opposition put: yes. I refer the hon. Leader of the Opposition to page 261 of the estimates of the department. Looking at the six votes identified there, the leader will notice that the emphasis in terms of the department's estimates has been to provide as much money as possible to municipalities and to limit expenditures at the departmental level as much as possible so we could shift moneys to fund the very, very real and important programs the Minister of Manpower is providing to us in this budget in order to respond to the very real needs that exist out there relative to unemployment in this city and elsewhere.

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

MR. MARTIN: A supplementary question, Mr. Speaker. Can the minister identify the considerations that led to the city of Calgary receiving unconditional assistance grants of a value more than \$635,000 greater, I believe, than those given to the city of Edmonton? Do their MLAs lobby better? Was that the reason?

MR. KOZIAK: Mr. Speaker, what determines the entitlement is strictly factual. One adds up the number of people who live in the municipality and the total assessment that exists in that municipality. Both those factors are plugged into the formula, and the formula gives the entitlement at the end. It has absolutely nothing to do with the lobbying capabilities of either class of MLAs. However, I should point out that the Edmonton MLAs were strong in supporting the city of Edmonton and making sure the city of Edmonton, in fact, received 105 percent of their entitlement instead of just 100 percent.

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

MR. MARTIN: I'm sure that will be of great value to city council. I'm glad they'll know that, Mr. Speaker.

My question to the minister is: given the plight of the economy in Edmonton, will there be any more announcements from the minister, dealing with any other funds Edmonton can look forward to before the end of this session?

MR. KOZIAK: Mr. Speaker, we have areas in which we've been involved with the city of Edmonton that I've identified

with respect to the annexation area. That's a carryover from discussions we've had with the current mayor and the previous mayor. An announcement was recently made. The city of Edmonton will be entitled to funds under that program, as I identified in the news release. The exact dollar figure wasn't there; that's subject to calculation. That may in fact be a carryover from the '84-85 budget year rather than what's in here, but it may have to be picked up to some extent by the '85-86 budget. It will depend on timing and calculation.

MR. COOK: Mr. Speaker, a supplementary that I didn't get to ask the first time around. Would the Minister of Municipal Affairs undertake to provide for the Assembly a list of the grants the city of Edmonton receives, showing the provincial government activity in capital works expenditure, for example, and ongoing assistance to municipal government activities in the city of Edmonton?

MR. KOZIAK: Mr. Speaker, I'd love to do that. It would be very time consuming, because the list goes on; it's very substantial. I recommend that the hon. member put that question on the Order Paper.

Provincial Budget — Doctors' Fees

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Hospitals and Medical Care relates to the budget, in terms of no increase in doctors' fees for 1985-86. I wonder if the minister could indicate why this freeze was imposed through the budget, by edict, rather than through negotiation with the Alberta Medical Association.

MR. RUSSELL: Mr. Speaker, I presume the hon. member is aware of the kinds of budgets my colleague has been bringing in the last two or three years. They've been very scrupulously designed. I was not able to guarantee the Alberta Medical Association that any figure that might be arrived at by direct negotiation between me and them or by third parties would automatically be included in the budget. On that basis they chose not to proceed with negotiations. I think the reason I was unable to give that guarantee is quite clear, in that we had to watch and retain unto the Treasury Board what the figure would be, not only for them but for various other groups, in the final design of the budget.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether his liaison committee with the Alberta Medical Association is still active, or has that committee been terminated as well?

MR. RUSSELL: I'm pleased to receive that question, Mr. Speaker, because there is a great deal of misunderstanding about the role of that committee. It is very active. I'm fully in support of it and have urged the Alberta Medical Association to continue participating in it, and they have. I've emphasized to them that I'm hopeful that very shortly the time will return when we can have the liaison committee develop a recommendation with respect to fee schedules.

Notwithstanding that, there are many other useful functions they can carry out, and they have done that. For example, they developed the bonus allowance system for paying doctors in underserved areas. They've developed other programs which have substantial implications attached to them and which we'll be hearing more about very shortly.

But I believe the members of the committee, including the members of the public at large who are on the committee, understood why we were simply unable to guarantee that their recommendation would be included in the budget last year and this.

MR. R. SPEAKER: Mr. Speaker, I believe the minister has answered this. Could the minister confirm that the matter of the fee schedule is not an item on their agenda for discussion at this time?

MR. RUSSELL: Not at this time, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, could the minister indicate the possible effect this budget decision will have in terms of extra billing? I believe the minister made comments outside the House with regard to it. Could the minister confirm his opinion at this point in time?

MR. SPEAKER: With great respect, the ministers are not here to give their opinions, although they sometimes do when challenged to do so. If there is some special information the department may have, that might be different. But just to make a projection on the basis of what is generally known is something, of course, which the hon. leader would be able to do as well as anyone else.

MR. R. SPEAKER: Mr. Speaker, there were a few unnecessary added comments in the question.

Could the minister indicate what studies have been done at this point in time, and the results of those studies, in terms of extra billing as related to this decision?

MR. RUSSELL: Mr. Speaker, we monitor the extent of extra billing on an unaudited weekly basis and at other intervals on an audited basis, for two reasons: number one, we ourselves want to know exactly what is happening, for obvious reasons; and number two, under the Canada Health Act we are required to report those figures to the federal minister.

I'm happy to report that during the last 12-month period there has been a steady and ongoing decrease with respect to the incidence and amounts involved in extra billing. I'm happy to say that I think the profession, through the guidance of the College of Physicians and Surgeons, has acted very responsibly during the past few months with respect to bringing this down and seeing that the privilege is not abused. I'm of the view today that we are making very good progress with respect to that very delicate item.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The penalties in terms of the Canada Health Act range in the vicinity of \$900,000 per month at present. Could the minister indicate whether any meetings are planned with the federal Minister of National Health and Welfare to discuss possible changes in the Canada Health Act that would deal with this matter of extra billing and the penalties imposed upon Alberta?

MR. RUSSELL: Mr. Speaker, I think the parties involved recognize each other's positions in this matter. Certainly the provinces are aware that all three major federal parties supported that Bill when it went through Parliament and again during the last federal election campaign, when they went out to the hustings with their constituents. On the other hand, I've met with the new federal minister on more

than one occasion, and he's very much aware of the feelings of provinces like Alberta, B.C., Ontario, and others, with respect to those penalties. We're looking for a way we can live with the spirit of the Act, bearing in mind that the federal minister is in a position where he's not contemplating any major changes, I think, particularly inasmuch as they affect policy. I'm not sure how that will turn out. The matter has not been entirely put to rest; it is being further reviewed.

With respect to the so-called penalties, that is money that is withheld each month, based on estimates, and is simply not included in the federal budget, so it's not as if Alberta is paying a fine. That relates to the gross amount we're entitled to under the established programs financing Act, and it brings into play factors like population and tax revenues, et cetera. It's very difficult to say, "How much was your fine this month?" It's a gross amount that is adjusted annually, a year after the fact. Quite frankly, I think what is being withheld based on the estimates last August is going to be substantially reduced based on the figures we are now receiving regarding extra billing.

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

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

MR. R. SPEAKER: The minister indicated that we are looking for alternatives in terms of the spirit of the Act. Is the minister working with the provinces of British Columbia and Ontario on a presentation that will be made to the federal government on this matter?

MR. RUSSELL: Not presently, Mr. Speaker. There was extensive provincial consultation among all kinds of provinces and groups of provinces during the last calendar year. Upon assuming office, the new minister in Ottawa preferred to meet with us on an individual basis. We've had task forces of officials going over the entire Canada Health Act as well as other matters. We're still meeting with him on that province-by-province basis, although I'm sure that if a group meeting of some kind were desirable, we would have that.

Sunday Shopping

MR. PURDY: Mr. Speaker, I'd like to address a question to the Attorney General. During the past couple of years I've consistently asked the Attorney General in this House when he may receive a decision from the Supreme Court of Canada regarding Sunday shopping. The minister indicated that it should be this month, this month, and this month. Has the minister any new information as of today?

MR. CRAWFORD: Mr. Speaker, I wouldn't want this to sound too ominous, but from time to time the Supreme Court of Canada has judgment days. All I can say to the hon. Member for Stony Plain, knowing his considerable interest in the subject, is that I am not aware of the precise date in the month of April when there will be another day on which judgments are published. The result will be known in due course, and I would be pleased to inform the hon. member at such time it is.

MR. PURDY: Will the minister be introducing legislation this spring session, regardless of any decision by the Supreme Court?

MR. CRAWFORD: Mr. Speaker, I think it's a consistent and very important part of the government's policy with respect to this matter to await the judgment of the Supreme Court of Canada, the reason being that whatever the result, the language of the court as it addresses the issues about which it must decide will surely give guidance to all legislators in the country as to what might properly be done.

MR. PURDY: Final supplementary, Mr. Speaker. Has the Attorney General had any discussion with his federal counterpart, the Minister of Justice, regarding amendments to federal legislation; for example, the Lord's Day Act or the Criminal Code of Canada?

MR. CRAWFORD: Mr. Speaker, that becomes a very broad question, because Criminal Code amendments are discussed on virtually every occasion when the Minister of Justice meets with provincial attorneys general. However, the item of the federal Lord's Day Act has never come up.

Private Adoptions

MR. GURNETT: Mr. Speaker, my question is for the hon. Minister of Social Services and Community Health. I'd like to ask if the minister could advise the Assembly when he was first informed about unwed mothers in Alberta being pressured to sell newborn children through baby brokers?

DR. WEBBER: Mr. Speaker, might I respectfully suggest to the hon. Member for Spirit River-Fairview that he not fall into the trap of his colleague and use the front pages of the newspapers as a source of research.

Mr. Speaker, I am aware of no evidence of babies being sold in Alberta for money. There is a penalty for such cases in the current legislation and in the proposed legislation. I believe that answers the question, in that there's no evidence that babies are being sold.

If I may, Mr. Speaker, this afternoon I'd like to file with the Legislature a press release from the Royal Alexandra hospital, which indicates that they as well have no evidence that babies are being sold.

MR. GURNETT: A supplementary question, Mr. Speaker. If there's no evidence of that, can I ask the minister whether any specific, individual cases where there were allegations of women in hospitals being pressured to sell babies have been brought his attention?

DR. WEBBER: I have no specific cases of allegations of children being sold for money. If the hon. member or anyone else knows of any cases where this has occurred, then I'd be happy to follow up.

