

LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, March 27th, 1972

(The House met at 2:30 p.m.)

PRAYERS

(Mr. Speaker in the Chair.)

INTRODUCTION OF VISITORS

MR. MCSTER:

Mr. Speaker, I am very pleased to introduce to you and through you to the members of this House 80 Grade IX students from the City of Red Deer from West Park Junior High School who are located behind me in the public and members' gallery. They are accompanied today by their teachers Mr. Roy Brown and Mr. Brian Taylor, together with the bus driver, Brad Sculding. Could I ask that they stand and be recognized please.

MR. STROMBERG:

Mr. Speaker, it gives me great pleasure to introduce to you and through you to the members of this Assembly, my first group of students from the Rose constituency. We have 27 students here from the Grade V class of the Charlie Killam School. With them are four parents, Mrs. Helgeland, Mrs. Balding, Mrs. Madison, and Mrs. Ofrim and their teacher Marilyn Brawner. May I ask the students who are in the public gallery to stand and be received by this Assembly?

MR. JAMISON:

Mr. Speaker, I am pleased that we have with us this afternoon 55 students from Paul Kane High School in St. Albert. It seems to me that on March 27th we might assume that we have 55 non-dropouts observing our activities in the Legislature this afternoon. I congratulate their teacher Fred Schoenrock for including this visit in their study on the day that our new Premier will speak to the Assembly. Will the students of Paul Kane stand and be acknowledged by the Speaker through him to the members of the Provincial Legislature?

MRS. CHICHAK:

Mr. Speaker, I wish you to introduce to you and through you to the House, members of the St. Basil's Separate School who are 45 in number. The students are accompanied by their teachers, Mr. Harry Porochiwnyk, Mrs. Manning, Miss Eriser, and Mr. Semkow. I think that again we want to congratulate them for their interest in viewing and becoming familiar with our democratic processes. I would like to ask them to rise and be recognized by this Assembly.

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ORAL QUESTIONS

Cancellation of Insurance Policies

MR. WILSON:

Mr. Speaker, I have a question of the hon. the Attorney General. Has any consideration been given to requiring insurance companies to advise the Motor Vehicles Branch when insurance policies are cancelled for non-payment?

MR. LEITCH:

Not by my department at the present time. I believe that was a question that was considered by the committee that reviewed insurance last year.

MR. WILSON:

A supplementary, Mr. Speaker. Mr. Minister, do you not feel that this minor precaution would be most useful and inexpensive in protecting responsible drivers from uninsured drivers?

MR. LEITCH:

Mr. Speaker, I don't propose to get into a debate with the hon. member although that is obviously where he's trying to lead me during the question period. I should say that I doubt very much that it is inexpensive, administratively, and I very much doubt that it would provide the extent of the protection that the hon. member seems to think it might.

MR. WILSON:

A supplementary, Mr. Speaker. Would the minister advise us, then, in what other areas he feels that he will be able to give us assurances that we won't have uninsured drivers on the roads?

MR. LEITCH:

Well, Mr. Speaker, I call to the hon. member's attention that there are, at the moment, in The Highway Traffic Act very severe penalties for owning or operating a vehicle that's uninsured. As the legislation now stands, I think the penalty is \$1,000 minimum for a corporation, going up to \$2,500; a \$250 minimum for an individual, going up to I believe, \$1,000. So there are very heavy penalties provided in the existing legislation for people who drive while they're uninsured. That is one means of protection. I should also call to the hon. member's attention that even if a vehicle were uninsured and its owner or driver insolvent, it doesn't necessarily follow that people whom he may injure or whose property he may damage have no means of payment, because they would still have recourse to The Motor Vehicle Accident Claims Fund.

Alberta Coat of Arms

DR. EUCK:

Mr. Speaker, I would like to ask a question of the hon. Minister of Youth, Culture and Recreation, and I would like to know, hon. Sir, if there has been anyone in your department who has been assigned to change the Alberta Coat of Arms?

MR. SCHMID:

Mr. Speaker, I would like to answer to the hon. member. It is not a matter of changing the Coat of Arms, but to give some thought to adding a base to the Coat of Arms of Alberta. Usually a base is

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added to the shield of any one shield design, and we are considering looking at the possibility in this case of adding a base to the shield of Alberta.

DR. BUCK:

A supplementary. Will this be brought before the Legislature, hon. minister, before you make any changes?

MR. SCHMID:

Very much so, Mr. Speaker. If there should be any change contemplated or addition contemplated to the shield of Alberta, it will definitely be brought before the House.

Property Tax for Education

MR. TAYLOR:

Mr. Speaker, may I direct a question to the hon. Minister of Municipal Affairs. Is it the intention of the government to introduce legislation at the 1973 session to eliminate the property tax for educational purposes?

MR. RUSSELL:

Well, Mr. Speaker, one of the terms of reference that has been given to the Task Force on Provincial-Municipal Financing, deals with the removal of the education portion of the property tax requisition on residential property.

MR. TAYLOR:

A supplementary. Mr. Speaker, that being the case, and assuming that such legislation will be introduced; is the elimination of the property tax from the property of senior citizens now going to last only for one year's duration?

MR. RUSSELL:

No, Mr. Speaker. I think that is an incorrect assumption. We have said on many occasions that one of our first fields of priority would be the senior citizens. It has been a very common complaint with respect to senior citizens about the fairness and ability to pay that education requisition. So despite the fact that the task force has a tremendous amount of work yet to do in reviewing finances and legislation, we pressed ahead with this very -- to us -- important item.

MR. TAYLOR:

A supplementary. Then I take it, Mr. Speaker, that the hon. minister assures the House that these benefits will be carried over insofar as senior citizens are concerned into any alternate legislation?

MR. RUSSELL:

I think that is a fair question, Mr. Speaker. Certainly, we are fairly well committed to making these recommendations and these major changes. As I've said before, the senior citizens are at the top of the list and we were eager to proceed with step one at this session.

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Premier's Visit to Asia

MR. NOTLEY:

Mr. Speaker, I'd like to direct a question to the hon. Premier. In view of your announced trip to Japan and your proposed trip to the Soviet Union next year, are you at this time reconsidering your position re the trip to the People's Republic of China?

MR. LOUGHEED:

Mr. Speaker, unfortunately I am not able to answer that question at this time. We are still in the process of making some final conclusions with regard to both of those proposed trips. I would frankly hope that within the course of a matter of weeks we could be more definitive about it, and deal specifically with the matter raised by the hon. member. I will make a note to try to do that.

MR. NOTLEY:

Supplementary question, Mr. Speaker, again, to the hon. Premier. In view of the initiatives that are being taken to widen our trade relations with the Far East, including the People's Republic of China, has the government considered consulting with, perhaps, the one outstanding Canadian expert on China? I am referring to Mr. Chester Ranning, who is a resident of this province. Have you as yet consulted with Mr. Ranning on seeking advice as to what approach we should take, and if you haven't, are you going to?

MR. LOUGHEED:

Yes, Mr. Speaker. That is one matter we are considering doing with regard to the possible extension of our trip to China. We, of course, are well aware of the difficult delicacy in these matters of making a mission to any one particular country, and then expanding beyond that to other countries. That is a matter causing us some concern. I am sure the hon. members of the House are aware that through the Department of Agriculture we are participating in a trade fair in Peking at this time. But we will follow through with the comment that is made by the hon. member. I will try to give an answer in a matter of weeks.

MR. HO LEM:

Supplementary, Mr. Speaker. Has the hon. Premier given any consideration to taking an oriental member from this House?

Edmonton Television

MR. CLARK:

Mr. Speaker, at the risk of doing my hon. colleague out of a trip, I would like to ask a question of the hon. Minister of Education. In light of certain statements made by educators in Alberta during the weekend concerning the future of educational television in Alberta, and more specifically, in Calgary and Edmonton, have the Department of Education or you, Sir, commenced any discussions or meetings with any representatives of CARET or MEETA to insure their continuance of operation?

MR. HYNEMAN:

Mr. Speaker, no, we haven't done that yet because we have not yet seen the need for it as it is really a strictly hypothetical matter at this time. The Calgary board, I gather, will not be making a further decision until tomorrow night as to what is going to happen to CARET. There have been statements in respect to MEETA, but to my knowledge, they have not come from the elected board in Edmonton.

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Certainly, we are keeping a close eye on it. But not knowing what will happen, we would not be acting on a speculative or hypothetical matter at this point in time. But it might be necessary in a few days.

MR. CLARK:

Mr. Speaker, if the boards do decide in the manner indicated over the weekend -- that there would be a substantial cutback in funds -- would the hon. minister give an undertaking to establish some immediate initiative here to see that we do, in fact, have ETV in the two cities of Calgary and Edmonton?

MR. HYNDMAN:

Again, Mr. Speaker, it is somewhat hypothetical. However, in the event that there was a change in the membership of either of those two organizations, it would be a new ball game. In my view it would not be a question of any panic. We would be looking at a new pattern for both of those partnerships. Such a move taken by either of those boards named would, of course, be a loss of local autonomy, which those boards themselves initiated, in the sense that they decided some two years ago that they wanted a decentralized kind of educational television operation. So if that move were taken, it may mean that the government -- which has been a relatively silent partner in both organizations -- might not continue to remain a silent partner. Certainly, in my view, the government would not do anything which would endorse a proliferation of television studios in educational television in the province.

Edmonton Public School Board

MR. CLARK:

Mr. Speaker, perhaps this question will not be quite so hypothetical. Has the government arrived at its decision on the request from the Edmonton Public School Board for special financial assistance?

MR. HYNDMAN:

Yes, Mr. Speaker, it has and the request for special financial assistance over and above the money is approximately \$4 million over last year. We were not able to accede to it this.

Commission on Educational Planning

MR. CLARK:

One last supplementary question to the hon. Minister of Education. What approach does the government plan to take in the distribution of the report of The Commission on Educational Planning?

MR. HYNDMAN:

Mr. Speaker, I think that is an important question. It is one I want to deal with at greater length because we are developing plans at this moment which will bring about, I think some novel approaches in the method of dissemination and acquiring feedback of The Worth Report, expected some time in June.

Teacher Bargaining Rights

MR. BENNETT:

Mr. Speaker, a question to the hon. Minister of Education. Does the hon. minister or his government plan to make any changes in The School Act pertaining to the bargaining rights of teachers,

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particularly in the matter dealt with in Section 65-6 of The School Act?

MR. HYNEMAN:

Mr. Speaker, I'm not familiar just at this moment with that subsection but, as I mentioned to the hon. Member from Olds-Didsbury the other day, certainly there is no intention by the government to bring in any legislation which would take away the teachers' right to strike.

Capital Punishment

MR. DIXON:

Mr. Speaker, I would like to direct a question to the Attorney General. In view of the fact that the Justice Department of the federal government is now reviewing the advisability of maintaining capital punishment, and the fact that legislation is to be introduced in the House of Commons during the 1972 session regarding capital punishment, my question to the Attorney General is, has the Attorney General informed the Justice Department of the federal government of his government's stand towards capital punishment?

MR. LEITCH:

The answer is no, Mr. Speaker.

MR. DIXON:

I have two supplementary questions then, Mr. Speaker. Has the federal government requested any information?

MR. LEITCH:

The answer is again no, Mr. Speaker.

MR. DIXON:

My third question then: does the Attorney General favour any changes in the legislation?

MR. SPEAKER:

A question for a personal opinion is, as far as I know, contrary to the rules.

Medicare

MR. TAYLOR:

Mr. Speaker, may I direct a question to the hon. Minister of Social Development. Where the wife is in receipt of premium free Medicare, being over 65 years of age, is the husband who is still under 65 and still working entitled to premium free Medicare?

MR. CRAWFORD:

Mr. Speaker, that is a question relating to the Health Care Insurance Commission which, in the normal course, would be answered by the hon. Minister without Portfolio in charge of that commission, but my understanding very briefly of the rule is as applied by the commission, that in the circumstances you have described, there will be premium free coverage for both parties.

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Humane Fur Trapping

MR. JAMISON:

Mr. Speaker, I would like to direct a question to the Minister of Lands and Forests. Is this government prepared to take a stand on the use of leg hold traps in Alberta during the current session?

MR. WARRACK:

Well, Mr. Speaker, this is a rather serious and a very difficult matter. It is a matter about which I get a considerable amount of correspondence, and there is no obvious answer to it. The basic problem for the information of the members, Mr. Speaker, is the problem of a trap which catches the animal by the leg so that you have a very painful kind of circumstance.

Also the animal dies as a result of exposure, which is in the view of a number of people in Alberta and across Canada, a very cruel thing. The effort is to promote an instant kill trap that will kill an animal immediately so as to relieve the suffering. The Department of Lands and Forests in representing this government, does make a research grant each year to research being conducted to develop an effective trap to handle this kind of situation. There is research being conducted in Canada at the University of Guelph and also McMaster University in Hamilton. So at the time a reliable and inexpensive trap is available through advancing technology, it would be my hope that we could accommodate these trapping needs that many people have as they make their living in marginal areas in Alberta in such a way as to not inflict undue cruelty on animals that are in Alberta.

MR. WILSON:

Supplementary, Mr. Speaker. Would the hon. Minister recall whether or not any of the correspondence that he referred to came from the Canadian Association for Humane Trapping?

MR. WARRACK:

An extremely large amount.

MR. WILSON:

Supplementary, Mr. Speaker. Does he weigh with much favour their suggestions in this regard?

MR. WARRACK:

Yes, indeed Mr. Speaker. Their suggestions are that we work collectively together to develop the technologies such that we can have it both ways in terms of an effective trap and at the same time, a humane one.

MR. MC LEM:

Supplementary, Mr. Speaker, to the Minister. Will there be any increase in grants given to this development so that we can bring Alberta's grant in line with that of other provinces?

MR. WARRACK:

Mr. Speaker, even though that it is a budgetary matter, I do happen to know the answer, so I'll say it now. The answer is no for the fiscal year of 1972-73 inasmuch as the estimates as they pertain to this particular year, were prepared by the old government.

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MR. SPEAKER:

The hon. Member for Edmonton Highlands followed by the hon. Member for Stony Plain.

Grants for Freeway Construction

MR. KING:

Thank you Mr. Speaker. A question to the hon. Minister of Highways and Transportation. Could he advise the members of the Legislature whether or not grants, which are made by the provincial government for freeway construction, are conditional upon the construction of any particular freeway or are they available to be used at the discretion of the local municipality for any freeway or any bridge?

MR. COPELTHORNE:

Yes, Mr. Speaker. The grant is available for freeways and for bridge construction within the city, and it is okayed by the department to be spent on those particular projects.

MR. KING:

A supplementary Mr. Speaker. Just to be clear on this point then, the grant is not restricted by the province to a specific freeway or bridge, but the decision as to which freeway or bridge may benefit from this money is a decision made by the local municipality and confirmed by the Department of Highways?

MR. COPELTHORNE:

That's correct, Mr. Speaker.

MR. KING:

Another supplementary, Mr. Speaker, in that case then, with the present policy of the Department of Highways and Transportation what would be the reaction of the department to a grant made in the expectation that a freeway would be constructed if that road was never developed to freeway standards, but was left as an arterial road?

MR. COPELTHORNE:

Mr. Speaker, that would be taken under consideration on advisement of the city. We usually leave the programs for the city's priority.

Closure of Rural Grain Elevators

MR. FURDY:

Mr. Speaker, a question to the hon. Minister of Agriculture. Will the provincial government be making submissions to the grain companies in rural Alberta that have closed down? Closing down of these operations have caused delays in harvest and extra expense to the farmer by having to haul his grain over 30 miles for delivery.

DR. HENDER:

Mr. Speaker, yes the whole area of elevator rationalization in conjunction with the federal studies that have gone on, is being considered. This is one of the areas in which the Alberta Grain Commission will be involved. In addition to that we hope that they

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will take into consideration the some 69 municipal seed-cleaning plants in the province to provide an overall organization of storage and buying facilities for grain in Alberta to make it fair for all of our producers.

MR. SPEAKER:

The hon. Member for Drumheller followed by the hon. Member for Clover Bar.

MR. TAYLOR:

May I direct a question to the hon. Minister without Portfolio in charge of Medicare? Does a 30 year old man who is married to a 68 year old woman.....[Laughter and interjections]... May I please repeat the question. Would a 30 year old man who is married to a 68 year old woman, be entitled to premium-free Medicare?

MISS HUNLEY:

Mr. Speaker, I think it is a hypothetical question and also I don't think it's any laughing matter. However, I would say the answer is yes.

MR. TAYLOR:

Did I hear the answer was yes? One supplementary then, if the 68 year old woman died would the man then be cut off?

[Laughter]

MISS HUNLEY:

Mr. Speaker, there is considerable levity in this House concerning what could be quite a serious matter. It is my intention to bring to the Legislature some amendments to the Act, which indeed would take care of a situation which might arise in the event of this hypothetical situation.

MR. TAYLOR:

One more supplementary, Mr. Speaker. Would the hon. minister entertain a similar question where the man was the older of the two?

MISS HUNLEY:

Yes I would.

Development of a New Edmonton Airport

DR. BUCK:

Mr. Speaker, I would like to address this question to the hon. Minister of Industry and Transport, and after all previous discussion I almost forgot what the question was. But the question is, hon. minister, in view of the fact that the hon. Member for Edmonton Kingsway is trying to build a fourth airport in the Edmonton area, I would like to know if your department has looked into the feasibility or has any representation been made to Ottawa in respect to an airport which would be situated fairly close to the Fort Saskatchewan area and which could be used as a light industrial airport?

MR. FEACOCK:

Mr. Speaker, at this time we haven't.

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Natural Gas Price Increase Hearing

MR. NCTLEY:

I would like to direct this question to the hon. Minister of Mines and Minerals. Is the position of the Government of Alberta and Chevron Standard Limited identical on the issue of the natural gas price increase?

MR. DICKIE:

Mr. Speaker, I have said I am not in a position to answer that at this time. I will check that information and let the hon. member know.

MR. NCTLEY:

A supplementary question to the hon. Minister of Mines and Minerals. Would the hon. minister explain why the Government of Alberta and Chevron Standard were both represented by the same law firm at the hearings before the Energy Resources Conservation Board?

MR. DICKIE:

Well, Mr. Speaker, as I tried to answer the hon. member the other day, we don't have all the information with respect to the field price hearings. He has raised the question and certainly when we are checking this information, we will get this information and advise him accordingly.

MR. NCTLEY:

A supplementary question. I think the hon. minister misunderstood my question. It was with respect to the legal representation, the legal counsel at the Energy Board hearings. It is my understanding that the legal counsel for the Government of Alberta and the legal counsel for Chevron Standard both came from the same law firm. I wonder if the hon. minister would explain what the reason was for this situation.

MR. DICKIE:

Well, Mr. Speaker, that is a question that I would like to check into. I assume that what the hon. member is suggesting is that there were two members of the same firm appearing at that hearing. My understanding is that there is a representative appearing as an observer for the government but there would be no one else appearing from their firm at that hearing.

MR. NCTLEY:

A further supplementary. Will the hon. minister then relate to the Legislature at the earliest possible opportunity just exactly what the situation was with respect to legal representation at the hearing?

MR. DICKIE:

Yes, Mr. Speaker, we'll certainly be pleased to check right away to find out what the position was and the standing of the legal firm that was representing the government and see if there are other members of that firm also appearing at that hearing representing other companies.

Protection of Consumers

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon.

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Premier. Does your government feel that there are any monopolistic tendencies in Alberta at this point in time, which require government protection of consumers?

MR. LOUGHEED:

Mr. Speaker, with due respect to the hon. member's question. Although it is an important subject, I fail to see how it can be answered in the oral question period. I think the hon. member is aware of the Batten Report which was commissioned, in part, by the previous administration, and which looked into the question of pricing in the provinces of Alberta, Saskatchewan and Manitoba. There has also been considerable debate in this House over the years as to the follow up on the Batten Commission Report. There were some specific references to the matter raised by the hon. member, but I don't feel that I am in a position to go beyond that at the oral question period except to take notice of the member's interest in the subject.

