

Special Council
Meeting Agenda X
of Sept 6, 1984

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September 5, 1984.

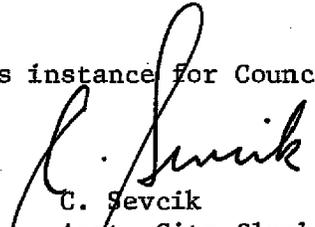
TO: All Members of City Council

FROM: Asst. City Clerk

RE: Meeting Notice

This is a reminder of the Special Meeting of Council to be held in the Council Chambers of City Hall on Thursday, September 6, 1984, commencing at 4:30 p.m. for the purpose of considering the comments from the City of Red Deer Economic Strategy Committee concerning the White Paper - Proposals for an Industrial and Science Strategy for Albertans 1985-1990.

Enclosed herewith is the brief prepared in this instance for Council's review.


C. Sevcik
Asst. City Clerk

CS/ds

c.c. City Commissioner, M. Day
Econ. Dev. Dir.

① Council Policy Workshop.
Wed Sept 19 @ 7:30 pm.

WHITE PAPER - PROPOSALS FOR AN INDUSTRIAL AND SCIENCE STRATEGY FOR
ALBERTANS 1985-1990: COMMENTS FROM THE CITY OF RED DEER ECONOMIC
STRATEGY COMMITTEE

I) INTRODUCTION

Mr. Chairman, panel members, The City of Red Deer is pleased to have been granted the opportunity to respond to the Province of Alberta's proposed economic development strategy. The need to embark upon new policies and programs to supplement current Provincial actions is a valid recognition of the challenge facing Alberta. The City of Red Deer welcomes this occasion to contribute our thoughts towards revitalizing the Provincial economy.

The Red Deer Economic Strategy Committee was formed for the explicit purpose of responding to the White Paper Strategy. Combining business and political interests, the Committee represents the economic development thrust of our City. The Red Deer Chamber of Commerce Economic Development Committee and The City of Red Deer Economic Development Committee merged their talents in forming this Economic Strategy Committee to respond to the White Paper Strategy.

The Chamber's Economic Development Committee Chairman, John McEwan, and General Manager, Pat Henry, addressed the Strategy options on behalf of Chamber of Commerce members. Tim Guilbault, Chairman of The City of Red Deer Economic Development Committee responded on behalf of Red Deer City Council. Alan Scott, Director of Economic Development, and Scott Galbraith, Economic Development Assistant of the City are involved with both the aforementioned Committees. Both are full time economic development practitioners, and contributed their professional expertise to the Economic Strategy Committee.

After several meetings and many hours of deliberation this Committee feels confident that the proposed White Paper Strategy will certainly benefit the Province of Alberta. The scope and insight into the issues discussed is applauded by the Committee. The economic overview and objectives and strategies of the past decade are accurately depicted and illustrate the obstacles faced, and which must be overcome to renew Alberta's economic growth.

Overall, the Committee agrees with the proposals offered. The Strategy presents viable means of achieving the objectives and goals outlined, and the suggested options reflect pertinent choices concerning the identified issues. As the basic purpose of these hearings is to generate discussion regarding modifications or changes to the proposed Strategy, the Committee wishes to present comments directed to specific aspects of the White Paper. While we do concur with the overall Strategy we do feel that a few selected elements may warrant the greatest attention.

The Committee would like to elaborate upon what we feel are the most appropriate sectors for attention. Building upon the long term growth potential of the food and energy sectors, four specific economic sectors should be addressed by a revised provincial economic development strategy.

II) PROPOSED PRIORITY STRATEGIES

The Committee acknowledges the external limitations hindering Alberta's economic recovery. The constraints presented in the Strategy must be considered. However, if Alberta expects to achieve a revived economy, a Strategy is required which can succeed regardless of external constraints to growth.

Consideration should be focused on the oil and gas, petrochemical, agricultural production, and agricultural processing sectors of the economy. Building upon the strengths of the Province, and then diversifying through increased processing of our natural resources is seen as a strategic economic development goal.

The multiplier effect would ensure that the overall economy would benefit from attention and specific programs aimed at the target industries. Associated spin-off industries should develop without direct assistance to service the selected sectors.

III) STRATEGY IMPLEMENTATION

The selected sectors should be enhanced through implementing programs and policies which provide taxation incentives; export assistance including marketing and transportation assistance; interest rate adjustments; and either direct loans or loan guarantees. These four assistance programs should be directly related to the success of each individual applicant within the selected sector.