At both public meetings I had prior to the opening of this session, I heard some concerns raised by constituents about the potential of that happening, not only in this province but in other provinces in this country, in the private adoption area as opposed to ward adoptions. In the private adoption area our current involvement as a government is to study the home situation, to do an assessment to determine whether or not it looks like a home that befits the new child. However, in the new Child Welfare Act there is no provision for the government to do the home study. The process would occur through the courts in the same manner, except that an external assessment would be done. That is the aspect that has been brought to my attention by a number

of people as a concern, and I am concerned as well. We are addressing that particular question.

We have received briefs from different agencies, groups, and individuals across the province on a number of issues related to the regulations of the new Child Welfare Act. The private adoption area will be one area we'll be taking a close look at.

Pork Exports

MR. PENGELLY: Mr. Speaker, my question is to the Minister of Agriculture. Can the minister tell the House if the United States Department of Commerce has made a ruling on the countervail case for hog and pork exports from Canada?

MR. FJORDBOTTEN: Mr. Speaker, I understand a decision was made this morning in Washington by the U.S. Commerce Department, which ruled affirmatively on the question of subsidy and on a duty of 5.3 cents Canadian on all live hogs, as well as fresh and chilled and frozen. This means that our shippers are going to have to post a bond to be held by the United States government until such a time as there's a final ruling, and that likely won't be completed by the United States International Trade Commission until about June 10.

MR. PENGELLY: A supplementary, Mr. Speaker. In view of this decision, can the minister tell the House what action he will take to protect the interests of the Alberta hog industry?

MR. FJORDBOTTEN: Mr. Speaker, as yet we do not have the full details of the United States decision — the basis on which they arrived at their numbers or the rationale, really, for their decision. I understand they've brought out a fairly lengthy ruling, and we'll respond to the United States action once we have those details.

As members are aware, the essential element for the maintenance and development of the industry in Alberta is that we've avoided taking measures here that would be contrary to our trade interests. I've given support to a national red meat stabilization program, which would do away with top loading and balkanization.

I can assure hon. members that I've been in contact with the federal government. At this time we're continuing to work with them on developing a position, with the federal government and the provinces, to respond to the United States. I am also sending senior officials from my department to Ottawa on Monday, and at that time they'll meet with officials from other provinces and the federal government to examine what actions the U.S. is really taking and to review the alternative actions that are open to us. I also understand representatives of the U.S. government will be travelling to all the provinces and having discussions about the effects of countervail on those provinces. We will certainly make a strong presentation in support of our producers at that time, considering that we do not have a subsidy program in Alberta that resulted in the countervail action.

ORDERS OF THE DAY

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

HON. MEMBERS: Agreed.

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

MR. PAHL: Thank you, Mr. Speaker. I'd like to introduce to you, and through you to members of the Assembly, 46 students involved in a student exchange in the study of early childhood education. There are 23 students from Grant MacEwan Community College, Edmonton Mill Woods campus, and 23 students from St. Joseph's College in Halifax. They are accompanied by their instructors from Halifax, Sue Wolstenholme and Hillary Malentette, and Dorothy Howard and Susan McGowan from Grant MacEwan.

I would like to extend to our Nova Scotia visitors to the province of Alberta a warm welcome, and to all the students a welcome to the Assembly. I invite you to stand and receive the traditional welcome of the Assembly.

MRS. LeMESSURIER: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Legislature, 11 business students from the Alberta Vocational Centre situated in Edmonton Centre. They are accompanied by their leader, Mr. Heston, and they are seated in the members' gallery. I ask that they rise and receive the warm welcome of this Assembly.

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

Bill 31

Appropriation (Interim Supply) Act, 1985

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill 31, the Appropriation (Interim Supply) Act, 1985.

This Bill, as has traditionally been introduced in the Assembly, is for a sum of slightly over one-third of the total budget, and it is for the purpose of providing dollars to keep the operations of government going pending the full consideration of the estimates.

[Motion carried; Bill 31 read a second time]

Bill 16

**Small Business Equity Corporations
Amendment Act, 1985**

MR. ADAIR: Mr. Speaker, I move second reading of Bill 16, the Small Business Equity Corporations Amendment Act, 1985.

This Bill will add to the existing Act a section prescribing the amount for the purposes of section 36(1)(a), and then removing the amount of \$15 million in section 36(1)(a) and substituting the words "the amount prescribed by regulation." This is being done to allow us to respond as quickly as we can to the private-sector initiatives in the equity-pool capital area.

MR. MARTIN: Mr. Speaker, just a few comments. It's not often that I do this, but I would like to commend the minister. I think it is a good Bill and, if you recall, I think we were supportive of it when he first raised it.

Although I know we followed Ontario somewhat, my understanding is that we've been even more successful in terms of the reaction from the private sector than Ontario. It's precisely these sorts of things — a number of new things; a total mix, if you like — that will get the economy

rolling again. As I said, I commend the minister on the Bill. I like the idea. It's a way to get money into the small business sector and, of course, that's one of their major problems. It's not all their problems — we've talked about low-interest loans — but certainly one of their major problems.

I suppose this is probably more appropriate at the committee stage. As I praise the Bill, there are perhaps some things, just so I will understand the protections built in to ensure that the money is in fact going to small, as opposed to large, Alberta businesses. There, I guess we get into what is a small business and what is a large business; it's not an easy thing to determine. I wonder if he could give us some idea of that in closing debate.

The other area I would be interested in — and I expect this will be coming at some time — is accounting with regard to money already spent in the program, to give us an idea of the types of small business that have participated in it. Maybe that is coming. I would appreciate it, to see if it is generally in oil and gas or if it's used for diversification — those types of things — to see where we're going.

Let me just conclude, Mr. Speaker. As I said, certainly on this side of the House my colleague and I have no reason not to support the Bill. We think it's a good one.

MR. SPEAKER: Are you ready for the question? Having heard the motion by the hon. minister for second reading of Bill 16 . . .

MR. MARTIN: On a point of order. I thought the minister wanted to close the debate.

MR. SPEAKER: I'm sorry; I missed that. May the hon. minister close the debate?

HON. MEMBERS: Agreed.

MR. ADAIR: I'll make it short, Mr. Speaker. The program itself and its success is taking the parts from the small business development corporation program in Ontario, the small business investment corporation in the United States, and a program in England called the ICFC program — and I don't have the actual name for that program with me right now. The program also applies to small and medium-sized businesses, and farm businesses are included in that.

One of the questions asked by the hon. member was the areas of investment. The areas covered to date are basically agriculture, manufacturing, construction, transportation and communications, wholesale/retail trade, and the business and personal services area. It covers all areas of Alberta. There were seven investments made in northern Alberta, seven in central Alberta, four in southern Alberta, 17 in Edmonton, and 20 in Calgary. The investments made to this point are \$12.5 million of the existing \$50 million that they have the right to invest — up to 40 percent in the first year. So it's moving along very well in that area, and it's doing everything we had intended it to do to this point in time.

The other point was relative to the size of the businesses that are being invested in. I refer you to the brochure again. An eligible business is one which has

. . . fewer than 100 employees, pays 75 percent or more of its wages and salaries for Alberta-related operations, and does not receive more than 50 percent of its annual revenue from:

- the lending of money
- rental income from real property
- mortgages or other debt instruments
- the selling of insurance or real estate
- the purchase and sale of shares or commodities traded on a stock exchange
- or any combination [thereof]

What happens is that if a business has had funds invested in it and goes over the 100-employee area, it must divest itself of that and reinvest in another business within the province.

[Motion carried; Bill 16 read a second time]

Bill 27

Credit Union Amendment Act, 1985

[Adjourned debate March 25: Mr. Purdy]

MR. PURDY: Mr. Speaker, last Monday I adjourned the debate on this particular Bill because of some remarks made by my colleague from Lethbridge West. There wasn't enough time left in the day to make the remarks I wanted to and set the Member for Lethbridge West straight on his thoughts about credit unions.

I guess he basically agrees with the concept of credit unions, but he did make what I call some uncalled-for statements. One he indicated to this House was that we passed the Credit Union Act 10 years ago. I remind the hon. member that the Credit Union Act was passed in this province in 1938, and other pieces of legislation were passed before that, of a co-operative nature, to make credit unions a very viable part of the lending and banking institutions in the province of Alberta. [Mr. Gogo entered the Chamber] I see the hon. member is back.

AN HON. MEMBER: Say it again, Bill.

MR. PURDY: The member can read it in *Hansard*.

He also talked about how we can expect farmers who farm all day to make loans at night. I take real issue with those particular remarks, Mr. Speaker, because we have a lot of credit unions in this province whose credit committees and boards of directors are strictly made up of farmers. These people give unselfish time and dedication to these credit unions, and they are there for a purpose, a purpose they believe in: the co-operative activities of the community. I think the hon. member should also get the book *Forging the Alternative* out of the library and read about the history of credit unions not only in Alberta, Canada, and the United States but worldwide.

I'll just take a few minutes, Mr. Speaker, to give the member a bit of an education on where credit unions existed and how they evolved to the present day. Would you believe the first credit union was formed in China 200 years before the birth of Christ? They had some regulations in place that some credit unions now follow, and there was a lot of philosophy in what they attempted to do. The other credit union that really got going was in Rochdale, England, in 1844. It was on the premise that it deviated from the previous credit union by distribution of surplus earnings. Then we read in history that they had quite a movement of credit unions in Germany, and this is where the real credit concept was born.

Then we move into the Canadian part of it, and the first credit union in Canada was incorporated on January

23, 1903. That was done in Quebec; that's where we get the *caisse populaire* movement. Mr. Speaker, that started out as a very, very small credit union with \$26.40 in total deposits, and it eventually grew. You know what *caisse populaire* is like in the province of Quebec right now — a very, very large organization. The next country to grasp the credit union movement was the United States. The first credit union was formed in Massachusetts in 1909, and it was of the same concept.

We come back to Alberta. The first credit union under the co-operatives credit Act was passed in 1917. The first real credit union that lent and borrowed for the benefit of its members was, interestingly enough, at Killam in 1927. They picked up there, then they fell off, and they kept coming and going. The Depression hit, and a lot of the credit unions actually thrived as an alternative to other lending institutions.

The Social Credit government came into existence in the province in 1936, and in the period of about 1938, as I mentioned earlier, they passed the Credit Union Act. They put a lot of emphasis on the credit unions in Alberta, but at the same time they also put emphasis on the Treasury Branches. From reading the history, it appears that the Social Credit government of that time put more emphasis on Treasury Branches than they did on credit unions, and a lot of credit unions ended up broke or going out of existence.