MR. WILSON:

Supplementary, Mr. Speaker. Does the Government of Alberta plan to make representation to the current series of seminars sponsored by the federal government on Bill C256, The Proposed Competition Act?

MR. LOUGHEED:

Mr. Speaker, I hope I made myself clear on Friday last; that the attitude of the present administration in Alberta is, that only in an exceptional case do we feel it is in the best interests of the provincial government to appear before federal bodies, or federal seminars, or federal boards. And I hope that I made myself clear on Friday that there will be exceptional cases and those exceptional cases are obviously when we have no other effective route of representation. I would think we will take the matter under advisement but the probability would be that we would not.

MR. WILSON:

Supplementary question, Mr. Speaker. Does the provincial government agree with current federal government thinking that Bill C256 cast the net too wide and prohibited many agreements that have no real effect on competition?

MR. GETTY:

Mr. Speaker, perhaps I could partially answer the question the hon. member is posing to the House. First of all, if he is talking about The Competition Act, he probably knows that it has been changed considerably by the government and will not appear in the state that it originally was placed, so that Bill C256 as such really has no relevance. However, we had an opportunity within the last week to have people representing the federal government and Mr. Andras come to Alberta to give us most of the changes that will be made in the Competition Bill when it finally does reappear; members of several departments met with these officials from the federal government. There is not much sense reacting to the original bill, when in fact, it is now changed. So we are assessing the changes which they have decided to make in this Competition Bill, and then of course, we will react to it. I hope we will be able to get a good audience from the federal government -- I'm sure we will, they seem to be very happy to have as broad a consideration as possible from all the provinces.

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MR. WILSON:

Supplementary question to the hon. Minister of Federal and Intergovernmental Affairs, Mr. Speaker. Is the provincial government in agreement with the proposed Competitive Practices Tribunal?

MR. GETTY:

Well, Mr. Speaker, we have not taken a stand on that matter because we don't know if it's going to be in the new bill or not. It does not make much sense, as I pointed out before to the hon. member, to react to something that we don't even know is in existence.

MR. SPEAKER:

I would suggest this perhaps should be the last supplementary, and if the question requires further amplification, it might be made in the form of a written question.

MR. WILSON:

All right, sir. Inasmuch as recent newspaper publicity indicated that the Competitive Practices Tribunal would be in the new Competition Act, I was wondering if we might have the provincial government's position. And if they don't have it now, would you tell us when we might expect your position?

MR. GETTY:

Certainly not, Mr. Speaker. This government will not react to what happens to be found in newspapers. We will react as a result of discussions with the people who are proposing the new bill, and then we will be able to come up with a position -- certainly not to things you happen to read in newspapers.

MR. SPEAKER:

The hon. member for Lacombe followed by the hon. member for Calgary North Hill.

Importation of Pork into Alberta

MR. COCKSCN:

Mr. Speaker, I would like to ask the hon. Minister of Agriculture a question. What effects are the import of hogs from Saskatchewan, Manitoba and British Columbia having, if any, on the markets in Alberta?

DR. HCFNER:

Mr. Speaker, that is a matter that has been of some concern to us in the department and also to the Hog Marketing Board. They have done a study of it, and as far as we can tell, it has not had any effect on the price paid to the producer in Alberta. The House might be interested to know two things -- one that Manitoba shut off the hogs coming from outside their boundaries into their packing plants within Manitoba, and as a consequence of that action, 70 people were laid off in the packing plants in Winnipeg. Secondly, there is an action before the Supreme Court in Manitoba in relation to the Hog Marketing Board there stopping hogs from coming in from outside the province to be processed in Manitoba. We think this would be a real backward step in Alberta. We are looking at other ways of equalizing the check-off towards our producers, and we are thinking of a marketing fee equivalent to the check-off which would be paid on all hogs coming in from outside our boundaries to be processed in Alberta.

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Parking at SAIT

MR. FARRAN:

Mr. Speaker, I would like to ask a question of the hon. Minister of Public Works. When can residents in the area surrounding the Southern Alberta Institute of Technology expect some relief from the nuisance of students parking their cars in that area?

DR. EACKUS:

Mr. Speaker, my latest information, which was the progress report up to February 29th, is that the parking structure for SAIT will be completed at the end of this month or early in April. At the end of February it was 85% complete, and at that time they gave an estimated completion date of March 31st. This of course is dependent to some extent upon the weather, but it is thought the ramp was being prepared for the last pour which should take place before the end of the month.

MR. FARRAN:

A supplementary, Mr. Speaker. Would you consider conferring with the hon. Minister of Highways and the city traffic engineer of the City of Calgary to see whether some extra relief could be provided by making the 10th Street entrance an entrance rather than an egress only to take some of the weight off of the Rosedale district where students are parking their cars in large numbers?

DR. EACKUS:

Yes I would be perfectly happy to consider this, and will discuss it with the appropriate people.

Development of a New Edmonton Airport (Cont'd.)

DR. BUCK:

Mr. Speaker, I would ask a question (sort of a follow-up question) to the hon. Minister of Industry and Transportation. This is in regard to the proposed airport site in the municipality of Sturgeon, across from Fort Saskatchewan. I would like to know Sir, has there been any official representation made to your department on this matter from the people that are developing this site, or are proposing to develop the site?

MR. PEACOCK:

I already answered, Mr. Speaker, that I had no knowledge of it.

DR. BUCK:

Well I am asking a different question, hon. Minister. I am asking you if that group has made any representation to your department?

MR. PEACOCK:

I haven't had any.

Automobile Registration Information

MR. MOORE:

Mr. Speaker, a question to the hon. Minister of Highways. He announced in the House on Friday last that his department would no longer be selling the complete list of Alberta automobile owners. Will your department continue to provide information on an individual basis with respect to the ownership of a car, such information that

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may be required by service stations, or auto body shops, for purposes of identifying the owner of the vehicle?

MR. COFITHORNE:

Mr. Speaker, there will be information available for patrolling, for police protection and so forth made, but it will be on a confidential basis.

MR. TAYLOR:

A supplementary, Mr. Speaker. Do I understand that it may not be possible for any Albertan now to submit a license to your department and find out the name of the owner of that particular car?

MR. COFITHORNE:

Mr. Speaker, if the person goes through the proper channels I suppose he could find out who owns the car, and so forth.

Federal Firearms Act

MR. STECMERG:

Mr. Speaker, a question to the hon. Minister of Lands and Forests. Will you be making representation to the federal government on Alberta's objections to Bill C5?

DR. WARRACK:

I'm sorry, Mr. Speaker, I would need to be enlightened on the contents of Bill C5.

MR. STECMERG:

This is The Firearms Act.

DR. WARRACK:

Yes, Mr. Speaker. This important question was brought to my attention about ten days ago. I had the opportunity to consult with the executive of the Alberta Fish and Game Association in that regard. I have a response from their initial look and they do not feel that this will be difficult for them in terms of the sportsmen of Alberta. At the same time they have asked that a legal examination be done by one of their own people and they are going to advise me as soon as that's completed. I do not have that information as yet. I've also, at the same time, asked our Director of Fish and Wildlife Division, as well as our departmental solicitor, to do an independent look at the same legislation in terms of what detrimental impact it might possibly have on the sportsmen of Alberta.

MR. STECMERG:

A supplementary question. Will you notify this Assembly of the correspondence that you will be receiving on this?

DR. WARRACK:

I would be happy to provide whatever information any member of this Assembly might wish in regards to that important topic.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Edmonton Calder, and then the hon. Member for Calgary McCall.

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Men's Hostels

MR. NCTLEY:

I would like to direct this question to the hon. Minister of Health and Social Development. Has the hon. minister anything to report to date on the conditions at the Edmonton and Calgary men's hostel relating to the quality of meals? Several weeks ago I raised this and you suggested you would look into it, Sir.

MR. CRAWFORD:

Mr. Speaker, I thought I should get in touch with the hon. member some time and suggest that he and I go over and try one of the meals and I might yet do that. I did get a report in writing, which was in glowing terms, of course, from the officials of the department. It included the menus. The menus look pretty good, as a matter of fact. Of course, this doesn't really answer the question as to quality, so the answer to the hon. member's question would simply be that I have a progress report, to the extent that I have a written report from the department including menus which I would be glad to share with the hon. member. But if further details such as a more independent analysis of it is required, I'd be open to suggestions in that respect.

MR. NCTLEY:

Well, Mr. Speaker, a supplementary question. I'd certainly be prepared to go with the hon. minister on a surprise visit any time that we can get together on that. However, I would like to ask him more specifically if he would give the House an undertaking that we can have an independent report rather than just a report from the officials involved.

MR. CRAWFORD:

Mr. Speaker, I don't think I'm prepared to give an undertaking in regard to an independent report. It's a matter that I'm still giving consideration to, as to whether or not that would be justified in the circumstances.

MR. WILSON:

A supplementary, Mr. Speaker. Does the staff eat the same meals as the hostel residents?

MR. CRAWFORD:

Mr. Speaker, I don't know the answer to that question.

Edmonton Plaza Hotel Development

MR. CHAMBERS:

Mr. Speaker, a question for the hon. Minister responsible for Tourism. I understand that the Edmonton Plaza Hotel development has just been announced, and I wonder if the minister has any information on this project which he would care to contribute to the House.

MR. DOWLING:

Mr. Speaker, I have followed with interest the proposal for the development of the Edmonton Plaza, and I didn't know the name of it until today, but it's to replace the old post office building downtown, and it's to replace it with a hotel that has accommodation for some 400 people. It's a multi-million dollar project involving Oxford Leaseholds and the Western International Hotel chain, and the proposal is to have the demolition of the post office building

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commenced this summer and to start construction this fall if possible, and the completion date is 1974. It involves underground passage ways with the present commercial area below the AGT Building and eventually below the Hotel Macdonald. It ties in with the library parking area and provision has been made for allowing space for rapid transit beneath the city streets, if it eventually comes.

MR. SPEAKER:

The hon. Member for Calgary McCall, followed by the hon. Member for Calgary North Hill.

University Student Quotas

MR. MC LEM:

Yes, Mr. Speaker. I have a question for the hon. Minister of Advanced Education. On the subject regarding the possible limitation and the setting of quotas affecting the number of foreign students attending Alberta universities. Has the hon. minister taken a position on this issue?

MR. FOSTER:

Perhaps, Mr. Speaker, the hon. member would like to restate the issue. I don't quite understand what he's getting at.

MR. MC LEM:

The issue is, Sir, the subject regarding the setting of quotas, and also the increasing of tuition fees to foreign students have been brought up in the local press for the past ten days or so, and of course, as a result, the students are quite disturbed about what is going to happen.

MR. FOSTER:

Well, Mr. Speaker, I'd like to deal with this question briefly, not related to the matter of foreign students, but really to the matter of quotas alone. And this is basically tied to the matter of the financing of advanced education. It seems to me that there's a real policy question here. If you say, for example, we will provide \$91.1 million for operating universities in the fiscal year, does that mean that they can therefore limit enrolments because they may say, "Well we can only educate 'X' thousands of students on that many dollars." In other words, Mr. Speaker, by simply the government saying to advanced education we have so many dollars for education, is that by implication encouraging these institutions to limit enrolments and abrogate, if you will, the open door policy of advanced education. It's an excellent question, Mr. Speaker. It's a policy question. Certainly we do not intend to change or recommend a change of the open door policy at this time. I think it will be very interesting, Mr. Speaker, to see what the Commission on Educational Planning may have to say about this entire problem. I think it's very narrow, Mr. Speaker, if we place this only in the context of foreign students. It's much broader than that and the implications and ramifications are much greater. Now, I don't know if that's been clear, but it's a policy consideration that can't be answered with a simple yes or no.

MR. MC LEM:

Supplementary, Mr. Speaker, in that the foreign students have expressed concern, will the hon. minister be willing to meet with the representative of the Foreign Students Association in order that you may hear their views?

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MR. FOSTER:

Mr. Speaker, I would be delighted to meet with representatives of any student association at any time, by all means.

MR. NCTLEY:

Supplementary, Mr. Speaker. Do I take it from the hon. minister's answer that we are going to have to await the Worth Commission report before we can get a definitive explanation of government policy in this respect?

MR. FOSTER:

That is not what I am saying. I am saying, that at this time I have no intention of recommending to this government that we impose a quota system anywhere in advanced education, or that we reverse, if you like, or amend the open door policy in advanced education. But at the same time, I think we have to consider the effect of providing 'X' millions of dollars to education, and what that does on the system. So I think that answer is fairly clear. I cannot say, Mr. Speaker, whether or not the universities will find it necessary, for departments or the university as a whole, to propose a quota system in terms of the universities, or colleges for that matter, meeting their own obligation. If that is their intention, and that is the recommendation, then of course, I would like to meet with them or anyone else who wants to make a comment on that problem.

MR. CLARK:

A supplementary question to the hon. Minister of Advanced Education. If in fact, one or all of the universities or any of the colleges, or NAIT or SAIT were in a position they felt they would have to reverse the open door policy which has been in effect for some time, would the government reconsider their financial commitment to that particular . . .

MR. FOSTER:

I must point out again, Mr. Speaker, that this is very plainly a hypothetical question, and under No. 171 in Beauchesne it does not qualify.

MR. SPEAKER:

The hon. Member for Calgary North Hill.

We have time for one final question.

Grants for Freeway Construction (Cont'd)

MR. FARRAN:

One short question for the hon. Minister of Highways, then, Mr. Speaker. Pursuing the question from the hon. Member for Edmonton Highlands, do I take it from your answer that the cities exaggerate their case when they say that they can only get to 75% provincial grant for major arterials if they adhere to the very rigid standards laid down by the Department of Highways?

MR. CCEITHORNE:

Mr. Speaker, I was not able to hear the last part of the hon. member's question. Would he please repeat it.

MR. FARRAN:

I will put it on another day, because I think you are running rapidly out of time.

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ORDERS OF THE DAY

BUDGET DEBATE

MR. LOUGHEED:

Thank you. Mr. Speaker, the first matter that I would like to raise in this House, as other hon. members have done with consistency and sincerity, is that I am very proud to have moved, seconded by the hon. Leader of the Opposition, that you, Sir, be elected as speaker of this Legislative Assembly. It comes as no surprise to me, nor surprise to any who have known you, that in the very short time in this first session of the 17th Alberta Legislature, you have already commanded the respect of hon. members in all corners of this Legislative Assembly.

Mr. Speaker, I do have to say a word as an aside about an arrangement for today's proceedings that appears to be slightly different. Prior to the session commencing, I was asked by the Clerk what we should do with the vase of flowers that has divided the hon. Leader of the Opposition and myself in reverse roles in previous occasions. I told him I thought the flower pot was an attractive part of our Assembly but I would prefer it moved down, not with any reference to the hon. Member for Olds-Didsbury. I see it has been unilaterally moved today -- I regret that, Mr. Speaker -- but at least I have the opportunity to stand above it.

Mr. Speaker, I would like to extend my congratulations to every newly elected member of this Legislative Assembly. I know when I rose for the first time in the 1968 session to speak in this House, I felt that as far as I personally was concerned, it was a moment in my life of extreme significance. And I know too, that members on both sides of the House have had that same feeling, that unforgettable experience of rising in a parliamentary institution to present views on behalf of their constituents. I extend my personal congratulations to each and every one of the new members.

Mr. Speaker, in my first address in my new responsibility in the Legislative Assembly, I would like to say to you, Mr. Speaker, and all of the members, that I do recognize the very large responsibilities that I assumed on the 10th day of September. I also recognize, Mr. Speaker, that the decision of the public on August 30th, 1971, was a very clear mandate to the Progressive Conservatives for new directions in Alberta. And, Mr. Speaker, I intend to assure that the mandate is fulfilled and that those new directions are commenced and followed through. But I would like to say this, and it is a very difficult matter to state. I recognize too, that there is a very delicate balance between the carrying out of a mandate within a legislative Assembly and the utilization of a majority position in an Assembly. That delicate balance is a very hard one to fulfill. I'm sure over the course of this 17th Alberta Legislature, there will be times when I personally, and all members, will feel that we did not recognize the balance. But we will try to do so. I want members to understand that we recognize that there is a very important distinction between the fulfilling of the mandate given the majority party and the utilization of the vote of the majority party in terms of the democratic process.

I would like to say a word, Mr. Speaker, about the parliamentary system. In my view, and I am sure the view of all members, it has its defects. But I haven't any question in my mind that it is the most effective system of democratic action that we know today in our modern world. Certainly, there are areas of improvement, and need for reform. But that is not to say, that the system itself, basically the parliamentary system, doesn't fulfill better, by far, than any other approach, the need for democracy in action. I would like to recall for the attention of the members a discussion that I

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had with the Prime Minister at lunch in November. At that time there was a considerable amount of criticism that the Prime Minister was attempting to convert the office of Prime Minister to that of President. Mr. Speaker, we discussed and considered that and it was his view, and I share that view, that actually, in the parliamentary system it is quite clear that the influence of the parliamentary leader on the government side, exceeds that of the congressional leader in that it imposes an even more important responsibility upon the leader of government in the parliamentary system.

Mr. Speaker, I think already in this first session of the 17th Alberta Legislature, we have made some significant improvements. We have made the improvement with regard to the television and radio, who in turn made their decision on the coverage of our proceedings and we have opened up the House for that purpose. We have made the decision with regard to Hansard, even though it appears to be having certain short-term technical problems.

But we made two other changes that I think, frankly, were more important, at least to me they were more important. One was the involvement of government members, not members of the Executive Council, in presenting bills which formed part of the government legislative package. We have seen evidence, as recently as last Friday, of the merit of relying upon the knowledge, and the expertise, and the understanding of members on the government side with regard to particular matters of legislation. We also saw something that I felt probably was as significant as any other, and that was the debate that we had on the bill submitted by the hon. Member for Wetaskiwin-Leduc, a bill submitted by a private member which was discussed at second reading stage. I hope we will - and I know we will - have many good debates in that period on Thursday afternoon at 4:30. I think it was an excellent and a very significant improvement in the parliamentary system.

I would like to say a word too, with regard to the monarchy. This institution seems to be fairly constantly under attack from certain quarters. I pledge myself to a counter-attack because, as I have said before in this House, I believe that the institution, as represented by our wonderful Lieutenant-Governor in this province, shows something that is important to Albertans - that the institution of the monarchy is above the political battle and the warfare. It has a very important role to play. As I have said on other occasions, it's not the power that the monarch takes onto herself, but the power that she denies anyone else, that is so critically important. I was pleased with the response to our invitation, and the unanimous support of the Legislature, to that invitation to Her Majesty to come here in either 1974 or 1973. I am pleased, too, with the progress that the government has been able to make, and hopefully there will be more to announce soon, with regard to the clear reinstatement of the important traditions of the Royal Canadian Mounted Police as part of the basic history of this part of Canada. I think it's that important to us.

Mr. Speaker, I would like to refer to the contribution of members from all parts of this Legislative Assembly. I think they have been excellent, and I refer back to my friend Mr. Marvin Moore when he spoke in this House. He said that regardless of possible complaints or editorial criticism he felt it was his responsibility to speak up in this Chamber with regard to the needs of his constituency, and went ahead to do it, I thought in the most eloquent manner. The hon. Member for Whitecourt certainly started properly in that regard. I hope that we will always hear expressed in this Assembly something that I consider as significant as anything else, addresses, speeches, remarks and contributions by members as to the needs of their individual constituencies. Because what is unique about this parliamentary system is that every single one of us is part of a kaleidoscope of Alberta life and society, and represents every single voting citizen in the province - and the people

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generally - through the constituency system. So I say to members on both sides of the House, let us not in any way back up on them. It is important to express these needs.

I would like to pick out two hon. members for comment, with due respect for all members. (I see that some members are not in their seats.) But before I do so I would like to make a specific comment with regard to opposition contributions in these debates, which I hope will be taken in the way that it is presented. It is extremely difficult for government to decide between conflicting needs in the various constituencies unless there is a clear awareness of those needs. So, recognize that it's natural and desirable in the course of the adversary system here in debate that the proposals made by government be attacked, hopefully with alternative constructive suggestions. At the same time members opposite will feel as strongly as they can the need to express the particular problems of their own constituents. How else, Mr. Speaker, can the government be aware of the air conditioning problem in the hospital in Medicine Hat, unless the members express these matters on the floor of the House. We hear them from the government's side, we hear them as well, let's be frank, in government caucus.