The Committee suggests that the extent of assistance to a given firm within a selected industrial sector be calculated and proportional to:

- a) the extent of value added during processing of an Alberta resource, or other raw material.
- b) the number of long term jobs created or maintained in a processing or manufacturing activity.
- c) the extent of modernization or expansion of a processing plant, including the purchase of new equipment utilizing new and innovative technology.
- d) the proportion of a firm's product which is exported.
- e) the extent of research and development undertaken by a firm, including co-operative efforts by a business with an Alberta research institution or an educational facility.

The Committee believes that the factors listed will provide a means to allocate assistance, and to measure the success of the Strategy. These elements are quantifiable and incremental changes can be readily measured. It may be appropriate to consider a job weighting factor, based upon the value added per job at a facility to encourage end product processing.

The implementing tools proposed reflect proposals outlined in the Strategy. The Committee builds upon the proposed strategies by offering a means to evaluate and reward firms which achieve the specific objectives of the Strategy. The creation of an encouraging private sector investment climate, increased employment opportunities, and an economy less dependent upon resource extraction are viewed as priorities.

IV) STRATEGY IMPLEMENTING ASSISTANCE PROPOSALS

The variety of mechanisms to be utilized in implementing the Strategy was considered by the Committee. Although most of the proposals stem from the Strategy, additional ideas have been added in some cases.

a) Tax and Fiscal Incentives

The Committee supports the use of tax and fiscal incentives. The initiatives noted in the Strategy provide an excellent starting point. Tax credits to offset export trade costs (within the parameters of foreign anti-dumping legislation), equipment and building investment credits or deferrals, research and development expenditure credits or deductions, and marketing new

product write-offs are all encouraging possibilities. An attractive investment climate should be fostered via these means. The result should be induced economic development in the selected areas.

Implementation of Alberta's own personal tax system, qualified as in the Strategy, is a worthy goal. Efforts on the Province's behalf to sustain and enhance the private investment climate should entice the return of investment as financiers regain confidence in Alberta's future.

b) Export Assistance

Exporting Alberta products to international markets is a crucial aspect of the Strategy. However, emphasis should be placed on exporting products which have been upgraded to some extent. The Committee views the export challenge as attempting larger penetration of existing markets, and discovering new markets to ship Alberta products to.

The extensive programs offered in the Strategy appear to focus on the appropriate export issues. Increased marketing assistance and a means to offset transportation costs are the critical aspects of increasing Alberta's exports.

i) Marketing Programs

The Province should investigate establishing an independent organization to promote Alberta opportunities and seek out new markets. Composed of high profile, internationally known businessmen, this group might be known as "Friends of Alberta". These individuals could call upon business leaders in cities around the globe during their travels, looking for new markets for Alberta products and services, or promoting the advantages of conducting business in Alberta.

Another marketing strategy would be to expand the mandate of Alberta's foreign offices to enable more active pursuit of new market opportunities. The virtues of Alberta as a first class business location should also be promoted. New foreign offices, especially in the lands of our perceived trading partners, are both logical and necessary.

The Committee also suggests that existing provincial departments increase their marketing assistance. The work accomplished by the "Friends of Alberta", the Foreign Trade Offices, and other programs suggested in the Strategy must be brought to the attention of Alberta businesses. A mailing list of Alberta exporters should be compiled, and the discovered opportunities should be advertised to these export oriented businesses.

ii) Transportation Programs

The proposals suggested in the Strategy may be of some assistance in this matter. An inland container port to reduce handling costs, and the new Prince Rupert grain terminal are both desirable. However, the suggestion to develop new, regional development oriented federal transportation policies is very significant. The Committee recommends continued lobbying to achieve this end.

Investment in certain types of storage and handling facilities in countries buying or contemplating purchase of an Alberta product is another move endorsed by the Committee. Exposure in the countries to which we wish to export will assist in our efforts and keep costs under control for landing goods in foreign locations.

Within the province, continued transportation infrastructure expenditures are supported by the Committee. Particularly during current economic times, reduced construction costs and development pressures make road building an attractive "make work" alternative. Consultation with private sector firms planning resource extraction and processing projects which will require new roads should be initiated. Cost sharing proposals should be investigated, and plans accommodating perceived interchanges and roadways should be developed, as suggested in the Strategy.

c) Interest Rate Adjustments

Interest rates are a burden hampering economic development over which the Province has little or no control. Nevertheless, reduced interest rates are essential in revitalizing the economy. The Strategy notes that interest rates are an "external limitation" to Alberta's economic growth and offers little. The Committee believes that provincial funds and fiscal capabilities should be used to shelter Alberta borrowers.