The credit unions that really thrived were the ones in the rural areas in later years. I guess I can put this analogy together: it was the same as in 1972, when we wanted to put natural gas into all rural parts of the province. As soon as we made that particular statement, who came along but the utility companies, Northwestern and the other ones, wanting to put gas into the easy customers and leave the difficult ones. This is exactly what's happened with the credit union movement. If a credit union went into a small village or town where there was no other lending institution and they did a good job, along came the Treasury Branch to set up their agency and start competition in the field. I think competition is good. But why do we want to have two lending institutions, both by government of Alberta legislation, competing against each other?

The credit union I belong to is the Stony Plain credit union, which was first incorporated in this province in 1943. It has a long and interesting history. Mrs. Cornelia Wood, who was a member of this Assembly for about 25 years, recently did an interesting history of the Stony Plain credit union. It shows the positive and negative effects of it and some of the things that took place.

One credit union I'd like to look at has been a real benefit to one of the communities in my constituency. It's where I live, in the village of Wabamun. Ten years ago there was no other lending institution there. People had to go 20 miles to the nearest bank or credit union. They moved in and built a \$450,000 building which is a real asset to the town. They started out with about \$1 million in assets; the assets are now over \$7 million with \$5 million in loans. That credit union is doing very well. It's all within the corporation of the Stony Plain credit union, but I single that one out because of its unique features.

The Treasury Branch wanted to come in and put up a building in Wabamun, and I emphatically said no to the Provincial Treasurer. As long as that credit union is doing its work for the people of the area, why do we want another lending institution to compete with that agency? The credit committees in the province are not made up of what the

hon. member for Lethbridge West suggests — CAs and these. You know, we'd just have more mass confusion if we had CAs and lawyers sitting on these credit committees. What we have is farmers, engineers, housewives, small-business men, and the list goes on. As I said earlier, these people are very, very dedicated to the cause.

I think the legislation we're looking at today is good. I certainly support it because of the problems some of the credit unions are in because of foreclosed properties. The inference the member made the other day was that the credit unions should not be in mortgages or anything like that. I just remind the Legislature that about 14 years ago I wanted to build a house. I went to the Royal Bank in Edmonton: "You're 25 miles out; we will not give you a mortgage." I went to a lot of other lending institutions, and that's when I became a member of the credit union. At that time they lent, and they have looked after the people who are shareholders and depositors within the system.

MR. BATIUK: That's why they're in the red, Bill.

MR. PURDY: That is not why we're in the red. Why we're in the red is that in some cases foreclosed properties took place. Mr. Speaker, it makes me a little bit disheartened when I see economists, newspaper editorials, and other things that compare the losses in Alberta credit unions to the losses in any bank; that's done across Canada. They don't do a comparison of the credit union total in Alberta with the total of a bank loss in the province of Alberta. They do the Alberta perspective on the credit union, but they look at the federal bank. You take any bank and that loss is shown Canada-wide; the loss for the credit union is shown provincially. Those figures are unfair, because right now we are in a situation in this province where there are foreclosures not only within the credit union movement but in the Royal Bank, the Treasury Branch, and the other lending institutions. You can name them all.

The other problem I had is the direction that the government auditors gave to the credit unions. As I understand it, previously they did not have to show their losses immediately if they had a foreclosure. In 1984 the government auditors said, "You must show the losses as a loss." I go back and look at the Stony Plain credit union, which is sitting at \$33 million in assets and \$1 million in foreclosed property. So this year we showed about a \$1 million loss because of foreclosed property. But I remind members that that property is still sitting there. It is real; the assets are real. There's no liquidity right now, and I think the stabilization fund as it is now going to be set up will help these credit unions to try to get it in perspective.

The other thing we've got to show is that if we lend \$100,000 to someone to build a house and they are delinquent in their mortgage payments, it takes anywhere from a year to 18 months to foreclose on that property. In those 18 months the interest is accruing. It's adding up, so that's shown as part of a loss. The other thing is that that \$100,000 house that was built three years ago is probably now on the market and assessed at \$60,000. So there is another real loss, and it's true with any lending institution you have.

I would like to conclude, Mr. Speaker, by saying I certainly support the legislation. By having the amendments, Executive Council and the cabinet can make some decisions with the Legislature not being called — hopefully not, but if some decisions have to be made over the summer recess, cabinet has the power to do that.

I would like to say I've been a director of the Stony Plain credit union for 12 years. I don't know all the ins and outs of the credit union movement. We're not paid a whole lot as directors of the credit union; we do that as a volunteer thing. I think the per diem I receive is something like \$15 for a four-hour meeting. The 12 people that sit on the Stony Plain credit union are all dedicated individuals. They spend a lot of time on that. We go back to the Member for Lethbridge West, who made the remarks about the farmer. We have a very, very dedicated farmer, a Mr. Goerz, as president of the Stony Plain credit union. He's put in a lot of time and effort for the betterment of the credit union movement, not only in the Stony Plain area but throughout the whole province of Alberta.

I ask hon. members to support this very important piece of legislation.

MR. SPEAKER: May the hon. minister conclude the debate?

MR. TRYNCHY: If she's short.

MRS. OSTERMAN: Mr. Speaker, I'm getting advice from my colleague next to me.

I would like to thank the hon. Member for Stony Plain for making some observations about the credit union system that I think were very important in terms of background to the discussion about the system. I think the hon. member has shown in his brief dissertation the importance the credit union system has had to many communities and still has to the community in which he resides.

I wanted to conclude the debate, Mr. Speaker, because I think it is important to address some of the comments made by the hon. Member for Lethbridge West. I took his comments about farmers — having been one myself for many, many years — as not impugning farmers in any way in terms of our ability to be part of a financial system, only that we may be too tired at night to do it. So I accepted that in the spirit in which I hope it was intended.

It was very important for the hon. member to raise the type of decisions that may be made with respect to cabinet, I'm sure, because there may be some misunderstanding. I said that anything done by regulation that was more appropriate in legislation would be done at the very first opportunity when the Legislature sits. But certainly with respect to individual credit unions, types of loans made, and business conducted, the cabinet would have no part of that. I want to assure the hon. member that whatever regulations are passed would simply empower those bodies that are in place that should be speaking to the conduct of whatever type of business. That's what the regulations would speak to. Not being absolutely sure at this point in time about what additional steps the stabilization corporation, for instance, may want to take and, in particular and more importantly, what recommendations the task force may bring forward that would be appropriate to bring into effect very quickly, I can assure the hon. member again that those recommendations would be thoroughly discussed with the system. No course of action is going to be successful unless the system is assured that they can handle what they may be requested to do.

Mr. Speaker, in concluding the debate, once again I want to thank hon. members for their participation and assure them of my intention of bringing forward as quickly as possible legislative amendments that will address the concerns that have been raised here.

[Motion carried; Bill 27 read a second time]

head: **GOVERNMENT MOTIONS**

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

[Adjourned debate March 26: Mr. Woo]

MR. WOO: If I might initially digress for a very brief moment, Mr. Speaker, like all Canadians I was extremely pleased at the announcement which designated Mme Jeanne Sauvé as Canada's first lady Governor General. I know she brings to her office great charm, warmth, grace, and personal intellect. Today in the province of Alberta I think we have a very tangible reflection of those great qualities in the appointment of Her Honour Miss Helen Hunley as Alberta's first lady Lieutenant Governor. To this very exceptional and wonderful lady I wish to extend my sincere congratulations, as other members have, on her appointment.

In addressing the budget, Mr. Speaker, I feel compelled to perhaps set the record straight in terms of some of the comments that have been made by the Leader of the Official Opposition. This has to do with the sensitivity of members on this side of the House in terms of the unemployment situation. I recognize very clearly that because of circumstances, many of which are beyond our control, there are indeed high levels of unemployment in this province, particularly in the capital city of Edmonton and in the construction industry.

In order to perhaps better demonstrate the feelings I wish to convey, I would like to approach it from a more personal point of view. I'm sure hon. members who sit in these chambers can identify with some of the comments I make. Mr. Speaker, I recall distinctly that during the years 1946 to 1956 — two specific time frames and certainly the period of 10 years between the cessation of hostilities during the course of the Second World War and the Korean War in 1955 — there was in this country and certainly in this province a great deal of unemployment. I'm not sure whether there exist today figures or percentages that indicate to us exactly what they were, and because of that we have no way of rationalizing them in terms of the figures we see today. But I don't think figures really mean that much to us. You have to be among the ranks of the unemployed in order to deeply appreciate the very traumatic conditions and situations that occur.

I know from personal experience that during the course of those years if you happened to be looking for a job after taking your discharge from the military, one of the handicaps you had to face was that all of a sudden employers and industries didn't have much use for ex-servicemen. Secondly, I found that during those times — and they were indeed difficult times — if you happened to represent what appeared to be an immigrant sector of our society, you had a second strike against you. So I say to the hon. Leader of the Opposition that when he makes the comment that there is an insensitivity on the part of members on this side of the House with respect to the way we feel about the unemployed, that we have no sense of feeling, I certainly have to call him on that point.

I've gone through the process of having two strikes against me: number one, being an ex-serviceman and, number two, being perceived as an immigrant minority. Industries

and employers in those days were very selective in who they hired. I have nothing against that; those were the realities of life that we faced and the times during that period.

Mr. Speaker, I did a number of things in looking for a job during the course of those years when I took my discharge from the service. I know what people are going through today. I washed dishes in Montreal for lack of a better of job. I had a background in the radar arm and tech systems. I was a weapons instructor, but during peacetime you don't need those types of things. You had a mechanical or technical background, but there was no need for that. I picked tobacco in St. Thomas. I cut bait in Kenora. I washed dishes in the Sisters of St. Joseph hospital in Elliot Lake. I went there looking for a job in the uranium mines. I've done those things. I beat the pavement at night and during the day looking for a job.

I cite that as an example, Mr. Speaker, in this respect: never once during the course of that time did I feel the government or this country or my neighbour owed me a job. I went out and looked for a job. I want to raise that because of a little incident I encountered with some people who are unemployed. I suggest to them that I was in a situation with a trade that had no application in terms of the economy of that time. I was forced to change; I changed. I suppose what I'm saying right now is that in terms of some of the unemployed — I'm not saying this without any feeling, because I do I have a feeling for it. I'm saying that particularly with the way the construction industry is today, if and when that industry reaches a peak level again, certainly it is going to have a much smaller framework than it had in the past during the boom years. As a consequence, there will continue to be a surplus of people in those industries who will not be able to gain employment.