It's equally important that we hear them expressed here and I would like to if I could, mention two. The contributions in the Legislature made by the hon. Member for Lac La Biche-McMurray, Dr. Bouvier. I have some knowledge and understanding of his constituency and he presents a very difficult problem, because of matters I intend to deal with today, related to the inter-relationship of federal and provincial programs. I think, too, the remarks made by the hon. Member for Stettler, expressed well, on a given evening in this House, the way of life of the smaller centres of Alberta. It is something that I hope every member will recall and think about in terms of the development of our policies. I am sorry the Member for Lethbridge West is not in his seat. The way that he expressed the growth of the smaller cities of Alberta, in his contribution, was one that I thought was most effective and certainly a challenge to some of the ministers on this side of the House. I thought the contribution by the hon. Member for Edmonton Norwood regarding the difficulty of older schools in the centre urban core was also of significance to all of us. There were many, many more, Mr. Speaker, but I did want to make mention of these constituency matters which were raised in debate because I think that they were very worthwhile and we look forward to that extending through the whole course of the 17th Alberta Legislature. In my view, and without casting aspersions upon the past, the quality of the debate in this 17th Alberta Legislature has been outstanding and I would like to say that all members have made important contributions.

Mr. Speaker, I represent a constituency. You spoke about yours, sir, when you were given your difficult assignment, I would like to speak about mine, because in the parliamentary system I represent here some thousands of voters, some thousands of people. My constituency is Calgary West and it is truly, in my view, a cross-section of urban life in our metropolitan centre to the south. It is that strip that is situated, as many of the Calgary members know, on the western side of the city. It has an interesting feature which has some bearing upon my own views. There are a very large number of the people in that constituency who are involved, directly or indirectly, in the petroleum industry and the prosperity of that industry.

I held a pre-session meeting in a shopping centre, as the MLA for Calgary West and that, Mr. Speaker, was a store-front representation. I couldn't believe the number we had and the variety of the matters that they raised. And I intend to repeat these representations again and again, as they are as close as you can possibly get under the present circumstances to the needs of your constituents.

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There is one feature of my constituency of Calgary West I would like to mention. It has something, and I would challenge others in debate and even the Member for Stettler. It has an amazing aspect of community life; almost the highest degree of participation in community life in terms of the community organizations of any part of Alberta that I've visited. The reason I mention it is because I think community life is the outgrowth of the family life that is part one of the values that we hold so important in our Alberta society.

There is one other thing about representing the constituency of Calgary West. Very many of the people have come to my constituency from the rural parts of Alberta and have moved there from smaller centres. And I do hope that throughout the course of this 17th Legislature, we can debate vigorously problems between the country and the city, but do it on the basis of recognizing throughout, that all Albertans are involved.

Now, Mr. Speaker, I would like to report on some of the highlights of our administration for the first six months. Many matters of reorganization have been dealt with by other ministers or will be in a few days hence. But I think it is important to dwell for a few minutes on the questions of reorganization that were raised in our mind, that have been followed through with since that time.

I sensed on September 10th, in fact I sensed some years earlier, that there was an important need for substantial reorganization of the Executive Council in Alberta. And one of the important objectives, is to assure that from a departmental ministerial point of view, one minimizes whatever empire building is natural, by the very nature of people themselves. That there be a higher degree of inter-departmental co-ordination, and I looked and I studied to the extent that we were able, the efforts of the previous administration with regard to the Human Resources Development Authority, which in essence had that same objective. Our conclusion, for whatever the reasons might have been, is that that attempt was unsuccessful, I hasten to add, however, though, that that authority has on a project level, done some very important and some very useful work. But with regard to the matter of inter-departmental co-ordination generally within government, I did not feel that it satisfied the needs that we felt were important at the start of the 17th.

The Cabinet structure, of course, is well known with regard to the new portfolio and the Legislation is before the House. But I would like to make a comment about the Department of Health and Social Development. I admit, that on the other side of the House a year ago, we took issue with the merger of these two departments, but when we assumed office, it was a fait accompli. And we were faced with an important decision. The decision we made which has been related by the hon. minister, is that that merger will continue for a trial period. I felt that the hon. member for Wetaskiwin Leduc, earlier in this Legislature, made a very useful contribution in attempting to explain some of the very important benefits that would accrue from that merger if we could make it work. The difficulty is the demands that are placed upon the elected minister, to deal with the individuals that are involved in the individual needs and concerns. We have made one step in that direction as members know, to bring in the hon. Minister without Portfolio, Miss Hunley, to assist the hon. minister, Mr. Crawford. It is going to be a very difficult task, and a major portfolio. I would only like to say this. That having regard to the work load, and having regard to the pressure, I doubt that there is anybody else in Alberta who has a better chance of making it work than the hon. minister.

Mr. Speaker, there has been some discussion with regard to the expansion of the Cabinet, and very naturally, proper discussion. We felt it was important within an Executive Council situation to assure that we had ministers without portfolio who, although, they would be

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assigned specific responsibilities within tourism, in northern development and rural development, and in health care, would not be so burdened with administrative responsibilities, that they could bring, to the Executive Council, decision making a broader point of view, both geographically, but also in terms of not being tied to departmental interests. I think it has worked very very well, and I am pleased with the progress to date.

We also moved in early September to establish a Cabinet Committee structure and to some this may be old ground, but to others, to my surprise, frankly, it is not, and I believe should be reviewed on this occasion. We have established a Priorities Committee which is essentially, as our predecessors would recognize, is the Treasury Board, although with myself as Chairman. And it's responsibility, more than anything else, is to establish priorities, and to assure co-ordination its responsibility is more

There is another standing committee of the Cabinet involved with co-ordination of education made necessary as a direct result of the division of The Department of Education. But it's added to with the presence of the hon. Minister of Manpower and Labour and the important relationships that we see there.

There is another, not so quiet, standing committee called Natural Resources and Environment, which is chaired by the Deputy Premier. It involves the Ministers of Environment, Mines and Minerals, Lands and Forests, and Industry and Commerce. They do get involved with some important conflicting views and this is a healthy thing. They get involved, for example, in the question of the export from Alberta of ethane, by Dome Petroleum and other companies. There's the standing committee on Metropolitan Affairs described by the hon. Minister of Municipal Affairs who is the chairman. It will have to move into the question, of annexation in terms of the difficulties raised by members -- the broadening base of the metropolitan area of Edmonton -- amongst many others. There's the standing committee on rural development under Mr. Topolnisky who has, on his agenda, a number of items, and one of them of course he's referred to previously, and that is rural gas facilities.

These are the on going committees of the Executive Council. There are two longer term planning committees, the Economic Planning Committee under the hon. minister, Mr. Getty, and the Social Planning Committee, under the hon. minister, Mr. Crawford, who are charged with some important responsibilities in phase 2 and phase 3 of our administration. I would like to say more about that, later in my remarks.

We have numerous naturally ad hoc committees of a special nature, but the important objective of all of this is to assure that the organizational structure is such that the minister's time in the decision making process of the Executive Council is concentrated on the major and not the minor matter. Frankly, Mr. Speaker, I'm still far from satisfied with our progress in this regard. Many members of the senior public service of Alberta have already told me it is very much improved. We have added to it, of course, an administration that shows as Appropriation 1402 of the Executive Council; we don't intend to develop a Privy Council organization comparable to that of the federal government, but we do intend to develop some machinery which to our amazement, when we took over office on September 10th, was non-existent, of any significance. We're looking at the Ontario model, but frankly we think that's more elaborate than necessary. Everything that will be done by the Executive Council will be done on a request for decision basis and the necessary machinery is being established.

This brings me, Mr. Speaker, to the review of reorganization of various branches of our operations. There were 20 to 25 major changes made by the new administration during the first two to three

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months of our operation. The Co-operative Activities went from Industry to Agriculture. Surface Rights went from Mines and Minerals to Agriculture. The Liquor Control Board went from the Treasury to the Attorney General because of the licensing function. The Transportation Research area went from Highways to Industry. The Drug and Alcohol Abuse Commission went from the Executive Council to Health and Social Development. The Research Council went from the Executive Council to Industry. The Personnel Administration from the Executive Council to Manpower and Labour, just to mention a few. A considerable amount of time was spent in this particular area.

Mr. Speaker, as I mentioned, in this re-organization, I am far from satisfied with the result to date, but I feel that progress has been very significant and very extensive. We're in the process of evaluating a number of new approaches in government reorganization and reassessment that we will be announcing over the course of the months ahead.

Mr. Speaker, hon. members may wonder why I am taking the time with this area. I'd like to explain that. As I mentioned, the first critical matter is to assure that elected ministers, when it comes down to the major policy questions, are fully informed and briefed, have adequate time, and that they are concentrating their decision making process on the important matters of policy decision-making. And the second critical matter is to avoid if at all possible, the isolated departmental decision-making that has the ripples and waves over other departments, and sometimes works at cross purposes with the efforts of other departments. It creates an unfortunate degree of duplication, but more than anything else, when it comes down to the citizen on the receiving end, it's a situation that reduces significantly the degree of service provided to the people of the province. So, Mr. Speaker, I think we need a review of the organizational progress that we have made to date, and I wanted to make one at this time, to inform hon. members that there is a considerable amount more intended for the future.

The next subject I'd like to deal with is public participation or open government. We are committed to this approach. The nature of our society in 1972 in Alberta demands it. We need to be better informed in terms of the public. We need to assure that the public is better informed, so that they can better understand some of the difficult decisions we have to make. And more important, as I've said on a number of occasions we need to assure that government is more responsive to the public view and to the public's feelings. However, I would like to make it clear, Mr. Speaker, that there are two caveats that are important on this matter of open government. One of them involves negotiations with other governments, the federal government in particular, or with significant industrial or labour groups. We have to make decisions in terms of the public interest as to whether or not a premature disclosure of the position of the government is wise, particularly if it's tentative, particularly if it involves a bargaining situation. It remains something that is part of the negotiations until the matter has been concluded to the best interests of the people of Alberta. I know that there have already been questions raised in this House about that matter, with an attempt to relate it back to open government. Mr. Speaker, those negotiations, particularly with the federal government, are of such a critical nature that we feel it is our responsibility to conduct them on that basis, and when they have been completed, to report to the public on a full basis of what occurred. But that is after the discussions have concluded.

Mr. Speaker, there is a second caveat, and that comes in the area of emergency situations where the Executive Council or the government are obliged to make emergency decisions. Quite clearly they have to be made, and we are entrusted with the responsibility to make them. One of the weaknesses, in my view, is described in this very important document, the 8th Annual Report of the Economic

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Council of Canada that the hon. Member from Olds-Didsbury has brought into the House; "A Design for Decision Making". It's the comments that are made regarding the time factor. Participation by the public involves a difficult assessment of time because that assessment can be so great that as a result it has eliminated much of the benefit of the review.

But I would like to raise, in terms of open government, three specifics. The first one has to do with our natural resource revenue hearing that we are proposing towards the latter half of this session. I would like to make it clear that we are under no obligation to do this, no legal obligation whatsoever. It was not done before, it would be easy to avoid, and it has some concerns for us. As the hon. Member for Wetaskiwin-Leduc has pointed out, one of the concerns of this approach is the very factor of delay I mentioned a minute ago, and the uncertainty that is involved in the industry, in knowing where they stand. We are aware of that, and concerned about it.

I would like to say that during 1962, when that process was last undertaken, I am given to understand that the actual decision was not done and not made until the latter part of June. So those automatic critics should be well advised to remember that this administration, with regard to this hearing, is under no legal obligation to hold it. If we wanted to follow the practice in the past, we could merely close the door of the Executive Council and then come out with the decision by way of regulation. Mr. Speaker, I will have more to announce about that subject later.

Another area is the question of a mobile government. I am sure many hon. members have noted that one appropriation that has substantially increased is the travelling expense for hon. ministers under No. 1402, and that is intentional. My evaluation as to the effectiveness of the hon. ministers is going to be based a great deal on the way in which they are travelling to the corners of this province. I hope, rather than complaint about the size of that expenditure, that the complaint we will hear in latter sessions, and a very justifiable one, will be about the degree to which the hon. ministers in given responsibilities, have or have not been around the province. And that, I hope, is something we will hear in the second session.

Mr. Speaker, open government is not just for the people of the City of Edmonton and environs; open government is for the whole province of Alberta.

Another part of our approach to this area involves the matter of position papers. This is not entirely a new approach. Certainly, the previous administration presented an excellent one with regard to the oil sands development policy, but we intend to be more extensive. And I refer hon. members to the Economic Council of Canada Report, on page 85 as to the desirability of something I felt was most significant, that before policy is determined, the rationale for selecting particular objectives and strategies at the time policies are announced, and subsequent periodic reports on the progress of operating programs are made. There must be an increasing willingness and competence on the part of officials and politicians to discuss basic policy issues in the public arena. Mr. Speaker, this cannot be used and will not be used as an excuse for passing the buck. For the elected representatives are charged with the decision-making. They also have a responsibility to represent the less vocal parts of our society. And for that reason, that is where the decision-making is involved.

These position papers may be of three types: They may be definitive, they may set up alternatives, or they may leave specifics within ranges. In all cases, the objective is to state that first, state the position and then the budgetary; and the legislative or the

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regulatory action will come later. In this way we hope that government will be more responsible to the review of the public's mood and the public's feelings.

A word about research. We will have, contrary to some expressed views, substantial arms length research by this administration. The hon. minister Miss Hunley has described that. Some of it will be the foundation of our policy consideration. Some of it will be for the purpose of public discourse and discussion, such as the Report on Educational Planning that the hon. Minister of Education was referring to today.

Five important areas are going to be dealt with by government task forces. Members are very familiar, of course, with the task force on provincial-municipal financing. But the other four are equally important. Manpower training and retraining policies; decentralization of government operation; needs, opportunities and responsibilities of the individual; and our new incentives for Albertans. They will form an important part of our new policy formulation during phase 2 and phase 3 of our administration.

Mr. Speaker, with that review, I would like now to move to the budget address and the priorities that are contained and set out on page 20. I am sure that hon. members noticed something that was not referred to by the Provincial Treasurer. That there was an important tie and link which I hope we will always be able to maintain, between the Speech from the Throne and the priorities there and the priorities contained in the budget. There were observations with regard to the Human Rights Legislation that I think I can more adequately deal with at second reading of Bill No. 1. But I have been asked often in the last few weeks, how these priorities evolved -- these priorities of senior citizens, the family farm, mental health, and handicapped Albertans. Well, Mr. Speaker, they developed from my exposure and some of my colleagues' exposure during the course of debates and estimates in the 16th Alberta Legislature. They were expanded upon during the course of the past election campaign, but they came to fruition in an exercise of democracy which I thought was very significant. Some government members may have already forgotten. At the first caucus of the government members, there was a document passed around and they were asked to list their immediate concerns. I still have possession of that document, and that document, strangely enough, was right on all fronts with the views that we have with regard to the matters of priorities.

We have stated in our guidepost (No. 7) the importance of an administration setting forth in a declared way its priorities; we will always try to do that. We know that we are setting up, therefore, for critics, an easy attack and that the easy way out would be to avoid the declaration of priorities, but we don't intend to take that approach. We intend, in phases of our administration, to set them forth.

I would like to deal briefly with these priorities. With regard to senior citizens, I recall the contribution in the budget debate by the Member for Edmonton Strathcona when he brought out a pamphlet and read down the items of progress that have been made in terms of senior citizen reform. And I recall too, discussions I had last week with the Golden Age Club of Calgary. But there is one thing I would like to make clear, and I am sure that members on both sides would agree. That whatever we do in this area, I don't take it in any sense as something that we should receive thanks for doing. There is something wrong about that. What we look at in terms of the senior citizens, is that this is something which they are entitled to receive by the very contribution that they have made to the society of this province. It is on that tone that we make these moves in this area.

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Mr. Speaker, members have raised, and I think legitimately raised, the concern about the amount of \$50.00 that we have provided for those with rented accommodation. Frankly, we would have like it to be more. (It is the amount of the first Homeowner's Tax Discount.) There is a valid cause for concern as to the effect on rentals and what it will mean in terms of rental rates. We certainly have no intention of getting involved in questions of rent control, but we do appreciate remarks that are raised on that particular matter. The only point that I would like to say further about it is that it is a tangible and first time recognition of something the hon. Member for Calgary North Hill has described in his opening remarks in this Legislature, as the area perhaps where the greatest need, and so for that reason I think it was an important initiative by our administration.

In the second area of concern to senior citizens I am not nearly so bland in my response - not nearly. I think in the area of education property tax it frankly didn't take me or my colleagues minutes to reject any suggestion of a means test, either in the Medicare or in the educational property tax relief for the senior citizens - not only from a dollar and cents point of view in terms of administrative costs, not only because the statistics are clear that the average income level of our senior citizens in this province is a very meagre \$3,280 and a very, very few senior citizens will be involved in benefits of any significance having regard to their income.

But primarily, Mr. Speaker, because of the matter of dignity with senior citizens - because there is not a member in this Legislative Assembly that hasn't at one time or another sat down and talked to a senior citizen about a complicated form, a Medicare premium document, a property tax statement and not appreciated their concern and the misunderstandings that develop out of these forms. But more than that is the fact that the citizen is subjected to this. And so, Mr. Speaker, I reject completely the means test concept that has been raised in this Legislative Assembly.

Mr. Speaker, the second area of priority has to do with the family farm as a way of life. Some of the arguments put already in this Legislative Assembly have been, I think, most penetrating. They suggest something of a cycle, and the cycle is that as the farm population diminishes, as it affects the smaller and adjacent towns, as the people move to the large metropolitan areas, as they are in a life span area of their 50's primarily, as they try to develop and adjust to a new life style, many of them find themselves thrown at considerable psychological cost onto the social assistance list. I think we face a very grave challenge indeed and maybe an area where all we can do is stem the tide - slow down the process. But I feel strongly, and our administration is committed to do everything within our resources, to try to do that. It makes economic sense, but it also makes very human sense. All one has to do to really get the feeling of this subject is to study the age differentials and the age in groups that are involved in many of the rural parts of Alberta. I haven't any doubt that we are going to have some disappointments. I haven't any doubt that we are going to find in this Assembly in later sessions some pretty significant criticism of areas in which we had hope we would make success and were unable to. But despite all of that we intend to really try. We intend to place \$3.1 million in family farm developments. We intend to have a 46% increase in funds allotted in this area, and more than that I am committed to having a Deputy Premier of this province responsible for agriculture.

Mr. Speaker, the third priority is mental health. If the members wish, let them - and I welcome it - read at any time the platform of the Progressive Conservatives daily or weekly - and let them assess, in particular, the area of mental health. For my advice today is that already initial progress in these new directions has been achieved with about eight points, at least six, and possibly

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seven, by the minister. But the statement that is important in mental health is that it is a five-year program to provide the essential funds to implement the priority recommendations of the Blair Report. It should be made completely clear to all members that we recognize this new direction in the area of mental health, that we are starting on a year one of a five-year program, and that it is going to be hard sledding to effect the reforms that we want to. But I would like to add one other item; I consider it my responsibility in my office, Mr. Speaker, to play a role. And one of the items that is contained within this platform I would like to read:

"To commit the office of Premier, to fulfilling the task of stimulating public awareness and understanding of the concept that mental health is really everybody's business and that no stigma should attach to mental health."

Mr. Crawford, as the hon. Minister of Health and Social Development, has developed many of the details and he will, during the estimates and in legislation, welcome suggestions and certainly, in this area, I think that many of the ministers of the previous administration have considerable area of scope of contribution and we will welcome their views and their thoughts.

I am delighted to read into the record today a letter dated March 1, 1972, from Dr. Blair, arising out of our discussion between the hon. minister, Mr. Crawford, and myself with Dr. Blair who headed up the mental health study. He states in his letter, which I will be pleased to table: "I am gratified to note in your plans the high degree of understanding of the basic principles I tried to convey in my report." He goes on to develop his support for our new approaches. Mr. Speaker, that priority surely is one that rises above any sort of partisan political activity, and I know that it does.