Perhaps a grant or tax credit equal to the difference between loan payments at the current rates minus loan payments at a calculated "Alberta" rate would be feasible. This type of assistance may be restricted to the aforementioned specific selected

sectors. Revenues generated from Heritage Fund investments might be a source of financing for this concept.

d) Loans and Loan Guarantees

The provisions of loan funds and loan guarantees is supported by the Committee. However, direct equity involvement by the Province is opposed. The Province should not be participating in projects if it is attempting to "privatize" its holdings. A positive investment climate will be encouraged via available funds for loans and loan guarantees. This does not indicate that the government should not undertake projects. Provision of infrastructure and services should be maintained and upgraded where required.

e) Alberta Economic Development Strategy Board

The concerns addressed and proposed remedies offer an exciting opportunity to restore Alberta's economic prowess. An element which appears overlooked is a means of monitoring and adapting policies and programs developed under the guidance of the Strategy.

The establishment of a Province wide economic development board to monitor and modify the eventual Strategy is felt to be desirable. The Board would be composed of representatives of business, economic development organizations, educational institutions, concerned citizens, and public officials. Economic development is a continuing process and influenced by a number of ongoing factors. An effective Strategy should be able to adapt to economic changes and therefore requires an independent body to assess its effectiveness and suggest changes where required.

V) RESPONSE TO SPECIFIC STRATEGY PROPOSALS

Although the Committee feels particular attention should be paid to the already noted elements, the White Paper presented several other proposals which merit comment. Specifically options favouring the development of small business; a local procurement policy; and the provision of risk equity and other capital. Please note that Appendix "B" of our submitted report highlights the Committee's position on each of the White Paper's detailed proposals and maintained or re-directed strategies.

a) Small Business

The role of small business in the economy is well recorded. In the past few years a significant majority of all business development and new jobs created stemmed from small business. The fact that small business has continued to develop during these trying economic times may indicate that little assistance is required. The Committee supports the provision of capital sources, marketing information and access to technical and managerial skills for small business. However, it may be wise to reserve major inducements for big business.

The development of a large business, often few and far between, will generate small business spin-off industries. The development of a single large firm may provide the financial incentive for small business development without further government assistance. The accomplishments and potential of small business are appreciated by the Committee, however, the economic impacts of a large business should not be overlooked.

b) Local Procurement Policy

Adoption of a local procurement policy is a difficult issue to resolve. After vigorous discussion, the Committee still

did not reach complete agreement on this issue. It was conceded that at the Provincial level of "local", with all other things being equal, an Alberta supplier may warrant preference to a degree over an out of Province supplier. As the Strategy suggests, careful examination of this concept is required and it should certainly be disbanded should other provinces abandon the practise.

c) Risk Equity and Capital Requirements

The Committee concurs with the proposal of providing risk equity funds and overall capital needs. Sources such as Vencap, Alberta Opportunity Company, and the expanded role of the Treasury Branches will contribute to a positive investment climate in Alberta, which will attract other monetary sources. The development of Small Business Equity Corporations are considered an excellent means of indicating a supportive local investment climate. Efforts at discovering new markets and attracting business development to Alberta need be supplemented by funding programs to enable local firms to expand and exploit discovered opportunities, and to assist new firms to establish.

CONCLUSION

In summary, the Committee feels that the Strategy should focus on developing the oil and gas, petrochemical, agricultural production, and agricultural processing sectors. Assistance programs and government policy should include tax incentives, export assistance, interest rate adjustments, and loans and loan guarantees. Assistance should be directly related to the extent of

value added within the province, the number of jobs created, plant expansion and modernization, volume of exports, and research and development activities. Specific references as to how assistance programs should be related to each sector is included in Appendix "A" of the accompanying report by the Committee.

An economic development strategy for Alberta is an appropriate response to the current economic situation. Incentives and assistance to encourage specific sector development should induce an overall improved economy.

Selecting energy and food industries to receive special attention is in keeping with the concept of building upon Alberta's strengths. The tax incentives and direct assistance programs suggested by the Committee should provide adequate direction. External limitations aside, Alberta's natural resources, and the processing of those resources within the province will result in a strong economy offering investment and employment opportunities throughout the province.