I suggest to the younger people in that category: effect those changes through existing programs that are reflected in this budget to prepare yourselves for a new direction and a new career. I have a feeling for the older membership in the construction industry. When you're in your late 40s and early 50s, the opportunity to change is very difficult. Quite frankly, I suggest that these are the people who should have first crack at available jobs.

At the same time, I'm also saying that the recent advent, in terms of the Charter of Rights and Freedoms, of workers beginning to suggest that the retirement age be abolished tells me that people will be staying in their jobs longer and holding onto them for a longer period of time. I think the whole area of employment opportunities and career fields, whether they be technical or professional in nature, will be affected by these changes under the Charter of Rights and Freedoms. So there is another reason why I believe that the programs that are reflected in this budget should be addressed in the true sense of the word, looked at, and utilized to the benefit of the people of the province of Alberta.

Having said that, Mr. Speaker, I want to speak briefly on a number of items in a general way. I want to look at where we are in terms of the budget with respect to education, employment, and international trade in particular. First, reminding myself of the comments made by the hon. Member for Edmonton Whitemud who put it so well last evening in his remarks relative to the budget, I think the budget has, to a large degree, put the onus back upon private-sector enterprise to create permanent jobs. I think that's where the function appropriately lies. Secondly, it enables those future industries to come into being and, in

doing so, assures our province's and nation's place within the international community in terms of those goods and services that will make up the bulk of worldwide commerce of the future.

The other point I would like to raise, Mr. Speaker, concerns another observation of mine, and I'd like to speak to it briefly. It also relates to the spin-off of our recession. I have come to the conclusion that a recession produces many new and innovative small businesses, services, and companies. When many of our citizens lose jobs or our young people cannot find jobs, they turn to ingenuity and initiative, exploring new ideas in terms of getting into business for themselves. They utilize their time in looking around their communities to determine the needs of not only people they might serve but the companies that are located there. It comes as a surprise to many as fresh and innovative ideas take the shape of small business and medium-sized enterprises. The significant thing about all of this is that people involved in these cases hire friends and others who are unemployed. I mention this because I think it is important that governments recognize this as another significant and innovative strength on the part of our citizens within the free-enterprise system.

Citizens who are willing to risk whatever savings they have, along with energy and hard work, need and deserve assistance in terms of business and financial counselling and certainly traditional and perhaps innovative ways of financing. Once again, Mr. Speaker, that has been responded to in terms of the small business equity corporation and the announcement made by the Minister of Economic Development this afternoon. I am convinced that these two areas — one, redirecting moneys to certain economic sectors and, two, encouraging entrepreneurship in the small-business area — will in fact create and sustain job opportunities in a way our traditional government job-creation programs will not and cannot do.

Another idea I would have suggested prior to the bringing down of the budget, Mr. Speaker, is in terms of a new program or perhaps a new twist to some existing programs, where we again shift away from traditional programs or objectives. How often have you heard a recent graduate from a high school, postsecondary institution, or one of our technical schools say, in terms of a response upon applying for a job, "Sorry, but you have no experience," or "Sorry, we are looking for someone with at least X number of years of experience"? It goes without saying that at this rate the young person will never get any experience.

I would have suggested that one way we can assist young people trapped in this manner is to create a new work experience program, using funds which we normally put into our standard general programs. That suggestion has been responded to by the budget and reflected in the programs that come under the purview of the Minister of Manpower. It goes without saying that co-ordination of private-sector industry is critical to the success of such a program, as is that of labour. But I believe both these sectors, and certainly government or the newly graduated individual looking for his first job, have a great stake in the scheme of things either way. On this basis I think both industry and labour would willingly play a role in such a program.

Mr. Speaker, with the ability to operate within flexible programs, we can give emphasis and impetus to those industries which will in fact be the industries of the future, such as microelectronics, computerization, biotechnology,

and so on. At the same time, graduates in these and other disciplines will not only find an appropriate job but also be given the opportunity to gain valuable work experience. Jobs created under such circumstances are, perhaps, still temporary in nature, but I think their chances of turning into permanent positions are certainly much greater. Such a program could be extended to business and finance, communications, the petrochemical industry, agriculture, research and development, tourism, international trade, and even municipal government.

Mr. Speaker, I believe the broad field of international trade offers the opportunity for a variety of innovative measures in terms of a work experience program. I would like to make the suggestion in the hope that they might be considered within the flexibility of existing and future programs. In the armed forces we had a term called "contact training", whereby recruits with the appropriate aptitudes were selected to undergo trades or skills training in an on-the-job situation. This method served exceptionally well in mainstreaming individuals directly into the job proper and in a much more rapid and efficient manner. I think the counterpart of that type of system today in civilian trades is similar to some of our apprenticeship programs.

Getting back to the field of international trade, Mr. Speaker, I believe that a joint venture program between all levels of government could provide funding for a program of exchange that would see graduate students or professionals in a number of relevant disciplines going overseas to various countries to learn not only international commerce but also the language, customs, and business methods of these foreign countries. This would enhance the future of foreign trade relations through a better basis of understanding with an increasing number of countries who, perhaps, are not necessarily trading with us at the moment.

The expansion of this province's, and certainly of Canada's, sphere of trade influence cannot help but create in the intermediate and long term a variety of employment opportunities that may be directly or indirectly related to our export activities. The students would return with a type of knowledge and experience that would be of tremendous value to both government and private-sector industry. In this respect I suggest that funding for such a program could be supplemented or matched by a federal or federal/provincial contribution of perhaps 1 or 2 percent of the gross national export product or a similar amount of the gross provincial export product; that is, the total number of dollars of all those products of Canada or the province that were exported outside Canada.

Mr. Speaker, if we are to continue in the innovative fashion this budget reflects, I believe we must continue to challenge our program planners and communicate outwardly. I don't think it serves any useful purpose to have people tell me as a legislator why it can't be done. I want our experts to tell me how it can be done. I don't believe for one moment that we can solve the problem of unemployment overnight. I certainly can't see it ever being totally eliminated.

On page 11 of the Budget Address, Alberta: 1985-1990, there is specific reference to a number of points, in particular the white paper *Proposals for an Industrial and Science Strategy for Albertans 1985 to 1990*. It also speaks of the world marketplace, the role of the Alberta entrepreneur, and certainly some of the world-class strength areas we have in this province. It might be interesting to note, Mr. Speaker, what I perceive to be a future direction that might come forward as a result of this Budget Address in terms

of the international area and also to add some substance to it to identify for the benefit of members some statistics that would be relevant.

Canada is a trading nation, exporting over \$100 billion worth of goods and services annually, which is over one-quarter of our gross domestic product. More importantly, I think we have to appreciate that more than 3 million jobs in Canada depend on exports. Alberta, with exports in excess of \$12 billion in 1984, was a major exporter of Canadian goods and services.

In recent years trade has played an increasingly important role in the Canadian economic recovery. In 1984 the Canadian economy strengthened largely as a result of export growth, and certainly the same holds true in the province of Alberta, Mr. Speaker. Alberta and Canada by their very nature have very small domestic markets. If we are to develop and diversify our economies, we must look to the international market. As Canadians we have major advantages in the international trade area. A number of these were identified clearly by the hon. Premier in a major speech he gave to the Pacific Rim Opportunities Conference in Calgary last year. I would like to cite for the record five of the comments that were delivered by the Premier to the Pacific Rim Opportunities Conference.

Firstly, goodwill throughout the world, especially in developing countries, has and will continue to be an effective tool in attaining export contracts. Canada and Alberta have achieved this goodwill through various undertakings and initiatives by both levels of government and certainly by our private-sector business and associations.

Secondly, Canada continues to be regarded as a reliable and stable source of supplies. While labour disputes have created some disruptions on occasion, overall Canada has a reputation for delivering products and services in a timely and effective manner.

Thirdly, the quality of Canadian products and services is appreciated and respected throughout the world. The availability of technical expertise and skills is just starting to receive the high recognition it deserves, an export commodity. In fact, in certain areas of agriculture, oil and gas, and transportation Canadian technological knowledge is superior to that of our giant neighbour to the south. In fact, these assets have largely been overlooked.

Fourthly, our agricultural industry is a low-cost, highly competitive industry that can compete with any country in the world in terms of efficiency and productivity.

Lastly, Alberta has an additional advantage as a result of our trading relationship with Heilongjiang, the People's Republic of China, the prefecture of Hokkaido in the country of Japan, and Gangweon in the Republic of South Korea. This has provided an opportunity for Alberta to increase its awareness and understanding of these marketplaces in addition to benefitting from cultural exchanges.

Mr. Speaker, obviously Alberta and Canada also have weaknesses that impact on our trading position. However, these weaknesses are not insurmountable but can be overcome and developed into strengths. For example, in some industries we are not as competitive as we should be. Initiatives to improve productivity, reduce costs, or develop specialization change these industries into international market leaders. Canada and Alberta are still a young nation and a young province respectively, relative to other countries that have been trading for centuries. Certainly, a naive approach to trade will only see us lose ground to other countries. Canadians and Albertans must treat international trade aggressively to both maintain present markets and pursue

new opportunities. As well, our educational system must emphasize the importance of international trade and provide the understanding and knowledge to enter the international marketplace. I believe that through international trade the Alberta and Canadian economies will continue to grow and prosper in the years to come.

The budget speech also relates to an area of world trade in terms of various types of bilateral and multilateral trade negotiations and other sorts of arrangements. Bilateral trade negotiations may achieve the objectives of improving market access on a more timely basis. As members will recall, the hon. Premier tabled a position paper at the recent First Ministers' Conference in Regina entitled *Free Trade with the United States: An Alberta Perspective*, explaining the benefits of a Canada-United States free trade arrangement. In addition to improving access to our major trading partner, such an arrangement would result in increased competitiveness and productivity, and world product mandating would also benefit Alberta and Canada accessing third-country markets.

In Alberta we must encourage and create a favourable climate for Canadian companies to export. This should include facilitating the formation of export consortia and providing competitive export financing. We must recognize the critical need for export consortia in this province, and particularly in this country, in view of the fact that countries such as Japan, Korea, China, Hong Kong, Taiwan, and Singapore have had over 100 years of experience in this particular area. In Japan the competitive interfacing and networking is performed in the international economic area by the *sogosha*. In other parts of the Orient, the Chinese operate *hongs*, which are basically another name for trading houses.