The last one, Mr. Speaker, is the priority regarding handicapped children, and I flinch at the use of the word 'last', because it's overdue and serious. Some of my most heartrending and personal experiences as an MLA came out of this area, in trying to work with citizens who had some very difficult problems. I don't think there is a member in this Legislative Assembly on either side that questions that priority and that need, and the money that we have committed. Perhaps all that needs to be said is that what is important is that the ministers who are involved are subjected to the challenge of implementation, of assuring that the funds are wisely and properly spent.

An area here has been raised which has to do with the increase of the amount for the disabled workman. I don't think it's enough. I think in retrospect we should have done more; I think we should look pretty carefully at it. At least it was the first move for many a year, but I do think we can do more. I think we should reassess it and, perhaps, when we reach the estimates, we could hear the response from the other side as to the degree of improvement that we could make. We are talking about a disabled workman having a permanent disability pension increased from \$175 to \$225 per month, and that's not very much.

Mr. Speaker, those are the priorities of our administration within our budget. But I thought that what I would like to do today was to develop with hon. members the interesting time that I had in November, December, January, February and March, with the budget process -- the decisions that we made -- the decisions with regard to no increase in taxes, a balanced operating budget, but a \$199 million of capital borrowing requirement -- and to the mix that went into that. There were obviously alternatives -- three of them. We could have increased taxes and hence reduced the amount of the capital borrowing; or secondly we could have reduced the capital program such as The Opportunity Fund or The Development Fund and thereby have reduced the amount of the capital requirements. Thirdly we could

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have cut down the capital requirements by eliminating some of the newly operating priority programs. Mr. Speaker, these were the three alternatives we faced. And I think it's healthy for the matter to be debated. I would like to present to the members the reasons why we reached the conclusion that we did, and why we considered none of those three alternatives as acceptable.

First of all with regard to increasing of taxes. The economic reports are clear. We are operating under potential. We have just come out of a difficult time. Ontario, for example, in its administration is considering a cutback of taxes, but many members have raised the importance of a budget for the working man, with average income, salary and wage levels the impact on both his take home pay and also his job opportunities for growth. And our assessment was that at this time that simply wasn't the approach that was required for Alberta in 1972-73.

Mr. Speaker, we could have eliminated the capital program, or portions of it, and table D3; if members have not carefully assessed it; sets it out in some considerable detail. Last year the capital requirements were \$166 million -- this year they are \$199 million. However, one could have a fairly vigorous debate about the amount that was underestimated by the previous administration, whether it was \$30, \$40, \$50, or \$60 millions in terms of the operating side. In any event there is a difference, and so perhaps those who proposed the second alternative would have had us cut out certain capital programs. Well, Mr. Speaker, to those critics, I say, which? Would it have been the Opportunity Fund, would it have been the Agricultural Development Fund, would it have been some of the hospitals, or educational facilities? I think it's important that it be said, and not avoided.

Mr. Speaker, the economy of this province, in our view, is operating below potential. It needs to be stimulated, and we feel the capital program set forth here, and I know ministers will respond to this, in my view, gets very close to a bare minimum on a capital side.

The third alternative is that we could have cut down on our capital requirements by eliminating some of the new program priorities. Which ones? Senior citizens, handicapped children, the mental health, the family farm? No, some of the overall administrative matters, some may say. But we will look forward to the estimates and to the suggestions on that score.

That brings me, Mr. Speaker, to this conclusion. We had those three alternatives. They were carefully and thoroughly considered, and we came down on the approach that we made. I am very pleased with the response from the public of Alberta to that approach in our first budget.

But there is a problem of cost control in government that bothers me a great deal. Program budgeting is a technique that will help, but only help, and we have quite a way to go in this area. Many members of the senior civil service in Alberta have mentioned to me that the budget review this year was the most intensive they have seen. But I am not satisfied. I am satisfied that in six short months we were able to do as well, but I think we can do better. But there is one important limitation in this area. We have a responsibility to the public service of Alberta. If one phases out old programs, one must phase in new programs, and one must take advantage of the talent, and the dedication and the experience of the public service of Alberta. However, if one moves on a priority new program in a field such as agriculture, one must do it with new staff. What somewhat amuses me, Mr. Speaker, is that my record of events is that every cut, every reduction that is in fact, made in that budget, has, from one quarter or another in this province, caused a cry of anguish.

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Mr. Speaker, we will listen to them, but we have a responsibility for fiscal management and the fact that we were able to keep the operating expenditure increase down, significantly over the average of the past, in fact over all of the past five years, is an important credit, in my view, to the administration.

Miss Hunley mentioned in her remarks, Mr. Speaker, that there were a number of pet projects that got lost. There will be a number more that will get lost in the future. There are going to be some difficult priorities in terms of education, and they have been raised. I would like to deal briefly, therefore, with our capital borrowing program. I think that it's clear from the record in terms of Alberta, that total direct and indirect debt per capita rose by 345% in Alberta in the years 1960-1968. This growth which was due almost entirely to increases in indirect debt was substantially higher than that of the other western provinces and was second only to Newfoundland. That was a period of time of importance, when we were operating a previous administration on a pay as you go policy. Well, Mr. Speaker, our approach is a user pay approach. I feel that a capital program essentially provides services and opportunities to younger Albertans in many, many ways and that it is unfair to today's taxpayers to have a pay as you go policy and charge the entire cost of capital programs by way of either increased taxes or reduced services for senior citizens. Mr. Speaker, I think it would be wrong and bad judgment for our administration to delay the implementation of a capital program of this nature. We have already seen and heard many times expressed here the problems regarding roads. We've heard a very good economic discussion from the Member for Calgary Buffalo with regard to this sort of program financing for capital requirements. Mr. Speaker, it's my view that the pay as you go philosophy of the previous administration which held I believe up until two years ago, was harmful to this province. I said that frequently in the past during the 16th Alberta Legislature. I don't think there's been any question that we have been consistent about that point of view. So it should be no surprise to anybody that we follow this fiscal policy.

Mr. Speaker, at this time though, March 1972, we do have some concern about our capital situation. Tabled in the Legislature a few days ago was the auditor's report of The Alberta Resources Railroad with the notation:

"freight volumes have been insufficient to generate tonnage rental payments in amounts sufficient to affect payment of interest receivable on a current basis. No amounts for non collection of the receivable has been made, although collection is doubtful, unless there's a substantial increase in freight volumes and/or tonnage rates."

Frankly, I am worried about The Alberta Resources Railroad and about the refinancing obligations of our administration.

Looking at the capital requirements as they stand in this budget, the debt servicing obligations are, with regard to income, under 2%. That compares with a national average of about 6%. I am also very pleased at the response of the business and financial community of Canada to our budget, described, for example, in an editorial in the Globe and Mail and from many other quarters, as being both prudent and practical. Mr. Speaker, it is a budget that combines fiscal responsibility with priorities for people. I am very, very proud of the budget as it stands.

Mr. Speaker, I would like to deal briefly with the Alberta economy as described on page 28 of the budget speech. There is that reference to the economy operating below potential and our obligation to young Albertans to stimulate it. This province is in transition, from an economy based very largely on natural resources. It's going to take us time to make this transition. It's going to be hard to do it. A year ago in this House I referred to the necessity of taking a

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decade to make that transition. These days the petroleum industry is certainly one that both the Minister of Mines and Minerals and myself, and the Minister of Federal and Intergovernmental Affairs, are very extensively involved in. There are many open questions. There's reference in the Budget to the formulating of new policies for exploratory drilling. There's been a good description in this debate by the Minister of Mines and Minerals of the National Energy Board's decision about the initiative that we have taken in having a review of field pricing and the very extensive amount of work we have to do to assimilate that. We hope within a matter of weeks to be getting a report from the Energy Resources Conservation Board on rationing. We're in the process of reviewing land tenure; and certainly we have the hearing with regard to natural resource revenue and the royalty rates; and I will have something to say about the tar sands.

Mr. Speaker, there's one thing that can get me pretty concerned, and that is these extremist views that are taken in areas of government policy that ignore the problem of jobs. And they are becoming quite frequent in the province. I haven't any question in my mind that in the environmental area we need to strike a balance, and we've said that if that balance can't be struck, we would lean on the side of preservation of the environment. But the word was lean, not fall. Because we have probably the most difficult hurdle of our administration, as the Budget Address refers to it, in the issue of job creation. And I, in any policy decision that I'm involved in, keep that at the forefront of my assessment in terms of the multiplier effect that exists. Certainly in the short term I am pleased with the employment situation in Alberta, and while it's far from completely satisfactory, the progress has been made with the PEP program that the minister, I'm sure, will review, and generally the comparison of a year ago is a great deal better in terms of employment. But one factor that seems to be missed often by these extremist views is the multiplier effect of job creation upon our society and upon the Alberta society in particular.

In terms of our economy in agriculture, the minister will, no doubt, describe the fund. But one of the points I'd like to raise is a comment that I'm surprised that not one member on either side of the House picked up. It's on page 12 of the Budget Address, if you want to look at it, and it's a comment that perhaps was underlying a question that came out of the question period today. And I quote from page 12:

"Despite our concern with inflation, however, the government is disturbed that the increase in the price of food products is not being passed on to a reasonable degree to the primary producers of the food products, the farmers and ranchers of Canada."

Mr. Speaker, that was brought to the Floor of this Legislature earlier by the Member for Lacombe, and I suggest that hon. members should consider more extensively that sort of challenge area, because maybe there is a great deal of opportunity for this province in that particular aspect of growth, and improvement in agriculture.

Mr. Speaker, I would like to say a word about balanced economic growth. The dangers have been well expressed by other members, but there seems to be something here that isn't being described as effectively as we should in terms of public communication. I think we were clear in the election campaign. But with regard to members who sought seats in metropolitan centres, we were saying that we anticipated that growth would occur, that there was no way that government could control growth of metropolitan areas in the sense of cutting it off. But we were saying that unrestricted and unrestrained growth was not in the best interest of this province and the Minister of Municipal Affairs has, on a number of occasions, put this challenge well. But a disturbing element is developing, if it is the policy of this new administration that we will have balanced growth throughout Alberta to the extent our resources permit and

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feasibility would allow. For the growth of the smaller centres of Alberta we are not prepared to be thwarted by federal government interference in this area. Because if we allow it, Mr. Speaker, it will be at cross-purposes with many of the other actions and many of the other efforts of our administration -- certainly, of the Alberta Opportunity Fund, and certainly with our incentives systems.

A word about the economy. Some have said that by following through of the policy of the previous administration on estate and gift taxes we have created a tax haven. On this point I disagree completely. I have said it before, that we supported the previous administration on their views. What is involved is the welcoming of risk capital, because risk capital, in my view, is essential for the development of jobs.

On the international situation, though, I would like to say a word. If you look at Alberta in terms of the petroleum situation I have described and the problems of the petroleum industry, of agriculture, of the balanced economy desire, it becomes critical that the Alberta government not operate in isolation or develop provincialism. The hon. Minister of Industry has reminded us, for example, of the DISC proposals in the United States and their influence upon us. I would like to add an additional one. It is called the Burke Hartke Bill. And that bill before the United States Congress could have -- and I don't think the word is an exaggeration -- a disastrous effect upon the economy of Canada, and Alberta as part of that economy. It is a bill supported by the international unions in the United States and it is a matter that should be assessed by all members.

But I think problems and opportunities have developed in the international scene in the last few months that will challenge our administration. In the report I received from the Bank of Canada on my desk a week ago, page 22 makes this statement:

"The realignment of currency has significantly changed the competitive positions of individual countries vis-a-vis their trading partners. The impact on a country's competitive position is affected not only by the change, if any, in its own exchange rate, but also by the magnitude of the exchange rate changes made by the countries with which it trades and the proportion of its trade with each."

I suggest that what that shows is the opportunity as reflected in Appropriations 1156 and 1621 (in the international field) and an opportunity that this government intends to take maximum advantage of.

Mr. Speaker, this brings me in my remarks to the question of a national industrial strategy and the issue of foreign investment. There has been a great deal of talk of national industrial strategy. I am very concerned. When we assumed office in September of 1971, to the best of our assessment, there was no Alberta industrial strategy. But even more serious, as of the moment I am speaking, there is no national industrial strategy. And the Prime Minister, in an interview in the Financial Times of March 13, 1972, in reply to the question, "what do you mean when you talk about industrial strategy?" answered, "something, I'm afraid, very general at this stage." Well, Mr. Speaker, in my view, that industrial strategy is overdue.

In a federal state that industrial strategy must be something where all eleven governments are involved. And, we in our administration, should be developing concurrently in Alberta, industrial strategy on a tentative basis, hopefully in order to assure that it molds and fits within, a developed national industrial strategy. I thought the Minister of Industry and Commerce made an excellent presentation in setting forth eleven points of an objective the other night. They certainly can form the basis of preliminary thinking with regard to an Alberta industrial strategy. Perhaps, to

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some, they may be too extremely, free enterprise. But on the other hand, a position has been presented by the Minister, in a very positive and forthright manner. And for that reason, I think he deserves credit. Our administration is challenged, but so are all members to contribute to the debate.

Mr. Speaker, we have directed our Cabinet committee on economic planning and also on social planning, to reassess the need for an Economic Council of Alberta or some better alternative, but I do think, that as we state on page 14 of the budget address, our goals unfortunately are dependent to a very large degree, to a larger degree perhaps than we would like, on the conclusion of federal government policies in many areas of concern to this province, in particular.

We have heard from the hon. Minister of Agriculture with regard to the progress that he has made in his initiatives in agriculture. I spend most of the lunch that I had with the Prime Minister talking about matters of petroleum, and the Minister of Federal and Intergovernmental Affairs has tabled in this House the letter from the federal minister of the 25th of February, 1972 which shows very clearly that some progress is being made. But shortly after that we have the address in Calgary of the federal Minister of Energy who states that the timing of major natural resource projects, and I would have to take that to include the tar sands, is a matter of national economic policy. Well, if this be so, and I wouldn't quarrel with him, then it is certainly incumbent upon both levels of government, to have enough long-term planning now and soon, to be able to establish the timing of not just the second, but the third tar sands plan, in terms of assuring that we don't reach that critical decision making stage, and be informed that other parts of Canada have the priority in those years.

Mr. Speaker, another area of national industrial strategy is the matter of transportation that the Minister has referred to. And I would like to break and refer to an aside that I was personally involved in. At a private meeting of business and financial people in December in Toronto, I thought a bit about what I would say. I spoke at length about transportation policies. When I started I could see that sort of blank look starting to come over the faces of many, as though, that's a pretty old familiar refrain. Fortunately, as I developed my remarks, the blank look seemed to disappear. And a number of the people approached me afterwards, and said; "what comes to us is that it has been a pretty steady message from out of the west, and there is a new leader and he is stating it equally as forcefully as his predecessors. So maybe, just maybe, it must be important if it is continually reiterated and repeated as a legitimate grievance of western Canada."

Mr. Getty, I believe, has summarized effectively to the members, Mr. Speaker, many of the other areas of concern with federal and intergovernmental affairs which brings me now, to the issue of foreign investment. I mentioned that I would deal with this in debate. I think it is a very important subject for Alberta, important first of course, because as many realize, next to Ontario, Alberta is the province where United States firms in particular were responsible for the second highest degree of taxable income. There is no question it is a matter of serious consideration in this province. But I reiterate a previous remark, Mr. Speaker, and it has to do with jobs, and it has to do with livelihood, and it has to do with family life.

It's clear that obviously our predecessors - at least to the extent that we have been able to ascertain - and we welcome their correction - had no specific or definitive policy in this area. It's apparent, too, Mr. Speaker, that the federal government in this March of 1972 is having some considerable difficulty of its own developing this particular area of policy.

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The Prime Minister was quoted in that previous article as now saying; "It won't just be a position paper; it also will be a piece of legislation." Well, Mr. Speaker, we do not intend to go too far on this issue until the federal government has declared and presented its position, shown its hand and ascertained what the possible screening process would be. And when we have had an opportunity to assess whether or not the legislation is ultra-vires of the federal authority.

We have set forth our general policy for the people of Alberta in a document entitled "Participation by Albertans in our Economy". For the challenges are to ensure a greater participation by Albertans in the ownership and control of Alberta's industry and to ensure that Alberta and Albertans gain full benefit from foreign and domestic investment. In seven new directions we are providing Albertans with investment opportunities with regard to Crown licenses, trying to look at new tax structures that might reduce the competitive disadvantage of Albertans. We are trying to look at government regulations in the same area, to ensure that the Treasury Branches and other financial institutions are even more accessible and provide greater assistance to Alberta investors. That all industrial concerns within Alberta utilize Alberta's service industries and Alberta labour wherever and whenever practical -- and other matters of the same nature.

For there is no doubt that this policy needs -- and I frankly admit -- some specifics and some elaboration. Members opposite, I am sure, will want to contribute. They have mentioned in debate earlier in this House, Mr. Speaker, that they don't like being shut out of debate and policy formulation.

Well, Mr. Speaker, it's a critical issue. We propose a select committee of this Legislature under the chairmanship of the hon. Member for Edmonton Strathcona, and I would like to tentatively suggest, it be open to any additional terms of reference that involve a screening process, the key sector area, the question of take-overs, the factors of the tax structure, the impact and the consequences on the investment climate and any others. Suggestions from members in the course of the next few weeks are most welcome.

But, Mr. Speaker, because of the importance of the issue even in the short time we have had, we have taken some significant interim measures. We are in the process of developing legislation regarding Crown lands being sold to Canadian residents, Canadian citizens, which will be presented shortly in the House. We have established a policy statement on the utilization of Alberta engineering services. The key words are; "persuade and volunteer". We are watching this matter on an ongoing basis. And so that the critics don't rise too quickly, let me suggest, with some limited experience in the construction industry, that what is important to assess in projects of this nature is not always simply the prime contractor, but the importance of the degree of Canadian involvement in the sub-contracting field.

Mr. Speaker, we have not been, and of course neither have our predecessors, as effective yet in this area as we would wish. But it is one that we are watching closely and we will have an ongoing review of it. Some commentators have reviewed some of the steps that we have taken. They have used the expression that the new government in Alberta has beaten to the punch the federal administration on a question of economic national policy. I refer particularly to the Syncrude project. We checked and reviewed the Syncrude project and the previous administration in authorizing permits reached the conclusion in their best judgment at the time and under the existing conditions, not to attach any specific conditions regarding Alberta participation to the permit approval in the development as a condition of the permit. Although I'm sure there were conversations and discussions with regard to intent, we went further; we felt it

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was necessary to make conditions as within our permit. And on February 18, 1972, we set out those condition in an Order in Council. The critics may scoff, Mr. Speaker, but there are five very important conditions. I know they're important because I know the response that they're getting. I know they're important because I know what happened in terms of the negotiations. We feel we have a very difficult challenge in this area. Our responsibility involves some \$500 million of risk financing in Alberta, some 5,000 odd construction jobs, but more important, some 1,100 permanent jobs in terms of the second plant. Larger than that, we have the fact that as far as the international financial community is concerned the first project, to put it mildly, was a financial setback. The second plant must succeed, and we have to reach that balanced judgment of assuring that the second plant goes ahead and proceeds and at the same time assure that there is a high enough degree of Alberta participation. We are gambling with very large stakes and we take this responsibility very seriously. The decision-making of course, will probably come a year from now when Syncrude comes down to the question of their proceeding and we establish our views with regard to the environment, with regard to royalties, and on condition number one that the applicants will grant to Canadian citizens who are residents of the Province of Alberta, an opportunity to purchase an equity in the Syncrude project. The nature, method, allocation and distribution of the equity to be the subject of the approval of the Government of Alberta.

I would like to move also to the fifth condition; that insofar as it is reasonable to do so, the applicants will ensure the production, processing and manufacture of by-products developed from the operation of the project will be carried out in the Province of Alberta. Well, if any members don't think that that fifth condition has some significance, than it's simply because they are unaware of the responses of other jurisdictions and many, many people who are involved in this matter.

