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Industrial Development Program

AN ADDRESS BY

Hon. A. R. Patrick

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Hon. A. R. Patrick:

Good Evening, Ladies and Gentlemen:

Premier Manning has asked me to outline for you this evening that portion of our new program having to do with Alberta's Industrial Development.

Time won't permit me to give you all the details of our existing industrial development program which has been developed and refined over the years. Our objective has been two-fold:—

1. To achieve the best possible "business climate" in order to attract to Alberta the capital investment that would develop our natural resources.
2. To achieve secondary industry that will give us a well-balanced economy by providing employment, income and the stability we lacked in the '30s when we were so very dependent upon an agricultural economy and its frequent adversities.

One of the things your government did to achieve that desirable climate was to develop an outstanding Research Council. Among its accomplishments is the process now being established to conquer the oil sands. Presently it is developing new uses for large quantities of our coal reserves by converting coal to such products as fertilizers and water filters. It has discovered a process to turn our low-grade iron ore into pure iron, and several methods of transporting solids through pipelines.

Another accomplishment of your government has been the development of an outstanding Statistics Branch to provide necessary information to potential industry.

Then too, we have established a Commercial Services Corporation that has assisted many small industry expansions by financing inventory at low cost.

To encourage decentralization of industry we prepare industrial surveys of every community, and we make these available to industries seeking a location.

Finally, we advertise the Province in every way and everywhere we think it might be effective.

The result of all these programs has been that Alberta's industrial growth has far outstripped Canada's average. We are now far in excess of our original target of a Billion Dollars' worth of manufactured goods per year. But most important is the fact that this has resulted in giving Alberta a 4-way balanced economy between Agriculture, Construction, Mineral Production and Manufacturing.

* * *

Nevertheless, in the field of secondary industrial growth there exists an air of uncertainty, largely because of the trend in Canada toward "subsidization" fostered by such Federal programs as the "designated areas" program together with the desperate determination of a number of provinces to attract industry "at any price". Such programs and use of public funds are short-sighted and dangerous to Canada's "business climate".

Consequently, it would seem most urgent that Alberta step up its industrial promotion campaign now by expanding its services to industry and by launching new programs designed to offset the temporary "attractiveness" of subsidization.

Now let me outline to you our new program.

Several years ago we extended our industrial development services by establishing an office in the Los Angeles market area in order to promote investment and to attract more tourists from that great centre of population.

On the basis of that successful experience, we are now about to establish a similar office in the heart of Montreal so as to be well established ahead of the World's Fair, 1967. This will put our industrial promotion right on the spot where most world industrialists will be converging for the Expo '67 World's Fair.

Secondly, with our present industrial expansion reaching boom proportions, Alberta's high level of employment and rapidly expanding industrial complex has made the obtaining of trained personnel a major problem for firms seeking people with specialized skills. In an effort to meet the situation in a highly practical manner that will ensure both new industries and expanding industries of an adequate supply of suitable labor, the Division of Vocational Education of the Department of Education may now enter into Industrial Training Program contracts with Alberta industries to upgrade and train new staff as required. Training may be on-the-job, or at school, as required. The company will provide the facilities and instruction, the Government will make up 50% of the salaries paid so that the trainees will be able to have uninterrupted year-round employment. Already since the Premier announced his new program, one such training program has been launched and others are being established.

Another somewhat similar program is underway at Fort McMurray where the Government has established a portable vocational school to train local people, including natives, in skilled and

semi-skilled trades to meet the great demand of the oil sands development. On a recent visit I made to observe the first classes in electric welding and bulldozer-operation, I was delighted to discover fathers and sons, mostly native, studying in the same classroom.

The 4th program I would tell you about tonight is not a new one but a greatly accelerated one that is in great demand. After having completed and provided to all communities of the Province who so requested, economic brochures of their town, the Department then moved on, at the request of industry, to provide detailed Regional Economic Studies. Several have been done but, in order to do everything possible to stimulate decentralization of industry, we plan to greatly accelerate this program in order to cover the entire Province at the earliest possible date.

The next is perhaps our most important new promotional program. It involves special assistance to Alberta-born and Alberta-based industries. This will be in the nature of market surveys, sales analysis, research or growth-cycle analysis, financial guidance, as well as new product and import analysis. Such a program recognizes that while subsidiary industries or Branch industries with Canadian or foreign parents do have access to much internal information and management guidance, nevertheless, small independent industry, needing expansion or about to be launched, lack capital or facilities to discover and assess both products and potential market that could be developed. I feel that such a program could result in a healthy expansion of (1) secondary industry, (2) additional decentralization, and (3) could avoid failures which often come to small independent companies as a result of precarious guidance

resulting from too limited research. Alberta's unique record of industrial success and expansion is something we can be very proud of, so let us go on to set new records.

* * *

Now then, the tourist industry is one of our biggest and fastest growing industries. Alberta is blessed with possessing the most outstanding attractions and most beautiful scenery in all Canada. (I'm sure you will agree with that.) Our distances from the potential of concentrated population is rapidly diminishing as an obstacle because of the great improvement in transportation.

As Minister of Tourism, I'm happy to announce that, after careful research, we have launched into a Zone or regional program whereby your government is prepared to share in a financial partnership with local tourist interests in order to encourage more tourist trade to each region of the Province. This program, coordinated through the Alberta Tourist Association, promises to be a model development and is tailored to Alberta's variety of attractions. Already I have had at least a half dozen letters from local organizations strongly commending this program.

Well, friends, those are the programs being launched. In addition to them, however, we have commenced a careful study of several far-reaching measures that could have a great impact on Alberta's economic future.

One of these is the establishment of incentive machinery to make sure that a high percentage of ownership in Alberta industries is in the hands of a very large proportion of Alberta citizens. As we face automation and inflation it would be won-

derful to see all of you people with a second source of income. Then, too, we are studying and investigating further types of industrial and technical research which would improve our oil production and make Alberta a world-recognized research Foundation centre to attract more types of industry to our province.

Finally, we are studying all the ramifications of eliminating our share of the succession duty tax. This could attract more investment capital to Alberta and at the same time remove some of the unfairness of the Canadian Estate Tax laws imposed upon the survivors in this province.

* * *

May I conclude by saying that I have been using a lot of key words: Economic, Climate; Service; Training and retraining; Employment; Research, and a Balanced Economy. Together they represent the means to ensure the health and expansion of our economy. They add up to our objective of ensuring that Alberta shall perpetuate its title of "Canada's Free Enterprise Province."

Thank you and Good Night.