Mr. Chairman, panel members, thank you once again for allowing Red Deer to contribute to the development of an Industrial and Science Strategy for Albertans. The Committee is in attendance and we shall be pleased to answer any questions you may have concerning our suggestions.

SECTORAL APPLICATION OF STRATEGY PROPOSALS

a) OIL & GAS

With respect to the oil and gas industry, the Committee recognizes the external influences, particularly the National Energy Program. While dismantling this federal revenue producing vehicle is perhaps the optimum solution, application of the Strategy should not be dependent upon such an event happening.

Maintaining the existing incentive system is endorsed, but tax credits and royalty deferrals should be increased proportionally with the extent of exploration undertaken. Rapid depreciation and extensive deduction of the costs associated with developing and applying new technologies for efficient oil and gas extraction should also be considered.

Firms attempting to develop new export markets, particularly for natural gas, are worthy of special incentives. The costs of discovering and serving new markets should be forgivable over a period of years. Marketing assistance, in the form of the "Friends of Alberta" and expanded foreign office activities would be a great asset.

The further development of synthetic oil is an important element for attention. Tax incentives, interest rate adjustments, and loans and loan guarantees related to the number of jobs created, capital equipment expenditure and volume of research and development undertaken should be considered as appropriate measures within an economic development strategy.

The Committee also recommends that efforts towards achieving market value for the sale of Alberta resources be continued. Lobbying the Federal Government to abolish and discard the National Energy Program and amend petroleum pricing policies should be increased.

The hydrocarbon resources of Alberta are an attractive investment field. Reduced government involvement and increased incentives for new exploration and development may be sufficient to revitalize this industry. Given the current unemployment situation, emphasis should be placed on job creation over revenue transfers as suggested in the Strategy. The Committee strongly endorses objectives within the Strategy which achieve this goal.

b) PETROCHEMICALS

Regarding the upgrading of natural resources, attention should be focused upon the petrochemical industry. As noted in the Strategy, Alberta's petrochemical industry established with little or no government involvement. The essential factor was a secure, affordable natural gas feedstock. As the Strategy notes, the secure feedstock will continue to benefit the provincial petrochemical producers. However, to encourage further growth and enable the producers to export competitively, feedstock pricing adjustment are required.

Taxing the feedstock which is upgraded, with significant value added, the same as taxing natural gas used for an end use such as heating is unfair. Firms which utilize natural gas as a raw material to be upgraded should receive tax credit offsetting the initial feedstock taxes.

Incentives should also be provided based upon the volume of their product which is exported, the number of jobs created, and expenditures involving research and development. As the Alberta petrochemical industry is still young, it may not be necessary to reward plant expansion or modernization at this time.

In keeping with the past policy of upgrading to the fullest extent Alberta resources, encouragement should also be extended to firms engaged in the downstream processing of petrochemicals. The potential for an extensive fine chemicals and plastic end product manufacturing industry has been identified. Alberta shows great promise to develop such an industry, provided that appropriate incentives are extended.

Assistance will be required to discover and serve new markets for Alberta petrochemical products. Export assistance inducements will most certainly be required to accomplish this objective.

To encourage the development of manufacturing and processing facilities, incentives related to the number of jobs

created, the extent of value added during processing, and the proportion of the end product which is exported should be offered. Interest rate adjustments and loans and loan guarantees could be an attractive financial encouragement to firms wishing to commence or expand petrochemical processing operations. As the basic level of the petrochemical industry is well established, priority may be extended to downstream activities to significantly develop this aspect of the petrochemical industry.

c) AGRICULTURAL PRODUCTION

Primary production of agricultural products is an important issue. Existing programs offered by the Provincial and Federal Governments are supported, but additional assistance, as suggested by the initiatives and strategies proposed in the Strategy, is endorsed by the Committee.

To date the Province has accomplished a great deal with respect to water management in the south and various programs directed at improving net farm income. Specific programs offered in response to special circumstances are acknowledged by the Committee. The suggested new proposals will be a welcome assistance in improving net farm income.

The Committee would like to suggest that particular emphasis be placed on farm research and development. Application of new technologies and agricultural innovations will help improve farm productivity and profits.

The Strategy should address providing more long term assistance to farmers. Agricultural incentives often seem reactive, interest rate adjustments may be beneficial in aiding farmers in long term planning.

As is the case with most Alberta products, the key will lie in developing new markets for agricultural products and overcoming the cost of serving these markets. Giving first priority to agricultural sales opportunities by an "Alberta International Export Corporation" is a worthy ideal. It may also be wise to advertise the high quality and supply of Alberta products through the foreign offices and "Friends of Alberta" organizations.