Mr. Speaker, some would suggest a Crown corporation for the second plant -- \$500 million of extra borrowing -- \$500 million of debt not available to the province -- but more than that, \$500 million in a risk venture as distinguished from building a bridge. (Somewhat comparable to building a railroad.) It would clearly limit the provincial financial capacity, and it ignores something very important, Mr. Speaker -- that the provincial government as lessor controls in a very effective lessor-lessee arrangement the development that exists there.

Mr. Speaker, in conclusion on this subject, we will look forward to the views of the Select Committee and hope that it will be able to report by the fall. We await -- I think I can put it mildly -- with considerable interest the legislation from the federal government on the subject. But overall we welcome investment from all over the world to Alberta, provided they meet our laws, our regulations and our views of good corporate citizenship.

Mr. Speaker, I would like to conclude with a final subject involving the Constitution -- well, Mr. Speaker, if members opposite want to depart that is their privilege -- I want to deal with the matter of division of responsibility and allocation of resources, and I make no apologies, Mr. Speaker, for the length of my remarks. I think it is important that the hon. members on both sides of the House, in the middle of the legislative session, have an opportunity to have some expression of view by the government leader, on a number of important matters. This latter one in particular.

The matter that I raise is the division of responsibilities between the federal and provincial government and the allocation of resources. On page 8 of the budget speech, it is stated that a fundamental reform is required, and in Appendix B, the area is covered in terms of our presentation to the federal authority.

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Mr. Speaker, with regard to page 8, (and I do want to take the time, because of the importance, to read it:)

"The evidence seems to be clear from the tax structure committee reports, that the present and proposed allocation of income tax revenues by the federal government is not even close to matching the fiscal needs of the provinces under our present constitutional responsibility. The consequence of this failure is to force provincial and municipal governments into heavy borrowing and to rely far too heavily upon property and other regressive taxes to meet certain of their fiscal needs. The result - the taxpayer is not paying for government services in accordance with a reasonable ability to pay."

Mr. Speaker, I was appalled, and I said so at the First Ministers Conference, that this subject was not even, in my view, adequately, in any sense of the imagination dealt with, and I hope that the agenda for the next one will be quite different.

Some say, why so exercised? It's not a new situation, certainly not even necessarily a new direction. Well, Mr. Speaker, I am exercised because of how important I think it is. Because, I submit that this issue is one of the root causes, one of the two major root causes of the strains on national unity, (aside from the factors of the feelings of the people in French Canada) and the consequences of the present imbalance are many, and all are, in my view, prejudicial to the proper development of Canadian growth.

I have mentioned the result of an unfair tax system which penalizes, in my opinion, the poor, and puts pressure on the "non-ability to pay" taxes, such as property taxes. A second point, not often realized - is that it penalizes the metropolitan areas, which are within provincial jurisdiction, which are the fastest growing and are caught in the battle between federal and provincial governments. And where are those metropolitan centres? Two of the key ones are in the Province of Alberta. It creates waste, in my opinion, by duplicating programs, by ill considered, in my view too, 'let's get there first' schemes by two levels of government. It causes very serious regional tension and contributes in a very marked degree, to the alienation that many Albertans and many westerners feel. It drags into the cost sharing area, provincial governments chasing fifty cent dollars as was so effectively described by the hon. Minister, Mr. Getty. And no better example exists than the whole area of mental health, relative to the development of federal-provincial health cost sharing, and the absence of the emphasis, in the past, upon a priority on mental health. Perhaps most important, in my view anyway, it concentrates on centralization. It concentrates on a government the least in tune with the needs of people. It concentrates on a federal government forced into an area of standardization. And there are many obvious cases of it. It creates very serious limitations on the provincial government. Why is it happening? I suppose one reason, Mr. Speaker, is the human nature of empire building, and there is not much justification of that one.

There is another reason expressed for the federal bureaucracy, that they are more competent than provincial administrations to carry out such programs. I say to that - nonsense! That's nonsense now. I think most members who have travelled right across Canada through every province would agree. I think too, there is an absence of the recognition of the various consequences that I have set forth. Perhaps that is a responsibility that I have to take, to share, and develop. It is certainly, more than anything else, the view by our citizens and certain people of our communication centres, that it's necessary for a strong central government to avoid regional disparities. Mr. Speaker, if you want to do an assessment at 50% of the allocation of resources, the argument is valid; at 75% it hasn't validity.

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Mr. Speaker, we simply must match the divisions of responsibilities and the allocation of resources in this country. I frankly believe that the present division is satisfactory -- but subject to a national industrial strategy. I believe that it is open to reassessment and consideration. Maybe the field of housing should have its primary, maybe even exclusive thrust, with the federal government. Maybe, and I'll have problems tonight with this one, the area of environment should have the same primary thrust. Maybe, and perhaps more strongly put, the area of manpower should have the provincial input. But all of them are open and reasonable questions for discussion. At least we should resolve the jurisdiction with the primary responsibility. If any member in this House feels that we can let it drift and leave it as it is, then I think not only will we be doing a disservice, we will render relatively impotent any national industrial strategy. But more than that, we won't even be close to realizing the potential of Canada.

Mr. Speaker, this is unfortunately a matter of public apathy that puzzles and concerns me in this area. I believe it so important to consistently speak about it. My predecessors have too, and yet the public have shown a remarkable degree of disinterest. They consider it a normal fight for more revenue or the political consequences of being afraid to face taxation. Frankly, I am baffled at times by regional communication voices who respond in the same simple way to a very important and complex issue. Mr. Speaker, despite the public apathy, I don't intend to leave it in its present unsatisfactory state, if I can possibly avoid it. I think the result of it would be a greater degree of fairness to our people, better service, and improvement of the metropolitan life of Canada, and an improvement in national unity.

Mr. Speaker, this brings me full circle to the constitution. Last June in Victoria, the leaders of government met, they made a decision with regard to a charter, and there was a holdout province, Quebec. Mr. Speaker, I want to reiterate and make clear on the record, that there is no commitment by the Progressive Conservative administration to that charter. We enter any future negotiations completely uncommitted by any past decision making.

Mr. Speaker, there is a part of that charter that I'm very interested in, the portion dealing with human rights. In discussions with Mr. Diefenbaker, three weeks ago, he told me that I should be careful of the wording of that charter relative to human rights.

There is a provision in this charter regarding an amending formula that the House of Commons report on page 9 has pointed out is detrimental to the Province of Alberta, relative to the Province of British Columbia.

But more than anything else, the charter did not come to basic grips with the basic problem of division of responsibility and allocation of resources. Maybe, Mr. Speaker, this subject is going to be renewed. Maybe the letter that I tabled in the Legislature on March 9, 1972 from the Prime Minister is a renewed opening in this area, a response to Quebec's concern. (In an aside about Quebec, I think this province should try to consider some initiatives of our own with regard to the Province of Quebec, that might be helpful in the area of national unity.)

Mr. Speaker, in conclusion, there is a clear new Alberta government position. Any renewal of constitutional discussions, will, in our view have as a conditional precedent some machinery for resolving the critical issue of review and determination of allocation of resources and responsibilities. We are open to adjustment, even though we feel the present division is adequate. But, Mr. Speaker, a constitution, trumpeted as being a new constitution, that doesn't deal with a fundamental matter, is no constitution at all.

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Mr. Speaker, it may be in the months ahead that Alberta will be the hold out province, but I feel very strongly about it. I feel very strongly that this matter of coming to grips with the best level of government to do the job and giving them the resources to do it is not only in the best interests of Albertans, but in the best interests of all Canadians as well. Depending on the timing and the circumstances, I would like to make it clear, Mr. Speaker, we feel strongly enough about it that if we become the hold out province, we would not be adverse to seeking a fresh mandate on the issue. Because the issue, in our view, is that government programs should be implemented by government that is closest to the people. We believe that the competence at the provincial level is there. We believe that the budget that we have presented to the people of Alberta at this time, with its priorities and with its fiscal restraint, with its concern for people, is a budget which demonstrates competence and one which will assure that we can reach the full potential of this great province.

Thank you very much.

MR. HENDERSON:

Mr. Speaker, it gives me a great deal of pleasure to rise in this Assembly and offer a few comments in this particular debate. I would like to open by first offering cordial congratulations to the hon. Premier on his maiden speech in this House as the Premier of the province.

I would approach my comments to his contribution by starting with the best part first, and say that on a personal basis I certainly share his convictions so far as constitutional matters are concerned. Either the constitution should be lived up to as it now exists, or it should be changed. But above all, it should not be ignored, as I think it has been by the federal government in Canada since the second World War when the federal government became involved in many new areas. It all started, I think, with the Rowell-Sirois report which goes back a number of decades -- the aftermath of the depression. The conclusion was the federal government should be getting into areas of activity in which they had not been previously involved. Then, of course, we witnessed the agreement during the war that the income tax system should be farmed out exclusively to the federal government. And since that time we've witnessed a refusal on the part of succeeding federal governments to return taxing powers to the provinces. The present state we exist in today, Mr. Speaker, as far as constitutional strains are concerned, are strictly, in my mind, the result of the fact that, in all Canada, both nationally and federally, since the last war, it has been in the areas of health and welfare and social legislation that all political parties have based their programs. And these, constitutionally, are basically areas of provincial jurisdiction. So there are bound to be constitutional strains develop when federal government chooses to use its financial powers to achieve indirectly that which it cannot achieve, in principal through direct legislative involvement.

The hon. Premier commented, Mr. Speaker, on the fact that the public seemed to exhibit a great deal of apathy on these constitutional arguments. And I have to share his views on this also. I think it is somewhat the result of a debate that has been going on in this country for two decades or more. It is also the result of the fact that governments are continually changing, just as this one has changed; just as a number of provinces all across Canada are changing governments; and the federal government has changed. And every new incoming government, provincial or federal, is of the opinion that it has a better approach to the constitutional problems than the previous one. I think this is somewhat natural. One can only conclude that the need has not yet been great enough to produce some sense of unanimity, regardless of these problems. But it is certainly my conviction, Mr. Speaker, that Canada is a regional

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country, with regional interests and regional desires and regional ways of doing things. There is a suggestion, for example, that Medicare had to be instituted in Alberta in a manner comparable to the way it is done in Nova Scotia or Quebec that I reject on principle. It is an entirely different matter trying to convince, for example, a large organized labour force in some of our large cities that Medicare is desirable, than it is to go out into the country and try to convince an independent farmer that he should have it inflicted upon him in the same fashion.

So there are regional interests which produce some real strains in this country. They are strains, Mr. Speaker, that I feel are always going to exist, and certainly, must be recognized by a federal government. Efforts to invoke the former unitarian government on this country one way or another I think, will only end up in disaster. We certainly welcome the words 'I do personally' of the hon. Premier on his statements about the constitution.

I am also pleased to see that the new government is continuing to take a strong position on the discrimination that the national freight rate structures hold for the province of Alberta. As I understand it, this was the basic origin of the fact that Alberta had an office in Ottawa: to make representations initially on discriminatory freight rate structures. We are pleased to see that the government is going to continue with its efforts to improve the situation.

I think it might be an appropriate point while we are talking freight rate structures to talk about The Resources Railroad. And of course, Mr. Speaker, I don't think anybody is particularly happy about the fact that it is not paying tremendous dividends. It just happens to be that railroads have a habit in this country of being a losing proposition and it is incumbent upon government on the other hand, I think in the national interest, and in this case, the provincial interest, to become involved in such undertakings. But certainly, I also share the convictions of the hon. Premier that we don't necessarily want to get involved, for example, in direct public development of the Athabasca Tar Sands.

Mr. Speaker, I was also pleased to hear the hon. Premier reiterate his statement on the question about environment versus employment because I think it is a much more responsible position than his party projected before the recent election. Nonetheless, that is politics, and as I say, it is appreciated that there is going to be a realistic approach to the problem of the environment. I can't see any individual, any thinking individual in this Assembly or outside it, who does not want to leave to his children and grandchildren the best possible natural environment for them to live in.

But in the final analysis, while it often appears to be the argument, the fact is overlooked in some of the debate which rages over environment that basically, fish don't vote, and it is people we happen to be running the country for. But I have been in some discussions in recent years, while I held an office in the government, where I often felt it was the other way around. Some of the arguments just about convinced me that maybe the fish should be voting and the people shouldn't. But seriously, I think it is a welcome word to hear that we are going to have a realistic approach on the question of the environment. There is only one word I heard the Premier use that I would have some concern about, Mr. Speaker, and that is the word "preservation". It may have application in the national parks, but I would suggest he substitute the word conservation. Because if he is going to get into the "preservation" business, the first thing we had better eliminate is people.

I would like to turn, Mr. Speaker, to some more specific comments on the budget, some of which the Premier has touched upon.

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Not having the privilege of the speaking time he does, I can't begin to cover all the ground he touched upon. But I think it would be appropriate, Mr. Speaker, in presenting arguments on the budget, to start with the question of borrowing -- the \$200 million borrowings that are projected in this year's budget for capital purposes. As has been stated by other speakers on our side of the House, in our view, by the system that we used, the present budget would not be balanced on income account. It would be short by approximately \$20 million, but as a result of the change in the bookkeeping, and transferring some municipal road grants from income to capital account, we have in bookkeeping form, a balance budget. Of course, we all borrow money at one time or another as individuals, and certainly governments do too. There are times to borrow and times not to borrow. But I think, the basic question, of course, boils down to a projection of the ability to repay the borrower. This naturally is the question that gives us concern. I hope the new government isn't setting out to bring Alberta up to the level of debt that other provinces in Canada have. I find this is really not a very convincing argument on which to justify borrowing the sums of money that we are confronted with in this budget. If it were, why stop at \$200 million? Why not make it \$400 million and make even bigger fellows of ourselves? So it is a question of repayment. In this regard, Mr. Speaker, it is a fundamental fact that the cost of governmental services in this province and all across Canada is rising at a rate which is in excess of the rate of economic growth. Socner or later there has to be a day of reckoning. Our concern is that the tax burden is going to get so high that the only alternative is outright socialism. Then the government would own everything; you and I wouldn't own a thing, and the question of a national debt, I guess, becomes somewhat academic. In the meantime I would like to keep the two a little bit separate. I would like to have the prerogative of paying a few of my own personal debts and not have the government involved in all my business.

But when you look at the funds that have been budgeted for this year, for debt, \$16 million. One only has to look at what this would do with highways, one has to only look to what it would do in other health programs to appreciate the concern for borrowing of this amount of money. We can only say, Mr. Speaker, that we hope it doesn't set a precedent that this government is going to adhere to in years to come. Quite frankly we are not at all happy, in spite of the Premier's remarks, about borrowing the sums of money that we did in the current fiscal year and in the previous year. But we felt, Mr. Speaker, that it was a matter of responsibility in order to offset the rather negative aspects of the federal government's tight money policy. Alberta was singled out, as has been mentioned by other speakers, for particular treatment on construction tax considerations in Calgary and Edmonton -- hotspots they called it. And the federal government went out of its way to slow up the economy in Alberta, more so than it did in certain other provinces. We certainly felt that the people of the province, particularly those in the low-income categories, shouldn't suffer unemployment simply to make a federal policy look good so far as balancing their budget is concerned. I guess, Mr. Speaker, we are really getting down to one of the questions that was dealt with by the Premier on the question of cost-sharing with the federal government. All this is directly and indirectly related both to the action which we started last year in particular, where we felt that it was absolutely essential that regardless of the fact that an election was in the offing and we took a number of steps that we knew were going to be unpopular. It happened to be a matter of responsibility and not popularity. While the actions we took were condemned by the opposition at that time, who are now the government of course, we none the less felt we had to proceed with them.

We note, Mr. Speaker, with some degree of satisfaction, that the present administration is continuing within the limits we put on school spending which they claimed were detrimental to local

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autonomy. They have also continued with the ceiling on oil royalty sharing Mr. Speaker. This has resulted from the fact that while revenue from oil and gas royalties' resales was not increasing it was not decreasing. The cost-sharing formula for municipalities was related to only royalties. Had it been related to the total income, these lease sales as well as royalties there would not have been a problem. So we can understand why the government of today has seen fit to continue with that particular policy.

But as I said, Mr. Speaker, no one, not even this government, can continue borrowing substantial sums of money for extended periods of time, so I am hoping that when we get into estimates we are going to hear a statement of philosophy from the Treasurer or the Premier as to just how far they expect to continue with borrowing of this magnitude in years to come.

One item I would like to touch on relating to the question of money is the statements being made by the present government about the shortage of cash when they tick over.

I would like to point out, Mr. Speaker, something they have been rather reluctant to do while they talked about the over-spending and the cash position, they conveniently neglected to talk about the revenues which were substantially higher than what was budgeted for. In actual fact, on the basis of their own figures at the end of the current fiscal year, the province is going to come out with a deficit of some \$20 million less than we projected in this Legislature a year ago. It happens to be a fact of partisan politics that statements such as the ones made by the government in recent months are made, but in actual fact this government didn't inherit a poor financial situation from the previous administration. The cash situation was no different than basically what was expected from the estimates.

Related to this is the question of warrants. Now in recent years -- I just looked up warrants relating to the Department of Health and Social Development, which I will come back to. One would find, for example, that if one wants to go into the type of bookkeeping that is now used by the combined department of Health and Social Development, in 1970-71 there were warrants for that department of \$31 million. The fact that warrants had been passed and used by ourselves for many years did not indicate poor financial management. I note also, Mr. Speaker, the new administration as soon as it came into office immediately started issuing warrants for a number of items that it thought were of a high priority. I would hope that the present Treasurer isn't naive enough to think that he is going to be able to accurately predict the revenues that the province is going to enjoy within a million dollars or so, and the total expenditures, because he's going to have a bit of a shock coming.

Now the question of warrants as it relates to the Department of Health. I think I should comment on this Mr. Speaker, because of the fact I was the Minister of Health until April 1st last year and had been for a couple of years. We fully anticipated warrants in the Department of Health for two basic reasons -- the first being that changes in the rate of payment to hospitals were made coincidental with the calendar year. I made a real effort to get the hospital budgeting changed to the fiscal year because I didn't like the use of warrants any more than the present administration does. But it's a difficult task to predict at this time what the increase in payments is liable to be in the first quarter of the next calendar year -- that is if the government is going to continue to try and make adjustments on the basis of the calendar year for hospitals, nursing homes and so on. The efforts to change to the fiscal year were not too satisfactory because of the fact the hospitals report their financial statement for the federal government on the basis of the calendar year. This has traditionally produced a fairly large warrant in the health department during those years when there was an

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adjustment, because one was trying to predict an adjustment 15 months hence. It also happens that when one makes such a prediction for many months hence, the prediction becomes self-fulfilling, and this certainly isn't sound management.

Now, similarly in the last year in the health department there was another unusual situation. The labour contracts were under negotiation and they were under negotiation at the time the estimates were being debated in this House. I should have kept some of the telegrams I received of a rather uncomplimentary nature about the horrible fact that I wouldn't make any predictions as to what the increase in payments were going to be while negotiations were going on. I felt, Mr. Speaker, if I did, it would make a farce out of the collective bargaining procedure. We would name 6% or something as an increase and labour would want 6% and then some. There was no way, in that particular case, as a matter of policy that I was prepared to make an attempt to guess what the labour settlement was going to cost, and build it into the estimates. As a result, they came up with a fairly reasonable contract which runs I think for something like 28 months. I suggest, notwithstanding the \$35 million warrant for the Health and Social Development Department -- which is the major portion of warrants that relate to our period of the fiscal year that we are responsible for -- were nonetheless in the best interests of the people of the Province of Alberta. But certainly the warrants have nothing to do with the statements that because of warrants the 'now' government inherited a poor financial situation and one in which they were desperately short for cash. They will end up, according to their projection in the budget estimates, with a deficit \$20 million less than was approved by this legislature last year.