In terms of increasing awareness in Canadian industry of the benefit of international trade, there is a need to ensure that the types of vehicles are in place to make that accommodation, to provide that opportunity for Alberta and Canadian industries to access an international marketplace — especially in the Pacific Rim, where competition for a growing market is strong — and to encourage and provide the environment for Alberta and Canadian industries to become and remain competitive.

At the same time as I say that, Mr. Speaker, I think it is important, when we view Pacific Rim countries as potential trading partners and visualize the benefits that might flow to us as a result of that, to bear in mind that in time these countries will become our competitors. With the importance of international trade to the provinces, the provincial governments have an important role to play in both multilateral and bilateral negotiations. Federal/provincial co-operative efforts should commence immediately to ensure the achievement of the greatest long-term benefits for Canada and Alberta. Alberta has taken the lead amongst the provinces in calling for this co-operative effort.

Mr. Speaker, at a gathering one day of company presidents situated in Edmonton, my question as to what the perception of the role of this House and we as legislators should be received this response from the president of an Edmonton-based company:

As I see it, your role as legislators in this House as government is fourfold: firstly, to provide good government; secondly, to enact responsible laws; thirdly, to create the environment and establish frameworks for growth and progress; and fourthly, to exercise leadership.

Mr. Speaker, I truly believe that this budget, as presented by the hon. Provincial Treasurer, reflects those values.

Thank you.

[Mr. Purdy in the Chair]

MR. HORSMAN: Mr. Speaker, in rising to participate in the debate on the budget, I also would like to add my congratulations to Her Honour the Lieutenant Governor on her appointment as the representative of Her Majesty the Queen in the province of Alberta. This noble office is to be filled by an Albertan of great charm, great understanding, and also great toughness. I know she will bring honour and distinction to her new responsibilities.

I am pleased to take this opportunity to comment on some of the activities and responsibilities of the Department of Federal and Intergovernmental Affairs. While the past year has been extremely busy and full of challenge, I anticipate that the new year will see another increase in activity with the federal government and other provinces and in the development of our relationships with other countries. I am very pleased to have heard the remarks just now by the hon. Member for Edmonton Sherwood Park relative to Alberta's participation in the international sphere.

We as Albertans, of course, are encouraged by a number of events which have taken place in recent months. Shortly after being elected in September 1984, the new federal Progressive Conservative government made it clear that they considered wide-ranging consultation to be an integral part of the federal policy-making process. That was highlighted in the November 5 Speech from the Throne, which spoke of a new spirit of federalism and the need for co-operation of all partners in Confederation. The theme of consultation and co-operation was reiterated subsequently by the finance minister's agenda for economic renewal.

Less than a week after that paper came forward, on November 13, 1984, a meeting of the first ministers was convened at Meach Lake, Quebec. The Meach Lake meeting was significant in that not only did it provide a clear example of the new federal government's emphasis on consultation but a number of significant decisions were reached at that time, and I might add, in the spirit of harmony and goodwill amongst the federal and provincial first ministers who were present at that meeting. First, it was decided that the first ministers would hold a conference on the economy in February of this year, and second, it was agreed that it was important to review, between the Meach Lake and February meetings, the desirability of holding regular annual first ministers' conferences on the economy.

Mr. Speaker, we are all aware that the highly successful First Ministers' Conference on the economy was held on February 14 and 15 in Regina and that it was the first such meeting in three years. The agenda items discussed were investment, training, regional economic development, and international trade. They touched on a great many areas of concern to all governments. There was progress made in these areas, most notably in the area of training. But progress will be pursued in the other areas in coming weeks.

All members of the Assembly can be proud of and encouraged by the response to our Premier's discussion at that conference in the area of investment with respect to the interest rate question and, furthermore, in the field of international trade, with the presentation of Alberta's perspective on free trade with the United States.

One key agreement reached at Regina will have a significant impact on consultation in the future. A memorandum of agreement which specifies that an annual conference of first ministers will be held in the last quarter of each year was signed by all 11 governments at Regina. These annual conferences were long supported by Alberta and called for on numerous occasions over the last decade, including the publication of *Harmony in Diversity*, which members will recall set forth Alberta's stand on constitutional issues. I refer hon. members to page 17, where we recommended "that provision be made in the Constitution for an annual meeting of First Ministers." That recommendation has been reached in part with the agreement to meet for the next five years on an annual basis. I look forward to having first ministers' conferences eventually constitutionalized, and I recognize that that is a recommendation now before the Assembly in the report of the select committee on the Upper House. We'll be discussing that later during the course of this spring sitting.

I might add that we followed up on that request when my department, in consultation with others, published the document *Alberta in Canada: Strength in Diversity*, a government of Alberta discussion paper which was provided to the committee on Canada's economic prospects, chaired by the Hon. Donald Macdonald. I would like to read for members what we said on page 41 of that document:

The requirement to have an annual conference [of first ministers] should be entrenched in the Constitution. As well as enabling governments to develop, where appropriate, joint economic strategies and fiscal policies, such a forum would stimulate public discussion and debate on national economic goals and objectives. Because First Ministers' Conferences have become highly visible forums, they provide increased opportunity for Canadians to become more aware and better informed of the views of both orders of government on the important economic issues facing the country.

I'm pleased to point out to members of the Assembly that that really is the underlying reason for the signing of the memorandum of agreement to which I've referred.

I look forward to this First Ministers' Conference on the economy this fall. Of course, the planning of that event as far as the Alberta government is concerned will fall in large measure upon the Department of Federal and Intergovernmental Affairs. In many ways, Mr. Speaker, this is another major Alberta government success, started some years ago but followed through in our documents to which I've referred. I am very pleased indeed and proud of the fact that we have helped to lead the way towards this new developing consultation in the federal state amongst the partners of the federal state.

Finally, I should point out that within the next week another significant meeting of federal/provincial governments will occur. On April 2 and 3 the first ministers will meet on the aboriginal constitutional issue. Immediately after that conference a meeting will be held to discuss economic matters. That meeting on April 4 will once again provide an opportunity for consultation and discussion on economic matters of significance to Alberta and to the country as a whole. It is anticipated that the consultative process undertaken by the federal government with provinces, territories, and other groups will continue in the months to come.

Having said all that, one must ask the question: what is the purpose of all this activity in terms of meetings? Obviously, Mr. Speaker, it is to provide an economic climate in this country that will provide the jobs that are so necessary

for the unemployed people of Alberta and the other provinces. We must begin working together as a team in this country, and governments, together with the private sector, must start co-operating. In our view in this party, it is the role of our government to act as a catalyst. In the view of the Official Opposition, it is the role of the government to do it all. We reject that concept. But we do believe we must go forward in the pursuit of meaningful jobs for the citizens of Alberta and Canada and that we can do that only if governments work together, providing the confidence factor that is so necessary to the people and the private sector, not only in Canada but abroad, that this country is worth investing in.

I ought to mention as well that Alberta recognizes the importance of forthcoming discussions and deliberations regarding Quebec and the Constitution. We are anxious as a government that the province of Quebec return as a full partner in Confederation. I'm pleased indeed that the Premier of Quebec saw fit to sign a document with other governments for the first time since 1981 when he signed this memorandum of agreement in Regina. That's a good sign. But that's not the end of the consultation which must take place.

I and other members of our government have held informal discussions with various elected officials, and we are encouraged by the good working relationship we are developing between Alberta and Quebec. I put members of this Assembly and Albertans on notice that we will be at those future negotiations, which of course must involve the federal government and all the provinces, with a position to help facilitate the full and meaningful re-entry of Quebec into Confederation.

Furthermore, we are anxious to open and re-examine the subject of reform of the Upper House. Our own select committee has issued its recommendations, and I will comment further on Senate negotiations at another time. As members are aware, a motion is on the Order Paper to deal with that subject.

Alberta's economic growth and stability are greatly influenced by federal programs and policies. On June 8 of last year, as the minister responsible for co-ordinating activities under the economic regional development agreement, I signed on behalf of Alberta. That provides a framework for both governments to address the economic and regional development needs of Alberta. Its objective is to sensitize the federal government to Alberta's opportunities and priorities for development. It allows us to address obstacles to growth, enter into subsidiary agreements, and pursue new initiatives. It provides an opportunity to better co-ordinate federal programs with those of Alberta in a complementary and effective manner. We have made some progress in specific areas since that signing. A forestry agreement has been formalized, and we are aggressively pursuing agreements in tourism, agriculture, and northern development.

I want to mention that I am extremely encouraged by the responsive attitude of the Hon. Sinclair Stevens, the federal minister responsible for such agreements throughout Canada. The consultative process and the implementation of programs are fine examples of co-operative federalism in practice. And may I tell members of this Assembly — they might be surprised to learn this — that never before January 1985 had ministers responsible for economic development at the federal and provincial government levels met together? Never before. I was pleased to represent my colleague the Minister of Economic Development at the meeting in January. Since then he met with his federal and provincial counterparts on Monday of this week in Quebec

City, and two additional meetings of economic development ministers have been arranged for the balance of this year. That's the type of consultation we must have in this country.

I want to mention that Grande Prairie has been chosen as the site of the annual Western Premiers' Conference. We are all assured, I hope, of some fine northern Alberta hospitality in Grande Prairie and, of course, a suitable atmosphere for discussion of western Canadian initiatives and concerns.

I also want to point out that Alberta continues to view activities in Yukon and the Northwest Territories with interest, having long supported their encouraging progress to provincial status. I wish to acknowledge, if I may, Mr. Speaker, the very close relationship we enjoyed with the most recently retired leader of the elected government of Yukon, Chris Pearson. I wish him well in his retirement, and I want to pay tribute to him for his leadership in bringing Yukon forward from its colonial status as a territory to a much more meaningful representative government in that particular territory. I look forward as well to working with Mr. Pearson's successor, Willard Phelps, who, as I understand it, has been examining the operation of the Alberta government with a great deal of interest.

With respect to the Northwest Territories, I have also had the opportunity of meeting with the head of the government there, Richard Nerysoo, who is a very articulate spokesman of aboriginal origin. In fact, in many ways the government of the Northwest Territories already has aboriginal government, something we'll be discussing next week in Ottawa.

Internationally, I believe Alberta can be very proud of its role and its reputation. As the hon. Member for Sherwood Park pointed out, and as you are aware, we have long been active in our pursuit of foreign markets and investment dollars, in the support of a greater understanding educationally, culturally, and socially, and in the development of strong working relationships with various governments and organizations. Activities originating from Alberta are supported by the existence of Alberta government offices in London, New York, Houston, Los Angeles, Hong Kong, and Tokyo. Numerous activities in the past and more in the future have contributed and will contribute to Alberta's success and recognition throughout the world.