Amending the current federal transportation policy is a move strongly supported by the Committee. A regional development policy, and linking transport costs to grain prices or meat prices will be of some assistance. Additional incentives such as tax credits towards shipping costs could also be effective in delivering Alberta agricultural products to export markets.

d) FOOD AND BEVERAGE PROCESSING

Establishment of a "world class" food processing sector is an objective the Committee feels deserves considerable encouragement. Extensive value added opportunities are lost as raw or limited processed resources are exported from Alberta for further processing elsewhere.

The City of Red Deer is particularly sensitive to this phenomenon. Two of the City's major employers are meat packing houses which at present merely slaughter livestock. Carcasses are then shipped for further processing, with the higher value added benefits accrued at a different location.

The disadvantages noted in the Strategy concerning agricultural processing must be alleviated. Tax incentives related to the extent of value added, or incentives for modernization and application of new technologies which improve productivity, could be used to offset the high labour costs borne by agricultural products processors in Alberta.

As with the other sectors discussed exporting food products to new markets is essential. Increased marketing efforts supplemented by transportation assistance will be necessary. Inequities in the Canadian freight rate system must be overcome to enable processors to efficiently transport to existing and discovered markets for their products.

APPENDIX "B"

CITY OF RED DEER ECONOMIC STRATEGY COMMITTEE RESPONSE TO
"PROPOSALS FOR A NEW INDUSTRIAL AND SCIENCE STRATEGY FOR ALBERTANS-
1985 TO 1990"

Following, are the proposals and strategies outlined in the White Paper in Section VI, and the Committees position on each suggestion.

The Proposals (sub-section F, beginning page 56 of the White Paper)
1. Responses to Policy Options

a) Option - Reduced government involvement, privatize current holdings, reduce regulatory burdens, sustain positive private sector investment climate.

Response - The Committee agrees with the fiscal methods concerning deferred royalties, provision of loan funds and loan guarantees. The Committee disagrees with any direct government equity involvement, unless a proposed project will fail without intervention.

b) Option - Present job activity and deferred reserve flows favoured, but not at expense of reducing net royalties for conventional oil and gas exploration.

Response - Agree

c) Option - Selection of specific economic sectors for special attention. Criteria for selection is the security and expansion of primary/secondary jobs (not level of dollar investment).

Response - The Committee agrees and suggests that resource processing sectors are the prime candidates. The Committee feels that the oil and gas, petrochemical, agricultural production, and agricultural processing industries hold greater promise than the high technology or financial institution sectors.

d) Option - Use of tax incentives much more aggressively to encourage activity and growth. Tax measures are more effective and long lasting and reward success, are more equitable in treating enterprises which are in competition. However, special circumstances may warrant expanded use of grants and subsidies in order to compete with other provinces or to meet a specific objective where tax incentives would be inadequate.

Response - The Committee agrees in part with this option. Tax incentives related to measurable factors (Refer to Section III of Report) are endorsed. The Committee disagrees with grants and subsidies as it is well documented that in the long term, they don't work. When the subsidy ends, the firm often leaves, or closes down. Subsidies and grants undermine a local tax base, help a given industry at the expense of others, serve to alienate those businesses which developed without grants and encourages business development for the wrong reasons. Location decisions should be based upon where the firm will make the greatest profits.

e) Option - Priority assistance to educational institutes which complement the Strategy in the programs.

Response - The Committee agrees. Institutions which help achieve the goals of the Strategy should be rewarded.

f) Option - Government stimulated export consortia catalyst, if sales prospects are enhanced, involving private sector exporters as consultants on case by case basis

Response - The Committee agrees conditional upon the perception such involvement creates with the trading partners. New export generating proposals should supplement "Expanded Strategies" responding to new circumstances (see p. 21 of Report).

g) Option - Local procurement policy.

Response - At the provincial level, all other elements being equal, the Committee supports this option.

2. Maintaining Certain Strategies

a) Option - Maintain pressure to obtain market value for Alberta natural resources.

Response - The Committee strongly endorses this option and recommends increased lobbying of Federal Government and suggest a national advertising campaign to highlight the discrepancies.

b) Option - Strive to process and upgrade Alberta resources within Alberta, to the greatest extent.