Now we heard one of the members for Calgary make some statements about what we thought should be cut out of the budget. I would like to make a few suggestions of my own where I think things should be cut, Mr. Speaker. Before doing so I would like to comment on the government's winter works program. I think it is almost ridiculous, Mr. Speaker, to hear a government stand up and say what big fellows they are for having created last winter's work program, when to a large extent the unemployment was created by the freeze they put on capital spending when they came into office. And then they come along and write a warrant out to put \$5 million or some such figure into a winter works program to correct a situation which to a large extent they are responsible for in the first place. And I would be concerned, and I am concerned, Mr. Speaker, to hear the government suggesting that there should be a continuing need for public employment programs of this type. I think in a private enterprise economy, the responsibility of government is to create an environment in which private enterprise can provide the employment; and I certainly hope this government doesn't look on public employment with make-work projects, as a solution to the unemployment problem.

Turning to a few other things that I think should be looked at so far as costs are concerned, I would like to comment briefly on the question of welfare. We hear a lot of complaints as MLAs and I am sure the hon. gentlemen opposite have in the brief time that they have been in office -- certainly I have in the eight or nine years that I have been a member of this Assembly -- a lot of complaints about abuses of welfare. I can truthfully say that in the cases that I have complaints about and have checked out, I find that at the most perhaps in one of ten, there may be legitimate grounds for complaint. In most cases the families aren't getting anywhere near what the individual who registered the complaint thought they were getting. But it is a fact of life that there are enough deadbeats on welfare to give the welfare system a bad name. And I think it does take something away from the families that do need it, because regardless of arguments, resources are finite that one can expend on welfare programs. When I look at what has happened to the new Unemployment Insurance Program of the federal government, I would like to suggest

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that consideration should be given to placing a ceiling on welfare payments in cases where an unemployed employable person is involved, and where one of the appeal committees allowed under the Health and Social Development Department has established that the maximum welfare payment be limited to what the individual would be earning if he were living on the minimum wage. Studies have shown that as soon as an unemployed employable person who has four or five children in his family gets on welfare, and is on it for any length of time, he can make more money out of welfare than he can out of working for a living. So why bother going to work? I think in this particular area that it is in the public interest to do something about the situation by putting a limit on the payments without cutting off the welfare completely. It would certainly encourage those who could be working to get out and work.

Mr. Speaker, I see that the hour is now 5:30. With that I beg leave to adjourn the debate.

MR. SPEAKER:

The hon. minister begs leave to adjourn the debate. Do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

Is there any indication as to whether there will be reconvening at 8 o'clock tonight as usual, under Rule 5?

MR. HYNDMAN:

Mr. Speaker, in relation to House business, it is the intention of the government to have the House sit this evening, and without wishing to suggest any specific time for conclusion of the budget debate, it is suggested that all members in the Assembly should be prepared as soon as possible for consideration of second reading of all bills on the Order Paper, being those from No. 1 to No. 35, a total of some 20 bills. And the four bills listed under Committee of the Whole House, and in particular Bill No. 3, The Appropriation (Interim Supply) Act, which the government may want to proceed with this evening, and in addition to be prepared for, thereafter, the estimates of the Departments of Agriculture and the Attorney General.

MR. TAYLOR:

Mr. Speaker, on a point of order. Would the hon. government House leader be prepared to give us a full day's notice in connection with second readings?

MR. HYNDMAN:

We would certainly endeavour to do that, Mr. Speaker, as regularly as possible, unless something of special moment appears.

MR. SPEAKER:

The House stands adjourned until 8 o'clock this evening.

[The House rose at 5:31 p.m.]

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[Mr. Speaker resumed the Chair at 8:00 p.m.]

MR. SPEAKER:

Does an hon. member wish to move that the Speaker leave the Chair?

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MR. MINIELY:

Pardon me, Mr. Speaker. I thought the Clerk was calling it. Mr. Speaker, Mr. Chairman, I find that we have gone astray in the mystical rights of Supply, Ways and Means and money bills. At this moment, the bill we have before us is not entirely compatible with the resolutions that we dealt with last Thursday evening. You may remember, at that time the Speaker left the Chair and we went into interim supply and read the resolutions. Then the Speaker returned and they were reported and read a second time. Then the Speaker left the Chair and we went into Ways and Means, and the resolutions, slightly changed, were read again. The Speaker returned and they were reported. At this point the hon. Premier moved that they be read a second time, by which time, of course, they had in fact been read about five times. Upon discovering that the resolutions were not correct in the first place, I did not feel that the members would be particularly delighted to have to go through all that mysterious process again. The historical development of the procedure in this, is this; the message from the reigning monarch, our message from the Lieutenant Governor would be a request for money for certain purposes and would be considered in Supply for Parliament to decide whether or not it would let the king have the amount of money for that purpose. Having decided it would, in Supply, it then had to go into Ways and Means to find out where it would get this money from. It usually ended up by there being some kind of tax imposed on the people. Consequently, Supply was to decide whether the king could have the money and Ways and Means was to decide where it would come from. This process predates the existence of the General Revenue Fund and the Budget. As a result of the budget, we know what money is going to be asked for. We also know that it will come out of the General Revenue Fund.

Therefore, I would like to suggest that in the case of ordinary money bills the place for us to consider the Lieutenant Governor's message, the resolution and the bill, is in Committee of the Whole. In Committee of the Whole, we can consider Supply, and Ways and Means, both at the same time, and also have the bill before us. If you look at the bill you will see that by normal clause by clause study, we shall again be considering the resolutions we had before us last Thursday night, except that this time they are right and this is in fact what the Lieutenant Governor sent to us with his message. Consequently, by normal passage of this bill, we shall have made effective Interim Supply, regardless of the resolutions considered last Thursday.

I would therefore ask leave of the hon. members to proceed in this manner on this particular bill, in Committee of the Whole. Mr. Chairman will read the message from His Honour and then proceed to Clauses 1, 1A, 1B, 2, and 3. The hon. members can raise any point on any part of the bill and it can be reported in the usual way. Having done this, we shall have accomplished all that is required for this bill to pass to third reading and royal assent. The position regarding the resolutions of last Thursday night, is that this bill accomplishes all that was resolved at that time, and a little more. It is this little more that I ask the members to consider now in Committee of the Whole on this bill.

MR. SPEAKER:

Do hon. members agree that the Committee of the Whole may proceed in the manner suggested and outlined by the hon. minister?

SOME HON. MEMBERS:

Agreed.

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MR. LUDWIG:

Mr. Speaker, on a point of order. I'm wondering whether the hon. minister can cure a defect in the introduction of a bill or resolution by later stating that it can be overcome in reading the bill clause by clause. It's my opinion that you cannot, and I have pointed out to the hon. ministers, to each of them, that their procedure was incorrect. And I'm submitting now that the procedure is illegal.

MR. TAYLOR:

Mr. Speaker, on the point of order, the House can do anything it wishes to do, and by unanimous consent. This would appear to be the sensible and the logical way in which to deal with this particular item, and we would urge that the hon. members give unanimous consent, otherwise we're simply going to again be doing exactly what we did last Thursday night. This seems the logical and sensible way to proceed and we certainly recommend it to all hon. members.

MR. DIXON:

If some of the members were wanting to follow the resolution, they'll find it in Votes and Proceedings of Wednesday, March 22nd, because there is really no bill before us.

MR. SPEAKER:

As I understand it, the House has already unanimously indicated its consent or approval of the procedure outlined by the hon. Provincial Treasurer, although we have had some discussion following. And I also understand that the bill is No. 3 and have all hon. members received a copy of Bill No. 3? If the hon. members would refer to the Votes and Proceedings as suggested by the hon. Member for Calgary Millican, that will perhaps suffice.

MR. EFFOIT:

Mr. Speaker, it's the Votes and Proceedings for Thursday, the 23rd.

MR. MINIELY:

Mr. Speaker, I take it that it's agreed and I have leave of the House to go into Committee of the Whole on this bill? I understand the next procedure is for you to reread the message from the Lieutenant Governor.

MR. SPEAKER:

I wonder if I might have a copy of the message of His Honour, the Lieutenant Governor.

MR. MINIELY:

Mr. Speaker, I'm going by what the Clerk of the Legislature has provided me with here. I believe that I have gone through explaining the procedure to the members so that in granting me leave to go into Committee of the Whole they will be fully aware of what had transpired and what had happened. I don't see it on my memorandum here from the Clerk, but it strikes me that the next move after leave would be to ask you to leave the Chair and go into Committee of the Whole. So I therefore move that you do now leave the Chair and that this Assembly resolve itself into Committee of the Whole for the purpose of considering sums to be granted to Her Majesty.

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MR. SPEAKER:

Taking the Motion as read, do you all agree?

HON. MEMBERS:

Agreed.

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CCMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair]

[All clauses of the bill, followed by the Title and the Preamble, were agreed to without debate.]

MR. MINIELY:

I move that this now be reported.

MR. CHAIRMAN:

Is it all agreed that this now be reported as agreed?

HON. MEMBERS:

Agreed.

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[Mr. Speaker in the Chair]

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole has had under consideration Bill No. 3, The Appropriation (Interim Supply) Act 1972, and begs to report the same.

MR. SPEAKER:

Does the House agree that the report be received?

HON. MEMBERS:

Agreed.

Budget Debate

MR. HENDERSON:

Mr. Speaker, I trust the hon. Provincial Treasurer will not feel offended, but I just can't resist making the quip: I can understand now why you had to hire Touche Ross to explain the Public Accounts. I hope he appreciates it is too good an opportunity to resist making some remark such as that.

Mr. Speaker, when I adjourned before supper, I was talking about a few areas into which the government could look towards possible means of reducing public expenditure. I suggested that I thought the time had come when some consideration should be given to putting limits on the amounts of welfare paid to unemployed employable persons who are offered employment and who refuse to take it. That a limitation, somewhere in keeping with what an individual would earn under the minimum wage law, would seem to be appropriate.

Another area I think we should look at, is the question of priorities that we have heard so much about in this House, Mr. Speaker, from this government. When I view one or two of the contradictions in this budget, I am inclined to treat rather

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skeptically, the rather profound statements about priorities and all the effort they put into preparing this budget. I find it hard to rationalize the logic behind a priority which justifies borrowing \$8 million just to build a museum in Calgary, but there isn't \$600,000 available for the Edmonton School System. And so much, I think, for a lot of the talk about priorities.

Now the question of health costs, Mr. Speaker, was dealt briefly by the hon. Minister of Health and Social Development, who, I believe indicated -- I have checked Hansard -- that he was holding spending in his department down next year to about 11% over last year. I suggest, Mr. Speaker, that that claim is highly misleading. Because if one wants to do a comparison of Health and Social Development, the costs as presented in this budget, and include with it the costs of Hospital Commission and Medicare, and Alcohol Commission, which are basically all part of the Health and Social Development service to people of this province, one would find that according to the estimates, the combined figure has provided for a 14% increase as compared to last year, not 11%. Now there is a difference of definition, but I think a very important one, Mr. Speaker.

MR. CRAWFORD:

Mr. Speaker, might I speak to a point of privilege on that matter. I can do it very briefly. The 11.3%....

MR. HENDERSON:

Mr. Speaker, as long as it's on his time and not on mine, I have no objection.

MR. CRAWFORD:

I am just about through. The 11.3% related only to the budget of the Hospital Services Commission.

MR. HENDERSON:

Thank you, Mr. Speaker.

MR. SCHMID:

Mr. Speaker, on a point of privilege, I hope the hon. member realizes that the \$8 million is in some future budget, not in this year's budget, and not in last year's budget. The \$600,000 refers to this year's or last year's budget.

MR. HENDERSON:

Mr. Speaker, I don't see anything in the capital estimates that provides a great deal of detail, and like a lot of the things this government does or says, I would judge then by what they said outside the House as much as anything else.

I am pleased to hear that they don't place this Calgary museum ahead of the \$600,000 for the Edmonton School System, but nonetheless, it still doesn't produce the \$600,000 for the Edmonton School System.

Now the question of health costs. I accept the explanation by the hon. Minister of Health and Social Development, but I think it is still significant to point out, Mr. Speaker, that in '70-'71, the health and social development costs increased by 14% over the previous years. Last year as a result of actions that we took as government, it was 12 1/2%, and with this budget we see a return once again to a higher rate of 14%, which I think, Mr. Speaker, leaves some cause for concern which I would like to return to so far as doing something realistic to control the costs of health and social

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development services. If the costs in this area, including education, aren't controlled, they are simply going to bankrupt the country. Elementary arithmetic dictates it. But in relationship to the 14% figure, Mr. Speaker, I'm looking at one of the other percentage increases in the Health and Social Development estimates, and I can only compare it to the 14% overall total increase, the 13% increase that is spelled out in the budget for mental health purposes. In that context, Mr. Speaker, this supposedly big increase of 13% for mental health isn't even holding its own with the overall increases for the Health and Social Development department and the related Health Services Commission. So I am somewhat reluctant to accept the rather self-congratulatory statements that this government has been making about the tremendous strides forward that it has made in the field of mental health, because it certainly isn't reflected in the budget.

Now one other area that I think the government is going to have to look at, Mr. Speaker, in relation to the question of the cost of Medicare. The Medicare report that was tabled this year, for the '70-'71 year, shows an increase of about \$27 million in the cost of operation over the first year. I accept, Mr. Speaker, in principle, the possibility that the first year's figure was slightly low because it was the first year of the program. But even with some margin for error it's close to a 40% increase between the first and second year of the program. I suggest, Mr. Speaker, that even if it was only 25% it's still cause for a high degree of concern about doing something to control these costs.

As I sat as a member of the Executive Council I was always deeply troubled by the fact that we had allocations of resources in the health system which I would presume for the following year would be something like \$23.7 million for example, for hospitals. The hospital system has 23,000 employees in the province, that's exclusive of the mental hospitals. So we have \$23.7 million in this year's budget for that system with close to 23,000 people employed in it. Then in the medical field of health care we have something like, these figures are not in the budget for the commission, but I would guess for the current fiscal year and the forthcoming one, we are talking in the order of \$110 - \$120 million dollars for approximately 2,000 doctors plus their employees. I think, Mr. Speaker, no matter how highly one thinks of the services the medical profession in Alberta provides there has to be a question raised of the allocation of the financial resources in this area. Because, Mr. Speaker, I am convinced personally, I feel very strongly about it, that if something isn't done about controlling the costs of Medicare the absence of action is in the longrun highly detrimental to the men and women in the medical profession. Common sense tells me that the lack of initiative at this point in time, to deal with the problem of these costs, is going to produce public pressure which will in the final analysis end up in the prescription of some sort of a control procedure which will be far less palatable than if some action were taken now. So I think, the longer the problem is left the worse the question of remedy is going to be.

I felt, Mr. Speaker, as minister in this department in the past, and I still do, that it is in the public interest for the government, through the commission, to negotiate a lump sum amount of money for medical services for the people of Alberta each year. Then on the basis of the fee schedule which the profession prescribes itself and which the commission uses, let that money be allocated on an initial payment basis, maybe a 75%, and at the end of the plan year let the rest of it be distributed on a final basis. Because if something like this isn't done, Mr. Speaker, I am sure as I'm standing here that the government is going to be forced to prescribe bureaucratic procedures to control health care which are not only going to interfere with the rights of the profession but the public. I would far rather stand up in my place and make a statement such as this, even though I'm sure it is going to be treated as unpopular in some

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areas as an unpopular statement by some people. I would far rather face up to that now, than let the matter get worse. And certainly, Mr. Speaker, if this government doesn't take a realistic view towards the escalating costs of medical services, there are going to have to be some drastic remedies applied and I'm sure all the hon. gentlemen in this Assembly know it.

I think the lump sum negotiated figure for the medical profession would be the desirable way to approach it. It would keep the government out of the internal affairs of the medical profession. If it isn't done I fear far worse controls would be prescribed later on.

Mr. Speaker, I think another area that has to be treated seriously, and both the Premier and the Minister of Intergovernmental Affairs have talked about it, and that is opting out. Certainly it is also my conviction that realistic and total measures are not going to be produced to deal with the rapidly escalating cost of health services as long as the province is tied to these fifty cent dollar programs that the federal government has produced. In my experience it produces nothing but frustration in trying to control cost. Any meaningful measure the provincial government may take to control these costs ends up violating some clause in some federal agreement. I find if you think you have save a dollar for the Alberta taxpayer, you don't save it for the Alberta taxpayer, you actually save it for the Canadian taxpayer. I think that if this government is serious about putting these principles first it should get off this kick of belabouring the income tax points.

The Social Credit government fought this same battle for years over income tax and got nowhere. To my mind, Mr. Speaker, it would be far preferable to see this government take the lump sum per capita transfer payment that the federal government has offered for these services escalated in accordance with the gross national product and then let us cut our cloth accordingly. But the way it is, as long as we are tied to the federal program we are going to have made in Ottawa policies, programs and financial procedures foisted upon us. If we really want to get out of these programs we are going to have to pay more than lip service to opting out and accept the responsibility that goes with a meaningful opting out measure.

One other area I think that we could look at probably eliminating some money, Mr. Speaker, is in this area of task forces. I'm not going to re-open the whole debate on this subject but we have money on task forces and we have money on legislation in the budget. By the interpretation that the government places on the Legislative Assembly Act apparently we are now in the position where we can have non-partisan task forces in this House, and we can have non-partisan committees. Now if the government feels so highly about these partisan committees, Mr. Speaker, I would now if the government feels so highly about these partisan committees, Mr. Speaker, I would suggest that they simply refer these issues, that they set up legislative committees for their task forces to include all the talented people that they have in their backbenches. They are going to do all this work and save a tremendous amount of money.

MR. SPEAKER:

The hon. member is debating the principle of payment to the task forces. I think we have to distinguish between the principle of paying the task forces and the amount which is paid to the task forces. That comes under the budget. The principle of payment has been debated and voted on, but the amount that is paid to the task forces, as I understand it, has not been discussed. Now, if that is not the case then I would have difficulty in conceiving what the effect would have been of the vote which we had on the amendment to the Speech from the Throne.

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MR. HENDERSON:

Mr. Speaker, I haven't mentioned the amount. I am talking of the principle, exactly in keeping with your own remarks.

MR. SPEAKER:

Then I have misled the hon. member because what I intended to say was the contrary -- that the principle, in other words the amendment to the Throne Speech to the motion in reply, was to the effect that it was improper to pay the task force. In other words the principle was at stake. That principle and that propriety were debated at length and voted upon, and, subject to some reconsideration following, perhaps, some further discussion of this point of order, I would say that the principle has been voted upon and decided and, therefore, is no longer open for debate at this session. But the amount which is payable to the task forces would be debatable as a proper budget item.

MR. HENDERSON:

Mr. Speaker, on a point of order, I have always been under the impression in this House, that the Throne Debate and the Budget Debate were separate items. I am speaking to the budget and the statements that this government has made and, I would suggest, hon. Sir, that a ruling such as that does nothing but deprive the freedom of speech in this Assembly. I gather from your interpretation, Mr. Speaker, that one can only refer to dollars and cents when discussing the budget, but that one can't refer to principles. I had just finished talking principles about federal cost sharing, for example.

MR. GETTY:

Mr. Speaker, on a point of order, if we follow the way the hon. member is now arguing we could bring up every subject over and over and over again and argue the principle every time. And surely that was the basis for your ruling. It's understandable and it's why Houses have been conducted in this way in the past.

MR. TAYLOR:

Mr. Speaker, on the point of order, there are two or three things we have to note. Number one is that once a House has decided an issue by a vote, then that precludes or prevents a further vote on that particular item. Consequently no amendment or sub-amendment, or motion may be made that would repeat the decision that has been reached when the House dealt with the amendment to the Speech from the Throne. Secondly, the matter of discussing items or referring to items as illustration, particularly when those items appear in the vote that you're discussing, is not precluded. You are not then reopening the subject, you are simply using the material as debating material. You are not asking the House to make a second decision on the same point; the House has made the decision, but it surely doesn't preclude the members from using that point as a debating point, because to do so would mean that you are putting a zipper on the lips of the hon. members. The third point that I would like to make is that the line between the principle and the amount of money that is being voted, is so fine that I would suggest it is almost impossible to discuss one without the other. To abide by the suggested ruling would mean that we would have to wholus-bolus accept the estimate and say nothing about it even in the estimates, which isn't sensible. I'm sure the government doesn't want to put a zipper on our lips so that we can't discuss this item in the estimates. Certainly we can't have a vote on it but surely we can discuss it, because otherwise we are stopping freedom of speech.