In the last fiscal year Alberta hosted two highly successful investment seminars, one in New York last May and another in Tokyo this past February. Others are being planned in the coming fiscal year, with the first scheduled for London in June. These seminars are targeted at very specific audiences and involve the private sector, academics, and government decision-makers. I might add that with respect to the seminar held most recently in Tokyo, we were very fortunate indeed to have had the participation of a prominent labour leader from the province of Alberta and to have had the federal Minister of International Trade as a participant in an Alberta-sponsored economic development seminar.

That type of co-operation was extremely impressive to the Japanese businessmen and government officials who attended and, I think, signalled to that great industrialized nation and Alberta's and Canada's trading partner the change that has taken place in Canada since September of last year with respect to the role of the provincial governments and the federal government. Without being terribly unkind to the previous government of Canada, it would have been almost impossible to conceive of a federal minister of that government participating in a provincially sponsored seminar on investment in Alberta. That is the change of attitude,

and that message came across loud and strong at the most recent seminar in Tokyo.

Without question, too, the climate for improved relations with the United States has never been better. We certainly believe that we have been and will continue to be extremely involved in activities at many levels. The Premier will again be travelling to the United States. I have held a number of meetings with elected legislators in the United States. Other members of our Legislature have increased our activities in the United States, and we have become involved in various meetings of the council of state governments, state legislators associations, and the western governors association, as participants and as observers.

I particularly want to mention the Canada/United States legislative exchange, at which leaders of state governments meet with provincial government leaders twice a year. The sessions are most enlightening and worth while for all of us. The first one I had the pleasure of attending was just under a year ago in Quebec City, when the subject was international trade. The Hon. David King, Minister of Education, attended a conference of a similar nature on the subject of high technology and its transfer to the private sector. That was held in Florida in February. I want to announce to members of the Assembly that Alberta will host the next meeting of this Canada/U.S. legislative project, in Banff this coming September. The location is certainly appropriate, since the theme that has been chosen for this meeting this year is tourism.

In addition, Alberta takes a keen and active interest in Canadian studies programming at universities throughout the world. We have been supportive through book donations, information sharing, and grant funding, and more of that will take place.

In the past 10 years the Alberta government has established three special twinning or sister relationships with the provinces of Heilongjiang in China, Hokkaido in Japan, and Kangwon in Korea. Last September, after a visit I made in August to Korea, we celebrated the 10th anniversary with Kangwon by welcoming to Alberta Vice-Governor Ahn to celebrate that, with reciprocal ceremonies here. Those were a great success. These special relationships have resulted in literally hundreds of productive programs of exchange and co-operation, particularly in the areas of agriculture, education, culture, sports, medical research and technology. I want to point out that the cold weather research mission, headed by Eric Musgreave, recently returned from Hokkaido, Japan, and Heilongjiang in the People's Republic of China, and a medical mission is currently touring all three provinces.

I also wish to advise members of the Assembly that the university presidents from Alberta are scheduled to visit our sister provinces towards the end of June. As well, I have received an invitation from Governor Chen of Heilongjiang to visit in June and also to attend the Tsukuba Expo 85 in Japan en route. We have extended invitations to Governor Chen of Heilongjiang and Governor Yokomichi of Hokkaido to visit Alberta this fall, and we hope they will be able to accept those invitations.

We have come to realize that in building trust and understanding, friendships with specific provinces, we have opened the doors to our respective nations. The national governments of China, Japan, Korea, and Canada are all keenly aware of our special affiliations and exchange programs. We view them as important developments in the promotion of understanding, to the mutual benefit of Albertans, Canadians, and the peoples of the countries with whom we have these relationships.

If I may, I want to add a word of pleasure as to how encouraging our new minister of External Affairs, the Hon. Joe Clark, has been towards our activities as a province, in dealing with both the United States and foreign countries. On behalf of Albertans, I welcome that encouragement.

Of course, my job as a minister in this government requires me to travel extensively in addition to travelling both ways between Medicine Hat and Edmonton once a week. I have also been on the plane between here and Ottawa and Toronto very often, and that will take place with regularity over the next period of time. It is part of the process of consultation we have been asking for for many years, and now that we have that opportunity, we certainly intend to take advantage of it.

Mr. Speaker, as is customary in the budget debate and before I conclude, I would like to make some reference to the impact this budget will have upon the constituency of Medicine Hat. The city of Medicine Hat is a diversified city with a broad industrial base and a large agricultural sector in the surrounding area which was severely impacted by the drought conditions in the summer of 1984. I want to go on record as being very grateful to this government for the prompt action taken with respect to those drought conditions in the summer. I hope that with the most recent snowfall, there will be sufficient runoff for the cattle industry so that the sloughs and dugouts and other stock watering facilities will fill up. They did not do that last year, but we have had substantial snowfall recently, and a quick thaw would be exactly what we need to help that industry. The government can't do anything about that.

I do want to say, though, with respect to this year's budget, that there is very significant capital development funding provided. I welcome the announcement that during the next fiscal year there will be construction of a new remand centre, with almost \$6 million being provided. In addition to that, continuation of the Medicine Hat hospital at over \$11 million and the courthouse at over \$5 million will add substantially to the construction activities of our government. I could go on to talk about the transportation issues facing Medicine Hat, but I do want to say that the city of Medicine Hat has had in its possession for several months now the moneys necessary to twin the Trans-Canada Highway. I assume they are earning interest on it, because they have not made a decision as to the location of the highway. I certainly look forward to the city doing that in the very near future.

Mr. Speaker, I could say more about twinning the Trans-Canada Highway between the Saskatchewan border to where it is now, east of Strathmore, but I know there are other members who have an interest in that since most of it falls within their constituencies, so I will conclude this debate with these final words.

In Medicine Hat, as elsewhere, the government can do and has done a great deal to spur construction activity, but the greatest impact will be with the private sector through such agencies as Cancarb, with their major expansion under way, and Alberta Gas Chemicals, if they are successful in getting their permit to construct a \$100 million expansion. Mr. Speaker, that is where the real impetus will come for construction activity and long-term meaningful jobs. Government can only do so much. We have done that, and now we believe the economy is turning around and that is where real jobs, real economic and meaningful growth will come from. Our budget, presented the other night by the hon. Provincial Treasurer, will assist materially in achieving the confidence necessary to have the private sector move ahead.

Thank you, Mr. Speaker.

MRS. OSTERMAN: Mr. Speaker, I welcome the opportunity to participate in the budget debate, particularly to have the opportunity to say the things that one ordinarily doesn't say in question period in terms of, first of all, welcoming the new member for Spirit River-Fairview to this Assembly and wishing him well in terms of his role representing a good many people in a very large rural constituency. In that regard, I share his concern about agriculture, as many of us do.

It also gives me an opportunity to make a few comments about a little village that's in the heart of the constituency of Three Hills, a place called Acme. All those who have participated in various speeches this spring have welcomed and congratulated Her Honour. Her Honour was born in the village of Acme some time ago, and in that regard the villagers are very proud. Some very interesting people have come from that village. A former Leader of the Opposition, Bob Clark, who sat for some 20 years in this Assembly, was born in the village of Acme. So considering there are only a few hundred people there, we're very proud of that. And a relatively unknown daughter of a blacksmith, who came from that village and was elected to this Assembly in 1979, became the first female party Whip in the British parliamentary system, and some of the villagers are also very proud of that.

So the heart of the Three Hills constituency is the village of Acme, but radiating from there is a constituency that is varied. Over the past number of years we have reflected and enjoyed very substantial growth. I say "growth" in an economic sense, because there are other kinds of growth too, which I will address later on. But we've benefitted and will be benefitting again from a budget such as the one the Provincial Treasurer has just brought down. Our constituency has fared extraordinarily well, as have other rural areas over the course of the last number of years.

Starting at the south end of the constituency, the now city of Airdrie, which is very close to the large metropolitan area of Calgary, brings a unique opportunity for rural and urban people to come to know one another. That has been good for all of us. For me as a person who basically has a rural background, the city of Airdrie has presented a lot of challenges in terms of my being able to help those residents with their aspirations.

Basically, in conjunction with the budget speech, I want to mention a number of programs that have significantly enhanced the quality of life in all the areas in the constituency. I will start by speaking about a program that has been part of the umbrella programs the hon. member sitting next to me, the Minister of Recreation and Parks, has been responsible for. We now have a new community recreation and cultural program. Mr. Speaker, it's really interesting to crisscross the constituency to see the very substantive projects that have been done over the past number of years under the former MCR program and, with the new program, that will be enhanced or assisted in terms of operating and a number of other things. I look at two new museums, for instance. Under the cultural components, I look at the moneys that have gone into senior citizen centres. I think the hon. Leader of the Opposition could well spend a little more of his time in some of those centres, visiting with our senior citizens in terms of the perspective they have in terms of the history of this province, where the generation of our age has gone with a number of programs in government and other places, and their concern for the generation that's

following us, a large number of whom, as many of us have spoken about in this Assembly, are now unemployed. But the funding for those basic services and programs has been in place for a number of years. It has basically been done by this government. How has it come about? I have a pretty fair feeling for how it has come about because of my experience over the last number of years, six years to be exact; that is, because a good number of my colleagues, ministers and private members, over the course of those six years have visited the Three Hills constituency, along with a lot of other constituencies.

If I could relate a few experiences prior to 1970, Mr. Speaker. A good number of us who were working on behalf of our communities ventured to Edmonton almost as supplicants, asking, almost begging, the government to look at our communities and at programs or legislation we believed needed to be in place. I think that was the downfall of the former administration. So when the hon. Leader of the Opposition mentions the sort of stance they perceive we have, that we're not listening, I think the hon. Leader of the Opposition is speaking out of both sides of his mouth. We have members who are crisscrossing this province, assessing the needs of communities and individuals, and reflecting those needs in programs.

Unfortunately, when the socialists in our province, who I'm sure are well-intentioned, speak to constituents and give them some sense of so-called entitlements, they are going far beyond what the people of this province, this country, North America, and other developed countries — what are we all entitled to? What is our generation of Albertans and Canadians entitled to, especially when it's at the expense of future generations? I think the Leader of the Opposition and others who share those same beliefs ought to take some care in terms of raising the expectations of individual citizens and communities, because it will only cripple another generation; it will only further cripple those who already have been given to believe that government and all peoples owe them a living. So I ask them to reflect on that sort of philosophy.