Response - This option is supported. Provision of value added tax incentives, export assistance for finished goods and other assistance should be aimed at further processing industries.

c) Option - Strengthen and improve manpower training programs

Response - Improving worker skills improves productivity which is a key factor in developing a "conducive investment climate", therefore this proposal is strongly supported.

d) Option - To maintain an investment climate welcoming outside investment.

Response - The Committee concurs with this strategy and recommends lobbying to amend or abolish FIRA and dismantle the National Energy Program. The Province should then increase its international travel to global investment centres to promote the welcoming investment climate of Alberta.

e) Option - Continue to use resources to encourage diversification and balanced growth.

Response - The concept of building on strengths and then diversifying is supported. The resources will attract the initial investment which then attracts the linking activity to contribute to downstream diversification.

f) Option - To assure that environmental standards remain understood, consistent and fair.

Response - Informing the investor of the regulations from the start is important, as is ensuring that the regulations do not discriminate against a given firm. Protection of the environment is important, and the Committee supports standards which are equitable.

g) Option - Continue to decentralize government operations.

Response - Agree, where economically feasible.

h) Option - Tax property in a manner which does not act as a disincentive to industry siting in the Province.

Response - The Committee agrees with this proposal. It should be noted that the taxation policies should be on a provincial wide basis. Selected areas within the province should not receive preferential tax incentives to encourage private sector decentralization.

3. Expand and Re-direct Certain Strategies

a) Option - Expand international marketing of Alberta products and services.

Response - The Committee supports this option completely. The particular assistance programs on page 60 of the White Paper are endorsed by the Committee.

b) Option - Strive to process agricultural products within Alberta.

Response - The use of value added tax incentives, transportation assistance, process industry job creation programs, tax deductible agri-bonds, are considered excellent starting points. The Committee supports this option completely. Development of Alberta as a world class food processing centre is a worthy goal and the Committee recommends tax credits and rapid depreciation for facility expansion and modernization.

c) Option - Further encourage new oil and gas exploration.

Response - Agree. Reward based incentives to maximize exploration and development of conventional oil and natural gas.

d) Option - Expand efforts to encourage small business

Response - Agree. [refer to Section V,2)]

e) Option - Capitalize on tourist potential

Response - The Committee feels this option is valid, but not at the expense of other aspects of the economy. It is acknowledged that tourism is a significant contributor to the economy, however improving the overall economy may benefit the tourism and convention industry as local residents could utilize the tourist facilities. A revitalized economy could attract more business trips which might then combine a vacation with businessman's trip to Alberta.

- f) Option - Encourage potential for expanding forest products industry.

Response - Agree. Supplements "value added" proposals.

4. Further Strategies

- a) Option - Tax and fiscal strategies.

Response - Agree. (refer to Section IV)

- b) Option - Increased projects relating to Energy.

Response - The Committee supports assistance to the energy sector, however the use of direct government equity participation should be avoided, unless a project will fail without. Utilizing natural gas in new ways is endorsed.

- c) Option - Transportation strategies.

Response - Efforts to reduce transportation costs to assist in exporting are endorsed. (refer to Section IV)

- d) Option - Strengthen Primary Agricultural production.

Response - With all due respect accorded the oil and gas industry, agriculture is perhaps the single dominant cornerstone of the Alberta economy. Programs to assist farmers should receive high priority. Improving net farm income and ensuring long term farm stability are suggested goals. [refer Appendix "A", (c)].

- e) Option - Science and technology strategies

Response - The Committee acknowledges the importance of developing unique, superior and high quality products, especially in attempting to export to new markets. Technological innovations will greatly assist in improving the marketability of Alberta's products. Research and development activities can develop improved processes and products and therefore should be promoted as a significant aspect of the Strategy. Development of an Alberta pharmaceutical industry is supported and would link with attention recommended on the petrochemical industry.

f) Option - Communication and information technology strategy.

Response - It may be more important to utilize technology developed elsewhere and concentrate on our strengths.

g) Option - Petrochemical strategies.

Response - The Committee strongly endorses programs aimed at developing Alberta's petrochemical industry [refer Appendix "A", (b)].

h) Option - Greater availability of risk capital.

Response - Agree. [refer Section V, (c)].

i) Option - National policy formation strategies.

Response - Encouraging other Premiers to press the Federal Government for a "National Economic Strategy" is supported by the Committee. An important element is inter-provincial co-operation and the Committee endorses such activity. An annual economic conference is a valid concept and may be an influencing factor to the suggested Alberta Economic Strategy Board. Canadian monetary policies are supported as they will help achieve the Committee's goals for interest rate adjustments.