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MR. GETTY:

Mr. Speaker, on the point of order, traditionally that is the reason why the amendments to the Throne Speech are so general. It was not you, Mr. Speaker, or members on this side of the House, who zeroed in on one subject and therefore, having disposed of it, eliminated it for discussion. That is what the hon. members did, obviously now, by mistake. But nevertheless, Mr. Speaker, they chose to do that, but in tradition that is why the amendments to the Throne Speech are so general, and it's the reason why the Speaker is now ruling the way he is.

MR. TAYLOR:

Well, Mr. Speaker, I don't know how the Speaker is ruling because we haven't given his ruling yet. Surely the hon. member is not suggesting the ruling has already been decided; I don't think it has. I'll agree that it has not, and that is why we are raising these points of order at this time. I think the hon. members have to distinguish between a decision on an amendment as against speaking or referring to material; because otherwise you are simply saying that we cannot discuss items in this budget. There is money in this budget for which we have to vote. Are we going to be denied the right to vote? Do you simply want the money voted without discussion? That would not be logical. It just isn't sensible, unless of course you want to curb freedom of speech. We are not asking for another decision; we are not making an amendment; that would be out of order. But to refer to the matter is an entirely different thing, and I can find no place in Beauchesne that says you cannot discuss a matter. It says you cannot introduce another motion or an amendment, but nowhere does it say that you cannot discuss a matter that has been dealt with.

MR. DICKIE:

Mr. Speaker, on the point of order, might I refer you to Beauchesne, page 126, rule 148, sub-section 2. For the advantage of the hon. members I might just read that sub-section.

"It is irregular to reflect upon, argue against, or in any manner call in question, in debate, the past acts or proceedings of the House, on the obvious ground that besides tending to revive discussion upon questions which have already been once decided, such reflections are uncourteous to the House and irregular in principle inasmuch as the member is himself included in and bound by a vote agreed upon by a majority".

It is my submission that your initial ruling on this matter is covered within that rule, Mr. Speaker.

MR. TAYLOR:

Mr. Speaker, on the point of order. That surely does not preclude discussing the matter. It precludes another motion of any kind, but it surely does not preclude a discussion of the matter, because I would like to ask you how we are going to vote on the estimates, if we cannot discuss them when each particular item comes before us?

MR. SPEAKER:

My understanding is that the paramount principle is that no matter should be debated twice. And this matter certainly was fully debated. I do not remember the citation, but the citation I had in mind was this 148 that was referred to by the Hon. Minister for Mines and Minerals. And in fact it goes even further than what I said a moment ago. However, I would do anything at all possible to avoid even the appearance of stifling debate, and if the hon. minister wishes to refer to the matter, if he can do that without debating it, I would prefer to let it go on that basis at the present time, rather

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than to even give the appearance of stifling any kind of proper freedom of speech. But I must most firmly hold that a re-debating of the substance of the motion, which was debated at such length on the Throne Speech debate, would certainly be out of order.

MR. TAYLOR:

Mr. Speaker, if I could just speak one more time on the point of order. Section 148, I think has to be read very carefully.

"It is a wholesome restraint upon members that they cannot revive a debate already concluded;" -- 'revive a debate' -- "and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again."

It's simply saying you cannot introduce another motion; you cannot introduce another amendment.

"it is irregular to reflect upon, argue against, or in any manner call in question, in debate, the past acts or proceedings of the House, on the obvious ground that, besides tending to revise discussion upon questions which have already been once decided, such reflections are uncourteous to the House and irregular in principle inasmuch as the member is himself included in and bound by a vote agreed to by a majority;" -- 'bound by a vote' -- a decision has been made; we are not asking for another vote; we are not asking for another decision -- "and it seems that, reflecting upon or questioning the acts of the 'majority' is equivalent to reflecting upon the House."

If we were asking for another vote, I would agree entirely with what's being suggested. We are not asking for another vote, but surely because any matter is settled by a vote -- every matter that was in that Speech from the Throne has been settled by a vote; does that mean to say that they can't be raised again? If the matter dealt within the amendment cannot be raised again, surely the matters of the original motion can't be raised again, which would preclude discussion on almost every program the government is advancing. This just doesn't make sense. I'm suggesting, Mr. Speaker, that the rules of this House should not preclude debate. The rules certainly preclude another motion or an amendment on the same matter.

MR. FOSTER:

Mr. Speaker, speaking on the point of order, it seems to me that the nets cast by the hon. Member for Drumheller have been in fact cast too wide. I suggest, sir, that you were correct when you said that the amendment having been disposed of, this therefore precludes that matter from being discussed again. But whether or not the sums appropriated in the estimates are fair and reasonable or otherwise, may form the basis of comment by any hon. member. I think that, Mr. Speaker, with great respect that was your original feeling and comment. I think, on a point of order on the basis of the rules read by the hon. Minister of Mines and Minerals, that seems to be sound and correct.

MR. TAYLOR:

Then that, Mr. Speaker, would have to apply to every item in the Speech from the Throne, because we dealt with that by vote. We made a decision when we accepted the Speech from the Throne. If it applies when you don't accept it (an amendment), surely then, it must apply when you accept it (the main motion), and that would mean we couldn't discuss again any item in the Speech from the Throne, if such a decision was made.

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MR. SPEAKER:

In order to conclude the matter so that the hon. member may continue with his address, I would ask, without at the moment making a ruling on the point, whether the hon. member would refrain from debating again the principle of the amendment which was debated and voted upon on a certain memorable evening.

MR. HENDERSON:

Mr. Speaker, before I start, I'd like to ask the Clerk how many minutes I have left. That last exercise was not out of my time. I object to so many members speaking on my time.

MR. SPEAKER:

We haven't made the recalculation, but originally from the running of your time, three minutes were added because of two alleged points of privilege. The time of this debate on a point of order will not be counted against the hon. member.

MR. YURKO:

Mr. Speaker, on a point of order. The very thing happened to me last year, and I don't believe the hon. member on the other side should in fact be given any additional time according to the rules of this House.

MR. DIXON:

Mr. Speaker, on a point of order. The hon. Minister of Environment is out of order. You can't reflect on a debate that was already decided upon.

MR. HENDERSON:

Mr. Speaker, if I now have the floor again and have some assurance that my time hasn't been completely disposed of, I think, hon. Sir, that if one had waited just about 30 seconds longer I would have finished my comments. I have no intention of debating the motion that was disposed of in the House. I was getting around to referring to the amount (it's somewhere in the estimate) for all these Legislative committees. This is what I wanted to talk about -- it wasn't what it is in the budget for the unmentionable members of some unmentionable party of this House. What I was really trying to say, Mr. Speaker, was that I think we could very easily save the tax payers of this province quite a bit of money by simply dispensing with all this window dressing of Legislative committees, by referring all these weighty subjects the Legislative committees are going to consider to the tremendously talented group of backbenchers in the government, so that they can then bring the matter forth into this House with their recommendations. We'll debate them on their merits from this side of the House. Mr. Speaker, we'll do it for a flat rate and won't charge anything extra for it. We'll gladly make this contribution to the people of the Province of Alberta without any strings attached.

Mr. Speaker, this afternoon we heard quite a bit from the Premier about a national industrial development policy, as I recall. Mr. Speaker, I would like to suggest to the hon. Premier, if he was here, but I'm sure some of the hon. members will convey the message to him for me, that we put aside the question of national image building for the moment and come to grips with a problem that's of importance to the people of Alberta, at this point in time. It's simply the matter of getting on with the question of settling the royalties. We can have all the talk we want about national development policies and so on and so forth, which all sounds fine and dandy. But I suggest that that such talk is window dressing for the inability of the government to come to grips with a relevant problem that is of importance to the people of Alberta. It's

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important to the revenue that the people of this province will enjoy from their natural resources.

And so I suggest, Mr. Speaker, in conclusion, that the government, starting with the hon. Premier, would do much better for the people of this province if they put aside this question of style, dropped the matter of national image building, and didn't get so uptight about what the federal government is or isn't doing, and come to grips with making decisions on matters that are exclusively within the purview of the federal government, and one which is critical within the oil and gas industry, so far as planning for investments is concerned.

You heard a grandiose statement about the government welcoming all forms of foreign investment, but who on earth is going to invest their money in this province in the oil and gas industry during the next few months until the oil royalty question is settled? It's critical. It isn't an area that needs a bunch of window dressing in the form of a speech about national industrial development policy. It isn't an area that needs a bunch of window dressing in the form of a legislative committee. There's no way that the industry is going to stand up before members of this government and argue that the royalty rates should be increased. That's absolute nonsense. There's no justification whatever for this government not bringing a recommendation on oil and gas royalties into this House so that we examine it on its merits and make a decision.

Thank you, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Vermilion-Viking, followed by the hon. Member for Innisfail.

MR. COOPER:

Thank you, Mr. Speaker. Mr. Speaker, I do consider it quite a privilege to have the opportunity to take part in the Budget Debate. I did lose out in the Throne Speech Debate on account of the cancellation of the Thursday night sitting, and it began to look, for a little while, like I was going to lose out in this one as well. But it is quite an honour to represent the constituency of Vermilion-Viking, as well as a distinct responsibility. I intend to comment on a few features of the budget, Mr. Speaker, as they relate to specific areas in my constituency.

First, Mr. Speaker, I wish to extend my own congratulations and those of the people of my constituency to you on your election as Speaker of this Legislature. Your position is the most responsible one in the Legislature during the Session. The manner in which you have conducted the sittings is indeed impressive, and is an assurance that the business of the Legislature will be carried on efficiently and with decorum. And those are not just polite words, Mr. Speaker. As one who has spent much time sitting, I might say, in the Speaker's Chair, I certainly fully appreciate the responsibility and the tension that's attached thereto.

Watching your traditional struggle as you were being escorted to the Chair, Mr. Speaker, recalled to my mind sitting in the United Kingdom House of Commons in London, England, late in June, 1970, and watching the election and the installation of the Speaker of the Parliament of the United Kingdom. That was quite a historic occasion, too, Mr. Speaker. It was a new Conservative government under Prime Minister Edward Heath that was taking over, having defeated the Labour government of some eight years standing, led by Harold Wilson. The nomination of the Speaker was a much more extensive ceremony than yours, Mr. Speaker, in that five speeches were made. First, a lengthy, laudatory nomination address was made

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by an MP on the government benches; an opposition member made a similar address, seconding the nomination. Adding to the occasion were addresses by the newly-elected Prime Minister, Edward Heath, the Leader of the Opposition and former Prime Minister, Harold Wilson, and the young leader of the Liberal Party, Jeremy Thorpe.

The Speaker, the hon. Dr. Horace King, was presumably a permanent speaker of the United Kingdom parliament. As a result of an understanding by all parties, he was unopposed in his constituency, so was elected by acclamation in order to be a continuous speaker of the very large House of some 630 members. This was his third term in the Chair. The hon. Dr. King struggled much more vigorously than you did, Mr. Speaker, and well he might, because a few months after his installation he lost his chair. In some manner he had incurred the wrath of the new government, and was removed from the office of Speaker.

Mr. Speaker, I do not think for one moment that this will happen to you, but it still serves to show that there are perils and pitfalls in connection with the office of Speaker.

The original area of Vermilion-Viking constituency, Mr. Speaker, (the boundaries have been changed from time to time) has a most interesting political history, and has been represented on two occasions by the premier of the province. During the UFA regime of some 14 years, we had the hon. R. C. Reid, a longtime provincial secretary, and for two years, 1934 -- 1935, was premier of this province. During the very early years of the province, back in 1905 through 1921 when the Liberals were in power, we had the hon. Arthur Sifton, who was premier for some seven years, 1910 to 1918, and then he was rewarded by becoming a senator.

During the 36 years of Social Credit reign we were represented for nine years by the hon. Minister of Public Works and Highways as it was then, the hon. W. A. Fallow. In 1955 a Liberal made his appearance, representing the Vermilion constituency, and in 1959 they switched back to Social Credit. To date, electors have not seen fit to elect a Conservative nor an NDP as their member.

To the hon. Provincial Treasurer, my congratulations on the manner in which he prepared the Budget, also on his presentation of this very important document, a very impressive presentation. The budget, as usually is the case, touched on many facets of provincial life; some programs with which I concur; some frankly alarm me; and others arouse my curiosity and will be watched with interest as they work out.

Regarding small business, a \$50 million Alberta Opportunities Fund is a continuation of the previous government's plan under the Alberta Commercial Corporation. It is designed to help industrial businesses in smaller centres. Mr. Speaker, all the centres in my constituency are small; some are thriving, some are struggling. But all the business men are interested in further industrial developments.

In regard to agriculture, which is the backbone industry of my area, the Agriculture Fund will no doubt get off rather slowly with a \$5 million input as the start of a \$50 million development fund. I can see, possibly, the reason for this, in view of what appears to be an all-embracing small farms development program announced on December 6th by our federal Minister of Agriculture, hon. H. A. Clson.

So encompassing is the federal plan that I wonder if the provincial plan is needed. The announcement followed the conference, Mr. Speaker, of dominion and provincial agricultural ministers. The program is tailored to meet the needs of small farmers in Canada. The program includes land purchase, land transfer, land bank

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technical assistance, retirement plan for farmers, marketing system, and marketing and expanded credit. I think the hon. Mr. Olson got a lot of help from the provincial agricultural ministers.

I imagine the Alberta plan will augment the dominion program in some way, but I do hope full use will be made by Alberta farmers the dominion plan, to bring back some of those Alberta tax dollars to Alberta.

Mr. Speaker, this dominion program is apparently a continuing one and the federal government has earmarked \$150 million for the first seven years of the program. There are other areas in the budget which are related closely to conditions in my constituency. Some have provincial implications. One of these is education. Early in October, the administration of the province's three agricultural colleges, located at Vermilion, Fairview and Olds, were transferred from Agriculture to the new Department of Advanced Education. I agree with the move. I think it was overdue and a very good one. In this connection, we were pleased to have the hon. Minister, Mr. Foster, visit Vermilion and inspect the many new college buildings, to meet the staff and students, in order to acquaint himself fully with this educational institution. I can truthfully state here that the hon. minister created a very favourable impression. The facilities at the Vermilion College have all been entirely renewed and greatly expanded and a construction program, which commenced in 1963 was carried on through 1971. This program provided new lecture rooms, classrooms, labs of every variety, as well as ample provision for agricultural courses. The new investment at the college, campus building, equipment, furnishings, have run into some millions of dollars. As a result a modern, functional college and campus exists, waiting to be more fully utilized, at no additional capital cost, as a community college with a more extensive curriculum, and when university transfer courses could be taught.

In 1968, the provincial Board of Post Secondary Education recommended that the three agricultural and vocational colleges be included under The Public Junior Colleges Act. The proposal was made to the Minister of Education, and Cabinet of that day, but it was not acted upon. The proposal was further supported, Mr. Speaker, in the Tradition and Transition report, and by Unifarm in their annual submission to the Cabinet. The recommendation has not yet been implemented. Mr. Speaker, there is no community or junior college in eastern Alberta. There are junior colleges in the south, the central, and north of the province -- six in all. But nothing in the east half of the province until you reach the far south at Medicine Hat. The present Vermilion College is a natural for the eastern Alberta community college, and by so doing, the government would balance up college educational opportunities throughout the province. Such a move would also mean maximum use of the very fine college and the new facilities already there. I know that the hon. Minister of Advanced Education has given this matter his earnest consideration. The report of the Worth Commission for post-secondary education, expected in May or June, is certainly awaited with much interest.

I would like to emphasize here, Mr. Speaker, that this concept of a public college at Vermilion wasn't my brain-child as the Minister well knows. It was firstly the recommendation by the Board appointed to study post-secondary education in Alberta. I would refer you to the second annual report of the Alberta Colleges Commission, recently tabled in this Legislature, and direct your attention to this statement contained herein.

"June 10, 1971. The Commission recommended to Cabinet that the Vermilion, Olds and Fairview Agricultural Colleges be incorporated as public colleges under The Colleges Act, thereby becoming members of the Public College System."

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Mr. Speaker, I am content in my own mind the matter is in very able and responsible hands in the person of the Minister of Advanced Education, Mr. Foster.

I am pleased to note by the budget address that the Department of Manpower and Labour is prepared to meet the problems of unemployment, with both summer and winter plans. It appears to me, Mr. Speaker, that unemployment on quite a large scale will be a spectre that we have to meet annually during the fall and winter months for the regular labour force, and in the spring when the university students enter the labour market. In realization that jobs will be needed, it behooves government to prepare employment programs well in advance. By this means, worthwhile projects can be undertaken and the dollar to relieve unemployment spent to best advantage. Apparently, this is now fully realized, and I am pleased to know that there is adequate advanced planning for seasonable employment programs. Crash programs to my mind, are ineffective and expensive, and lasting results are seldom achieved.

The Dominion Department of Manpower profiting from its experiences of last year has plans for Opportunities for Youth programs well advanced in anticipation of the end of the term of the universities this spring. Students are being charged with working out their own projects. Two weeks ago when I went home I was approached by no less than six groups of students varying in number from two to six with various well conceived and planned projects to be carried out under Opportunities for Youth.

I know that the provincial plans are also well ready for the influx of students in the labour market. Recently, you probably noticed in the press, no less a person than Health Minister John Munroe made the observation that 'make work' programs may be here to stay. We don't like the idea but we have to face reality. It's an ill wind that blows no good in these programs to relieve unemployment, in that they are helping to provide facilities otherwise impossible for communities to obtain.

The assurance from the hon. Minister of Telephones recently, that improved telephone service by means of buried cable and upgraded exchange facilities will be proceeded with in the Vermilion exchange, is certainly good news. This will complete the installation of buried cable service in the Vermilion - Viking constituency.

Returning again to agriculture and the small businessman, agriculture and the fate of small businessmen in villages and hamlets continues to be, of course, of paramount importance in my constituency. The Agriculture Development Fund is good news. As an hon. member on the opposite side of the House pointed out, an underlying problem with farming is the lack of parity prices. He sells on a price level of 1949 and buys at a 1972 level. The small farmer is losing or has already lost his market for eggs, premium broilers and hogs to the big producers.

Mr. Speaker, income from these sources carried along the small farmer at one time and must do so again. If a farmer received a larger proportion of the price when his product finally reaches a consumer our present farm financial troubles would be largely overcome.

I can bear that out, Mr. Speaker, by the fact that on numerous occasions farmers have approached me with financial troubles -- where to receive further financing -- and most of the time it wasn't to finance a program it was to finance loans that they already had. Some of them had received financial aid from as many as three different loaning firms - all legitimate ones. Fair marketing practices with a share of the market for everyone was the original

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purpose of setting up marketing boards which were organized at the request of the producers.

I want to touch briefly on highways. Highways act as an aid to the preservation of the small towns and for the help of the farmers. They also add to the development of the tourist industry in my constituency. I refer particularly to north-south highways in the eastern half of the province, Highways No. 36 and No. 41. These two highways run through my constituency from the south to the north and provide access to, in my mind, the very best holiday area in the province lying in the constituencies of Bonnyville, St. Paul and Lac La Biche -- an area of beautiful lakes, sandy beaches and good fishing. Both highways reach right from the international boundary so are in a very good position to attract streams of tourists from the U.S.

Although during the years, Mr. Speaker, steady progress has been made on these two long highways very much remains to be done. I do hope that the hon. Minister of Highways will see fit to continue and accelerate the work on them. These two north-south highways intersect every east-west highway in the province -- all ten of them, and run through many villages and towns.

Again, in order to help the farmer, considerable acreage in eastern Alberta is now being sown to rape, with many farmers contracting to the rape seed plant, Western Seed Grain Processors, at Lethbridge. Many farmers truck their rape seed to Lethbridge. The continued development of Highway No. 36 would certainly prove a boon to them in this long trip south.