I think it's a little bit like the story about capturing wild animals. I don't think anybody needs to throw a net or a spear or shoot them with a gun. It has been proven time and time again that all you need to do is put a little food on the edge of the forest and watch them finally come for it, until they no longer know how to forage for themselves. Mr. Speaker, that's the type of situation we could see if some groups of people continually bombard this Legislature and other governments and say government and all peoples owe a certain group a living. So I ask them again to take care when promoting that type of philosophy.

To some degree, Mr. Speaker, in terms of the "not listening" part of this, I suppose it's a little bit like a family. All of us from time to time have requests, some by our children, some by other members of our family. And we have requests from our constituents. Our constituents are not like children at all; they make very good judgments about most matters. But that's with an informed public, in terms of making those judgments. One of the things that happens is that if we fall down anywhere, it is in our communication of what's really happening out there. When you have the opportunity to sit down with individuals, groups, and communities and they understand and have all the information that flows across our desk as members of the Assembly, for the most part they come to the same conclusions we have. If they didn't, we wouldn't be sitting in this Assembly, and we certainly wouldn't have formed

a government. If I have one regret in that situation, it's in terms of the time we have to communicate to citizens so they will indeed have the same information we do. When they have that information, they're in a position to give us very good feedback. Certainly, from my perspective as the Member for Three Hills, that has occurred time and time again. Of course, there are also those occasions when I get quite an education, given that information being put in the hands of my constituents, and leave a meeting with quite a different view than I arrived with. That's also very therapeutic.

Mr. Speaker, I'm enjoying the opportunity of having had a few hours in the Assembly, which I know doesn't always occur for a number of ministers. It isn't a matter of just reading the speeches given by our hon. colleagues; it's also being present when those speeches are given. I enjoyed the remarks made by the hon. Member for Calgary Buffalo last night, especially the discussion about attitude. I think "attitude" and "confidence" are words we are now reflecting upon, and to some degree it helps to have a sort of opportunity to have an overview of the province, the country, North America, almost the world in terms of where we should be in the context of things and what type of attitude we should have with respect to where we stand in the world community at this point in time. As I said, the matter of attitude and confidence is of great concern across the whole globe.

If you take a look at financial institutions — and that particular area happens to have great interest for me because of my portfolio and, obviously, a lot of other reasons — you'll find in London, continental Europe, and the United States the so-called financial institutions receiving some sort of propping-up, if you will. It's a term that has been well worn lately in terms of its usage. Why is that occurring? Well, Mr. Speaker, what would happen if we looked at a world collapse? Look at the International Monetary Fund over the last six or seven years. It has been a longer period of time that they have been addressing problems than we have had resting right on our doorstep. But if you go back six or seven years and look at the discussions that have been held by the International Monetary Fund — and they're addressing the deficit position of a lot of the Third World countries — we'd better be interested. I don't see how we as a trading nation can divorce ourselves from the health of those Third World countries — countries, incidentally, that we look upon as possible markets. As I said, we are a trading nation, and particularly the province of Alberta is a trading province. So we ought to be interested in the health of those communities. It will be an absolute disaster if we do not learn from the collapse we saw only 50 years ago and allow that to happen again. It shouldn't be necessary. Surely we don't need to constantly relive history.

I envy the travels that have just been spoken about by the hon. Minister of Federal and Intergovernmental Affairs. While we live those trips vicariously as they're described by a number of members who get that opportunity to travel, it gives many of us some sense of what is going on around the world and the communities that are important to us. The hon. Member for Edmonton Sherwood Park did an excellent job of that discussion today, and he's been in the position. I am envious in terms of his relationship to the ethnic community with respect to the Pacific Rim, where so much of the key to our trade lies.

If we reflect on the world financial situation today and look at what is happening in terms of where we're going with the type of employment we have — and it's all related

in terms of the products we produce, what type of job expectations we should have, and the world scene — history could well record that this time may be analogous to the industrial revolution, because certainly we're seeing that type of structural change. So for those of us who are in a position of having to rely on that world community for trade, we note these changes with respect to that world financial community and the effect on all the countries and watch them with a great deal of concern.

In the transition we're in, Mr. Speaker, if we believe we have something as momentous as an industrial revolution but of a different kind on our hands today, how do we live through the transition that must occur? Mr. Speaker, in the province of Alberta we were fortunate in having a very farseeing government that instituted the heritage fund. That is our insurance policy. Would that other countries and provinces had that insurance policy, because for those of us, particularly in agriculture and the construction industry, which are very alike in terms of the very major changes that are going on, who will be able to continue to farm — take a look at the change in the agricultural scene and in the construction scene and what the expectations will be there for the percentage of employment in terms of what we've historically enjoyed in this province.

So, Mr. Speaker, while we make our transition to the so-called information society, we have an insurance policy. Thank God for that. Many of us may not have the appreciation that that insurance policy protects us to the degree it does.

The Provincial Treasurer has made a very important comment about our growth: it will be slow and steady. I think he used the term "slow", but at least it will be no more than moderate. More than anything the key word in his comments was "sustainable", because sustainable growth is what is important. When we take a look at the skyrocketing growth we had, how could any of us have believed, in terms of the market forces around us — other provinces, the country, North America, and the world — that Alberta was an island unto itself? Had we not thought about it at the time, that has certainly been brought home to us now.

Certainly, that heritage fund is the kind of insurance policy that, I guess, holds out some levelling of the peaks and valleys that will be so much a part of our economy and we have to accept as a part of our economy when we're talking about commodity prices and where we stand on the world market with respect to trading. For that sustainable growth, we need a heritage fund and the kind of insurance policy it brings to keep some level to the type of standard of living we've come to enjoy.

We cannot necessarily expect to go on forever, if we keep a close eye on the world around us. Mr. Speaker, the discussion of the world financial situation and its impact on us as a trading country and province certainly raises a number of issues that my own department has had to deal with. I very much think the business of the deposit-taking institutions and the risk-taking areas of business are areas that are regulated to some degree, in part by my department, and are a balance that is constantly difficult to meet. We want to keep the kind of confidence in our financial community that is necessary for continued, sustainable growth. On the other hand, nothing is guaranteed forever. We have the deposit-taking institutions, which for the most part are regulated by the Canada Deposit Insurance Corporation, that have a guarantee of \$60,000 per deposit. Unfortunately, that type of deposit-taking has become confused with the risk-taking area of business that we have. To some degree

that has to do with the terminology that's used. That has to be addressed, because some people who are very knowledgeable in the financial community have told me that even they didn't realize some of the very subtle differences in the terminology within the financial institutions themselves.

If anything, the side we must err on is the side of making sure that the public has all the information possible to put them in a position to make accurate judgments. In some cases, Mr. Speaker, I think that information could be much better. We must take more care, and I again chastise the Leader of the Opposition for some of the questions. They really fall one on top of the other and give the public some sense that the risk-taking areas and the deposit-taking areas are almost one and the same. Our press has been doing the same thing. So we certainly must address that.

A good many of them speak about the regulation in the business community as being too much regulation and impeding their business. My comment to that, Mr. Speaker, is that we must constantly assess that in light of the style of business operations as they must evolve to meet marketplace conditions. When we get into deregulation, it also puts a great onus on the business to reflect on the conduct of their colleagues and their business conferees. We all know, as I think the business community knows, that if you have some bad actors, those bad actors are the ones that precipitate the call by the public for additional regulation. So all of us have a job to do in terms of emphasizing the need for good conduct by all of those in the business community, particularly the need of that very large sector, that does such an excellent job of operating in the marketplace, to lean on those who in any way, shape, or form would cause some call to reflect on the operation of that marketplace and whether it needs additional regulation.

Just a few comments in closing, Mr. Speaker. Briefly, I welcome and say hello to the hon. Member for Clover Bar. It isn't very often that I get a chance to see him in the Assembly, maybe because I sit in question period and I'm not sure he's there the same days. I just take note that he's here. [interjections] The hon. member makes a good point. Anyway, Mr. Speaker, I meant that as a compliment, because I enjoy the presence of the hon. Member for Clover Bar.

In closing, Mr. Speaker, some serious observations that I make as an individual in terms of a little bit of where I've been and what I've seen. I get back to the comment I made at the beginning of my remarks about growth, the growth that we've seen in my constituency and the kinds of programs that have promoted that growth and supported those communities in their endeavours to provide a good life-style for their citizens.

Mr. Speaker, let's talk about the other kind of growth: the growth of people, the growth of people's understanding, the growth, for instance, in attitude and understanding of a community like Airdrie. Would you believe that about 80 percent of my constituents in Airdrie are around the age of 30 years, having purchased their first home, having a small family and a tremendous number of obligations. But the growth that I see there is in the individual's understanding of and attitude to their responsibility in society, notwithstanding the government assistance that a great many of them have had.

[Mr. Speaker in the Chair]

Mr. Speaker, I see that growth in understanding vis-à-vis the rural and urban population. The one problem I see,

and I'll go back to comments I made earlier, is the type of suggestions and the comments that are constantly made by the well-intended socialists in our society, who would make cripples of us all. I think they lend some sort of credibility to the instant society we've had. Everything is provided right now. You turn on the television set and you have it right now. Press a button and you have it right now. Put something in a microwave and you have it right now. If you're looking for a fix, the socialists would tell us the government should have it right now. As I said, it's a bit analogous to the capture of the wild creatures from the forest.

What do we do with that type of attitude? Mr. Speaker, again I'd say: let's spend a little time talking to our senior citizens; let's talk about attitude. If you tell somebody they're poor and poverty-stricken, that they don't have dignity because of that, and if you say it to them often enough, they're going to believe it. It reminds me a little of what happened to me many, many years ago when I was out doing statistics for Stats Canada. A very interesting thing happened. We were very short of cash. I didn't realize I was poor; I only thought I was short of cash because I didn't have any ready spending money. Mr. Speaker, I did a poverty survey. When I got my little education on that poverty survey, I couldn't believe it. I realized that I was one of the people living below the poverty line. I went home and said to my husband: "Do you realize we're poor? We're living below the poverty line. Why is it we don't feel poor?" Well, my father never told me I was poor. He instilled an attitude in me that was: if you have a lot of desire, good people around you, and are living in good communities — with the kind of attitude we're all talking about, and that is that we have regard for our fellow citizen — then you're not going to feel poor. You may feel bloody inconvenienced about being without cash, but you're not going to be poor. That's the kind of growth I see in my constituency. I am so proud of the Albertans that happen to live in the Three Hills constituency. In agriculture and the other places where there have been extremely tough times, they have shown what their mettle is all about by how they've coped with the kind of economic conditions that have been thrust upon them.

For all of us who somehow seek for a messiah to lead us out of the wilderness, I would say: it certainly isn't the Leader of the Opposition, and it certainly isn't those people who purport that government can do anything for us. Mr. Speaker, the people who will lead us out of the wilderness are those people who look at themselves in the mirror every morning and say: "I'm the one. Boy, can I do it." That's what Albertans are made of, and that's what we're going to see over the course of the next year or so.

Thanks, Mr. Speaker.

MRS. CRIPPS: Mr. Speaker, I'm pleased to be able to join this debate. First, I'd like to extend my regards and best wishes to Her Honour the new Lieutenant Governor and welcome the Member for Spirit River-Fairview.

Mr. Speaker, I want to rise on this occasion in support of the budget and commend the Provincial Treasurer for his preparation and his excellent presentation. I believe one of the key indicators of the fiscal responsibility of this government is the debt servicing cost as a percentage of revenue. Albertans can be proud that their debt servicing cost is less than one cent out of every dollar. We are in an enviable position when considered with other provinces that pay 10 cents and the federal government that pays an

incomprehensible 35 cents. Quite frankly, the government that's spending 35 cents out of every dollar on debt servicing is out of financial control. I do not envy the federal Conservatives their task of trying to regain control of a burgeoning budget.

Government is no different from business in that the income generated must be able to cover all the costs, including interest costs. Certainly, over the last couple of years large and small businesses have felt the devastating effect of high and fluctuating interest rates. I believe the single biggest deterrent to recovery is the insecurity caused by fluctuating interest rates. I'm extremely pleased that the Premier and the Provincial Treasurer have taken the position at the First Ministers' Conference that interest rates must be held at a reasonable rate and that business must have some assurance they won't escalate beyond control in the future.

The budget recognizes the cost/price squeeze in agriculture and the importance of expanding the value-added manufacturing of primary products along with the need to aggressively market our products around the world. I'd like to commend the Department of Economic Development for the tremendous job they're doing promoting Alberta products and ensuring that opportunities are available to the private sector to negotiate export agreements.

The farm fuel distribution allowance should be a major benefit to agriculture, and it's mentioned in the speech. I have a bill here from a recent purchase of purple diesel. The initial price was 43 cents a gallon. When you take off the farm fuel distribution allowance and the federal allowance and all the other allowances, it adds up to 10 cents, which leaves 33 cents a litre for diesel fuel. Now, you can go to the corner diesel garage and buy diesel for 31 cents, and a trucker neighbour of ours is doing it on a consistent basis. I believe we have to re-evaluate the method of allocating the farm fuel distribution allowance to ensure that the \$59 million benefit of that program does indeed go to agriculture.

One of the areas which would be a direct benefit to agricultural investment and to the manufacturers of equipment dealers who service agriculture is an increased depreciation allowance. At the present time there's no incentive for someone in agriculture to replace old, worn-out machinery with new machinery or, for that matter, to increase their capital investment, because the depreciation is stretched out over such a long period of time. At the present time there is more incentive, in fact, to repair old machinery than to invest in new and updated equipment. I'm sure the Minister of Recreation and Parks can verify that from his sales figures. This is evident in the increase in parts sales in direct relation to the decrease in updating equipment sales. Accelerating the rate of depreciation allowance would encourage businesses, not only agriculture, to update and buy new equipment.

Another area that has caused great concern in agriculture is the high price of fertilizer. The Member for Little Bow — and I wish he were here — indicated that the high price was due to government taxes on natural gas. He knows as well as I do, and every member of this Assembly does, that there is no provincial tax on natural gas. Certainly, there's a royalty or a return to the owner for selling that resource, but there's no tax.

At an auction mart recently I was stopped by farmers who had been told by fertilizer distributors that the reason fertilizer was so expensive was the Alberta tax on natural gas. The actual input costs — i.e., the gas, power, water,

and the catalyst chemicals — of a ton of fertilizer make up less than 30 percent of the total cost of the fertilizer. In a recent meeting with one of the producer companies, I asked how much their natural gas and other input costs was per ton. The answer was \$143. This morning I received a price on anhydrous ammonia from Thorsby — \$395 a ton. This means that \$263 of that cost associated with fertilizer cannot be attributed to the costs of the ingredients that make it up — i.e., the natural gas, water, power, and catalyst. I believe the government should do everything in its power to ensure that the input costs of agricultural fertilizer are as reasonable as possible, but we must also ensure that any decisions made which could lower the cost of fertilizers flow through to the agricultural industry.

Today's announcement by the U.S. on pork levies only re-emphasizes the importance of the Premier's position on free trade at the First Ministers' Conference. Marketing our product is a key to agricultural stability.

The potential of development possibilities of tourism is exciting. Alberta has a vast, changing panorama of scenery, outdoor activities, and exciting towns to offer travellers. The majestic Rockies, bountiful farmlands, rolling ranch country, abundant forests, flowing rivers, and blue lakes are inviting tourists from near and far. Tourism generates \$2.1 billion worth of activities. This can be doubled, creating jobs and business opportunity. The expanded tourism initiatives of advertising, in-province travel campaign, and hospitality training are very, very welcome. Tourism is a labour-intensive industry. It is important to attract enthusiastic, well-trained, friendly staff. It's time we looked at the career opportunities in the travel service industry. The budget highlights hospitality training. I look forward to training and career opportunities being made available in all phases of tourism, from the front-line service personnel to professional management skills.

Drayton Valley is positioned to be a tourist attraction. It's situated on the North Saskatchewan River in close proximity to the major urban centres, at the gateway to the West Pembina, the Brazeau reservoir and forest, with excellent camping, fishing, boating, and hiking opportunities. The cuisine in Drayton Valley is a treat for the palate. Of course, I could just say that the food is superb. I invite you to visit Drayton Valley.

I've just been notified by the Minister of Tourism and Small Business that the Twin Pine Motor Inn has been selected to receive the Travel Alberta housekeeping award for 1985. Housekeeping awards are presented annually by the Department of Tourism and Small Business. Based on reports received by over 700 site visitations by Travel Alberta last year, 44 establishments were selected by the awards committee, made up of the Alberta Hotel Association, the Motor Association, the Tourism Industry Association, and Travel Alberta. This is the second year that the Twin Pine has received this award. Achieving one good housekeeping award is a distinct honour; two years in a row is indeed an achievement to be proud of. With the emphasis placed on tourism development, housekeeping excellence is essential in meeting the expectation of the tourist. Drayton Valley welcomes the tourist initiatives with interesting recreational areas, superb food, and excellence of housekeeping in accommodation.

The capital works budget is accepted by most Albertans as necessary and desirable. Drayton Valley is proud of the new hospital opened last fall and welcomes the construction of the self-contained units.

In rural Alberta transportation projects are very visible, either for their construction or the lack of it. The Drayton

Valley constituency has been well served by the ongoing road construction, paving, street assistance, and resource road program. I really commend the minister for an excellent job. I do want to make special mention of the progress on Highway 22, which will be a new, through, arterial route along the western slopes. The paving of Highway 22 south of Alder Flats will be particularly welcome and almost makes the paving complete, I believe, from Highway 1 to Mayerthorpe. I have to emphasize the importance of the Elk River and Brazeau roads to the West Pembina oil fields and to tourism. I hope it will also be of tremendous importance to the timber industry and the diversification in Drayton Valley. The fallacy of the reliance on a single industry has been amply illustrated in the past four years.

Forestry offers one of the best opportunities for diversification and continuing production of a renewable resource. In the Drayton Valley constituency the ample supply of hardwood and softwood developmental potential is a resource we're particularly interested in. The government has established a principle of maximum utilization for developmental projects which require FMA agreements. Projects must also be economically and environmentally sound. I certainly endorse this policy. The commitment in the budget and the white paper to economic diversity will, I'm sure, extend to forestry. As a member of the forestry committee, I certainly will support new initiatives which will help to utilize our forestry resource. I will continue to press for projects in the Brazeau area.

I had to concur with the Leader of the Opposition when he suggested thinning fire regrowth forests which are too thick to properly mature. Thinning would make merchantable timber from scrub stands. It would also accelerate the growth of timber in a time period where there would be a gap. I've long been an advocate of thinning. With today's high unemployment, thinning, which is labour-intensive, would serve a double purpose.

Mr. Speaker, I'm pleased to hear that an energy agreement has been reached. To say that the NEP was a disaster is an understatement. The so-called leader of whatever party it is over there made an inference on Tuesday, March 19, that the province, and the Premier in particular, agreed to the PORT. He knows, as well as members of the Assembly, that the NEP and the PORT was a fait accompli. It was a federal budget. Please tell your leader. I have never heard of any Premier having the privilege to agree to federal taxes being imposed and included in a budget.

DR. BUCK: He signed the oil agreement we got shafted on.

MRS. CRIPPS: It was a separate agreement. You know very well that the NEP was the budget in sheep's clothing.

DR. BUCK: Champagne toasts.

MRS. CRIPPS: The PGRT is the most onerous tax that's ever been imposed on industry. The whole principle is wrong. The federal government agreed at the confederation to tax profits, not natural resources. What is next? Cattle? Grain? Certainly not hydro or gold in Ontario or Quebec. Surely one province must not be singled out and penalized for success.

The aftershock of the October 1980 federal budget is still being felt in Drayton Valley. The \$5.4 billion oil and gas activity program has helped to stabilize the industry. The oilwell service industry was particularly hard hit but, I'm pleased to say, is relatively busy today. I sincerely hope that we never need to introduce another such program.

I'm empathetic with the plight of the unemployed. I'm particularly concerned with the young people who have eagerly looked forward to entering the work force. Now there are no jobs, and they are not wanted or needed. They lack the experience and are denied getting experience because they cannot get a job. I'm concerned that unemployment may become a way of life. Therefore, I'm particularly pleased with the \$144 million budget for special manpower training and employment programs, expected to create 444,000 jobs.

The Minister of Education's new teacher in-service program is excellent. Nine hundred young teachers will gain valuable experience. I want to commend the minister and the government for initiating these programs during the winter season rather than waiting for the budget to make a big splash.

Am I going to finish this or adjourn debate? I haven't got very much more to say.

I move to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, it's always useful to have a moment so I can inform the members of the Assembly, and the Opposition, as to the proposed course of government action the following day, so they can be well prepared. There will be a sitting tomorrow evening, and it will be proposed by the government that Committee of the Whole be called to deal with a few Bills on the Order Paper and then to resume debate on the Budget Address.

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