Just a few remarks on one or two areas of concern. It does appear that The Farm Implement Act is still not correcting the ailments for which it is intended. I have had two cases where in the final analysis the farmer would have had to sue the implement company to obtain justice, and what chance does a farmer have against a farm implement manufacturing company? And both of these complaints, Mr. Speaker, concern brand new implements.

The regulation banning the use of snowmobiles in provincial parks I think should be re-examined. I know there was a very good reason for this restriction being brought into force. A good reason for it exists in some parks but not in others, and one of the others is Vermilion Provincial Park. This park is located on the front doorstep of the town of Vermilion -- I can look down into it from my front door. This park provides ideal snowmobiling; there is a lake, valley, hills; being close to town it is an ideal favourite place for families to snowmobile. There are numerous trails through the trees and I can assure the members that no harm whatever was done to the environment. The regulation prohibits snowmobiling in the park but not on the lake; unfortunately you have to pass through the park to get to the lake, and those without trailers or means of transporting their snowmobiles were consequently unable to do any snowmobiling in the park. I think this regulation should be examined to permit use of snowmobiles within some provincial parks -- Vermilion Park particularly.

I am very pleased to report, Mr. Speaker, that various departments of the government have continued the building program previously planned for my constituency. This includes a nine-stall maintenance garage for the Department of Highways at Viking, and a ten-room addition to the Viking Senior Citizens' Lodge. And at the risk of incurring the wrath of the Minister of Federal and Intergovernmental Affairs, I would like to thank the hon. ministers of the two departments responsible, as well as the Minister of Public Works.

The Vermilion Provincial Park, as you are all aware, lies right beside the Yellowhead Highway, which is now open across the west and

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offers an alternate route through the mountains to the west coast. This highway has become very, very popular with tourists. It has been officially opened with due ceremony, and publicity campaigns have been carried on in the east. As a result there has been a very noticeable increase of some 34% in the number of tourists using the highway, which is No. 16 in Alberta. One of the favourite stopping places, Mr. Speaker, on the Yellowhead is the Vermilion Provincial Park, located within a short distance of the highway. This is a very pretty park with a well developed but limited camp site. As a result of the influx of tourists on the Yellowhead highway, accommodation for trailers, campers and tenters has been overtaxed and tourists have been turned away nightly during the peak holiday season. We don't want this to happen to our tourists, Mr. Speaker. There is plenty of room in this provincial park, 2,000 acres, and the facilities required entail little in the way of expenditure -- chiefly the extension of water and power lines. Additional development here is another way to promote the tourist industry, and I bring this matter to the attention of the hon. Minister of Lands and Forests and the hon. Minister Responsible for Tourism.

During the debates, Mr. Speaker, I have been amazed at the attitude of many of those speaking on the government side of the House. Nothing in Alberta seems to please them, yet upon looking across the floor all of the members appear to be well fed, well dressed, in good health. They are, no doubt, well educated, all exude prosperity and wealth, all of this possible in Alberta, and it is quite possible that some of the members over there were born under the Social Credit rule in Alberta. Yet very little is heard in praise for all the good and excellent things provided over the years which are just taken for granted. It wasn't always like this.

It's only 67 years ago that Alberta became a province. During the 67 years we have had two world wars. One of five years duration, and one of six. Eleven years during which all progress stopped, and every effort was made to win the wars. Then too, during the period of the 67 years, there were 10 years of the greatest depression the world had ever known. Thus out of the 67 years of this province's very short history, 22 years were not conducive to progress and development, leaving Alberta only 45 normal years to reach its present advanced stage of development.

And I can give credit to all governments, all the former governments of Alberta for this development that Alberta now enjoys. The Liberals -- 1905 to 1921, the UFA from 1921 to 1935 and the Social Credit government from 1936 to 1971. I hope in a year or two also to be able to add the present Conservative government to this list, and if they deserve it, I surely will.

Of course, there is lots left to do. Changing trends, changing times, result in changing needs, and this is forever creating new problems to meet. It will be forever thus, and even after this Conservative government passes on, there will be plenty left to do, we can be sure of that.

A year ago, Mr. Speaker, I listened with great interest to the guest speaker at a high school graduation. The speaker had been absent for some six years with the FAO, in India, Egypt and the final three years in Rome, Italy. He took as his theme that evening, "Count your Blessings", showing the young people there, just how fortunate we are in Alberta. It is so often true that we have to visit other parts of the world to appreciate all the amenities of life, opportunities and development we have in this very young province.

The January issue of the Alberta Business Journal has an article captioned "Alberta Economy Shows Steady Growth", and this has been quoted before in this Legislature. The article reports growth in every sector of the economy. Farm cash receipts were up 10%,

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manufacturing output increased, building permits set new records, up 43%, retail trade up 7%, coal production up a whopping 68% and so forth. Added to that, Alberta's unemployment rate for February was 5%, compared with 6.3% in Manitoba and 6.1% in Saskatchewan.

In my estimation, Mr. Speaker, never did a government take over a province in better condition, nor have such a solid foundation on which to work. There is just no excuse for low attainment or poor progress. In the future, like the government members, I will condemn that which is left undone, but unlike them, I will praise and support the worthwhile achievements.

Alberta is my province and I am proud of it.

MR. DOAN:

Mr. Speaker, I would first like to add my congratulations to you on your appointment to a very responsible position in this Assembly. I would also like to express my sincere appreciation for the honour and the trust that my constituents have placed in me by electing me to our government. It's indeed a privilege and pleasure to serve under the leadership of our Premier, Peter Lougheed, who is held in such high regard, not only by the members of our government, but by the people of our fair province as well.

Mr. Speaker, I would also like to give credit to our Provincial Treasurer for a budget expressing more than a tedious recital of income and outgo. It is intended for legislative as well as public understanding of government programs and priorities, an important development in the improved planning and effectiveness in the day to day financial management of public services.

Mr. Speaker, having spent a good part of my life working in the interests of rural people, I would like to confine my remarks to problems of a rural nature. My Innisfail constituency lies in a very productive mixed farming area, commonly referred to as the parkland of central Alberta. The fair and progressive city of Red Deer is situated in the centre like a shining gem in the middle of a garden.

Mr. Speaker, my constituency includes four towns, of which Innisfail is the largest with about 3,000 people, as well as three hamlets. The northern part of my constituency surrounds the constituency of the City of Red Deer. Besides the population of the towns, we have about 13,000 rural residents. The assessment for taxation purposes is about \$30 million.

Mr. Speaker, I believe my constituency to be one of the most densely populated areas in our province. The farm land is mostly a deep black loam, very productive under normal conditions. The people generally, both urban and rural, are ambitious and progressive. In the rural area we boast our share of master farmers, and many livestock breeders in our areas have won championships with wide recognition.

Mr. Speaker, in our local government in the county of Red Deer the turnover is almost \$7 million in local taxes and provincial grants for both school and municipal services. Of this amount, the county of Red Deer school district takes the largest share of almost \$4 million. Having just over 4,300 school children, this is costing us almost \$1,000 per student. Mr. Speaker, our Deputy Minister of Education, speaking in Red Deer the week before last, said; we are on the threshold of an age when education can go in one of many directions. No longer is the teacher a disseminator of knowledge, a regulator of behavior, a guardian of peace, and a marker of examinations. Mr. Speaker, some things will have to go if we move in this direction. School boards who concern themselves with the length of a youngster's hair and the cut of his jeans will need to develop a

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broader concept of their duties. Parents will have to enlarge their horizons and education will have to be supported by community effort. Mr. Speaker, in education no one is neutral. The schools are not a separate entity from society. When we talk about obsolescence in our schools, we are talking about a political issue and a social, as well as an educational problem.

Mr. Speaker, in our local rural government, planning and budgeting is very important. To determine the priorities among many requests is difficult. Our objective is always to stay within our budget. Yet a large percentage of other business around us seems to trend towards financing. Mr. Speaker, at times I am confused as to how the formula of the municipal assistance grant is arrived at. One would think that most money was needed where the most people reside. Yet I compare my county, where we have 13,000 rural residents, and receive about \$245,000 in municipal assistance grants. I compare this with the county of Stettler, where there are only 4,800 rural residents, about a third of our numbers, and they receive \$137,000 municipal assistance grant, or almost \$70,000 more than we.

Mr. Speaker, I would like to draw the attention of our hon. Minister of Highways to three locations in my constituency causing our people some concern. The market road running from Red Deer to Delburne, commonly known as the Coal Trail, is a very dangerous connection with the overpass one mile south of the City of Red Deer, having no traffic control, such as lights or turn-off accommodation. Another problem is that we have two highways, Highways No. 42 and No. 54, running east and west through the centre of my constituency. Yet these highways are separated by eight miles where they connect with No. 2 highway. The problem is that traffic coming out of Red Deer, as well as traffic on No. 42 highway from the east, take a short cut, continuing west from the town of Penhold and joining up with No. 54, and thus saving themselves eight miles. But in doing this, they use nine miles of municipal road, causing our county the problem of keeping this road passable. Mr. Speaker, one other area is the main market road into Innisfail from the east, now in very bad condition. This road was built a few years ago under the contingency grant, and under the complete supervision of the Department of Highways of the former Social Credit government. However, there was very poor supervision. All kinds of material went into this road base, making a very poor foundation. Therefore, Mr. Speaker, I maintain it is a typical Social Credit road with no foundation.

Mr. Speaker, rural municipalities are very pleased to see that the grid road system will be carried on. Many people do not realize the cost of upkeep of our heavily travelled market roads. These market roads with gravelled surfaces wear out at the rate of one to two inches a year, and can cost as much as \$1,000 a mile to regravell and maintain. Mr. Speaker, some rural areas are becoming alarmed because their gravel supply is running out. In some parts of our county, we are now hauling up to 30 miles to regravell our roads. The cost of crushing and hauling runs it up to about \$1,000 per mile. By stretching our budget in our county, we are now doing about 10 miles of light surfacing a year, costing about \$9,000 a mile. However, we have over 2,500 miles in all our county, and a good percentage of these miles are school bus routes.

Mr. Speaker, also in my constituency, in addition to increasing traffic and road building problems, we have a large number of oil wells. From the Delburne area in the east where already there are many oil wells, and a new gas well is being developed, to the area west of Bowden and Innisfail where there are many high production oil wells. There is continuous traffic of oil service machinery and heavy drilling equipment. We also have an oil refinery at Bowden. However, this is on the No. 2 highway, and doesn't cause these problems.

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Our county is a member of the Red Deer Regional Planning Commission, from which we receive a fairly good service. They assist us in secondary road planning, traffic counts and look after most of our sub-division problems. I understand all planning commissions in the province, though, are assisted by a provincial grant of 60% of the total cost of all approved projects. I have always said planning may be a necessity in the towns and cities, but sometimes in the country they are called a banning commission instead of a planning commission because they mostly object to anything in the line of rural development.

Mr. Speaker, because of my previous connection with rural government, I have felt it particularly interesting being a member of the Task Force On Provincial-Municipal Planning. This Legislature, in recognizing our request for consideration of our senior citizens' plight, is one step toward our objective of eliminating the basic cost of education from all personal property. Speaking of senior citizens' homes, I feel the restriction which allows a maximum of \$90 for single rooms in senior citizens' homes, and \$80 for a double room is not enough to allow the home to be self-supporting. For the last number of years, our county which carries 75% of the responsibility for our Autumn Glen Lodge in Innisfail, paid out to subsidize them over \$5,000 per year. As a member of our Board of Management, we feel that another \$10 a month per person would carry the cost of our homes.

Mr. Speaker, I would like to mention another problem in my area. The west part of my constituency, known as the Spruceview-Markville area feel somewhat isolated because they have no direct telephone connection with their market centres in Innisfail; even though they are only 16 or 18 miles away. I would ask our hon. Minister of Telephones to give every consideration possible to somehow joining these areas, so as to eliminate the necessity of long distance calls when phoning your merchant in town or your doctor.

Mr. Speaker, I must say something about the Bowden Institute for young people who have gone astray of the law, which is situated in my constituency. Shortly after our election last fall I was asked by an employee to inspect the layout as he was concerned about the waste of money there. I must say that what I saw was discouraging. I went through most of their shops, such as the carpentry shop, the welding shop, body shop, store rooms, juvenile school, dairy barn, etc. All these places were well equipped for instruction. Yet, nowhere did I see any classes or study groups that day.

The juvenile boarding school, a beautifully built and equipped building, capable of accommodating over 100 boys, was closed down and vacant. The dairy farm was also abandoned, even though they told me their milk bill at one time was over \$3,000 a month, and is still over \$2,000 a month. They have 18 fine houses, all beautifully landscaped and sheltered by trees to accommodate the senior staff. Also, a large central steam heating system, at present, employing 5 qualified engineers. A fine new church was also built recently, as well as other dormitories, store rooms and administration buildings.

Mr. Speaker, there are over 100 civil servants and staff there looking after fewer than 100 boys the day I was there. The cost of operating this setup is well over \$1 million a year. I hope this government can make better use of such a fine setup. I feel two or three hundred boys could be taken care of by the same staff. The province's investment there must be well over \$2 million.

Mr. Speaker, I feel some changes should also be made in the regulations, not only for juveniles, but changes in the Criminal Code as well. Where is the penalty for crime any more? Our criminals today are treated like hotel guests at the expense of the taxpayers, and I feel the softer we get, the more advantage they take of us.

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Farm Problems -- Mr. Speaker, if the farmers are to beat the rising costs, they must have a change, they must have to change some of their ideas of farm management as well as financing. With machinery costs skyrocketing, better use of farm machinery might be realized by some form of co-operative working. In my view, the danger to the family farm is not from greedy corporations, but from our own reluctance to change our method of doing business.

Mr. Speaker, from 1945 to 1970, general farm costs increased 8 1/2% a year. The cost of interest on farm working capital, farm mortgages, and mortgage payments, increased at the rate of 20% a year. This rate of interest cannot be tolerated, and some other method of acquiring the use of land and equipment must be found.

I maintain farmers today are in two categories; those inheriting the land and those getting deeper into debt to the farm credit corporations. Costs of fuel, fertilizer, chemical and other farm requirements invariably increase and farmers should look to their own supply organizations. The ratio of farm expenditure to income is expected to increase to 84% during the 1970-80 period. This ratio of farm expenditure to income compares to 47% in the 1945-50 period.

Mr. Speaker, one of our hon. opposition members, said increasing farm prices would raise the cost of living. I maintain farmers are subsidizing the rest of our population with their low prices today. Farmers are also subsidizing as well, productive manufacturers in the east. On the other hand, I am told prices in Canada are possibly subsidized to the extent of about 7%, while in the United States it amounts to about 17%, and in Great Britain over 70%. To increase Canadian farm cash receipts by only 5%, some \$200 million a year would be required in addition to that currently provided by the federal government. I believe our basic problems of agriculture arise through a lack of a definite program in marketing products. The Wheat Board and line elevators should share the responsibility of marketing. Better results would be obtained if the money paid for storage was applied as an incentive in selling our grain. These funds would also have been better used to increase our storage facilities at the seaport, thus enabling us to take advantage of markets when available.

Mr. Speaker, this situation has been adversely affecting agriculture for 25 years, and because of the lack of planning and leadership by governments, the problem still remains. But I am pleased to see our hon. Minister of Agriculture is now endeavouring to rectify these conditions with new proposals.

We are also concerned with foreign ownership of Canadian industry. However, it does us no good to just sit back and complain about our neighbour's ingenuity in seeing a good investment. We must encourage Canadians to invest in their own country, and put more money into Canada. We must put a little of ourselves in as well. Our picneers put their hearts into it -- why not us? I would propose to the Canadian government that Canadians be allowed a tax holiday on dividends from Canadian investments, and this would help to offset the foreign ownership problem.

Mr. Speaker, we are also very concerned about inflation. I believe the only one who benefits from inflation is the Income Tax Department. In fact, the taxpayer is left with less purchasing power after each round of inflation because he finds himself in a higher income tax bracket. What can we, as members of this Legislature or members of the dominion government, do to offset this fight against inflation? I would propose that all increases in salaries be tied to increases in productivity. This would encourage efficiency on behalf of business and labour, and make us all the more conscious of our contribution to our employment and the Canadian economy in general.

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Mr. Speaker, let us remember, we get out of life just what we put into it. Let us put a little more of ourselves into Alberta, the best place on earth!

MR. DIXON:

Mr. Speaker, in rising to take part in this debate I notice that the hon. Provincial Treasurer is getting on his feet, and I know there are one or two on this side of the House including myself that wish to have a few words to say before the vote is taken.

However, at this time, Mr. Speaker, I would like to congratulate the hon. Provincial Treasurer for the very excellent way he gave his Budget Speech the other night. I felt a great deal of concern for him in the early moments of his speech because I know that he was overwhelmed at the time. I am sure he was struck with the feeling that this is one of the most important occasions in his life. I was pleased to see, after his first moment or two of anxiety, how good a job he did in presenting the Budget, and I do want to congratulate him.

I have enjoyed the spirited debate at times in this budget debate, but I feel that some of the hon. members got carried away on both sides of the House, in particular on the other side of the House, with some of their statements. I noticed the hon. Member for Calgary Buffalo referred to the \$199 million deficit as peanuts. Now if he will remember the hon. C.D. Howe who lost his seat when he said; "What's a million?" And here we have a member opposite saying; "What's 199 million? That's only peanuts!" So he had better pay a little bit of attention. Maybe next time there will be somebody else sitting in his seat - the same thing that happened to the late C.D. Howe who was one of Canada's outstanding public people.

I was also amused a little later on when the hon. Member for Stony Plain got up on his feet and made what I thought was a most interesting speech, especially in light of what the hon. Premier said today. I read right from Hansard, Mr. Speaker, and this is the quote from the hon. Member for Stony Plain; "Our Premier, Peter Lougheed has saved Alberta from a floundering debt and has planned new directions."

MR. PUREY:

A point of order, Mr. Speaker.

MR. SPEAKER:

What is the point of order, would you state it please?

MR. PUREY:

Yes, it wasn't debt; it was death.

MR. DIXON:

Well I'm sorry I can only repeat what the Hansard said and this is one of the good reasons we have a Hansard and this is what was in there "floundering debt". Now I can see that the hon. member has seen the error of his ways and if he wishes to correct it - well that's his responsibility. But I am just going to say Mr. Speaker, with this type of new direction by the Premier of Alberta - Albertas' debt is no longer a floundering debt apparently but is on a straight course for the top of a mountain of debt - the largest deficit in our history. And I'll predict if this keeps up, Mr. Speaker, that when this government is out of office in four years time it will leave Alberta with the largest debt in its history. The debt will be equal to our present budget. Now that is some food for thought.

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I have a little more to say about what the hon. Premier said on this point a little later on. I just send out a warning that we don't raise taxes, but we have implemented the highest debt in the history of this province, which will have to be paid for. We are getting less and less taxpayers to pay for that type of debt, because we are always bringing in programs in this wonderful Conservative Socialism that we have. After you reach a certain age you don't have to pay any more taxes so naturally you are going to have less taxpayers to pay for it and they are going to be burdened that much greater.

The hon. Minister of Labour, I'm sorry he's not in his seat - he was there a moment ago but he must have stepped out for a minute. I'm sorry Dr. Hohel - I mean the hon. Minister of Public Works - I can't I'm sure that the hon. Minister of Labour can probably do what the hon. Minister of Public Works said because he said he could walk on water as long as it was frozen. I'm sure that the hon. Minister of Labour can do that. When I hear some of the hon. members going on about the Premier and the Deputy Premier practically walking on water, I would like to tell them a story that will prove to them that the Premier can't walk on water. The most surprised man in Alberta on August 30, 1972, was no other than our hon. Premier. He never expected to get elected Premier -- he is an honest man -- I am sure he would admit that. He never expected to be Premier of this province, and so you can see he was a surprised man and like I say, he is honest and would admit that, and I am sorry he's not in his seat.

In any case, shortly after the hon. Premier was elected the former premiers, Premier Manning and former Premier Strom, said, "Now look, this young Premier has been taken by surprise and we should try and help him," and I'm sure you'll all agree that that is the Christian thing to do. So they thought, "What we had better do is get the new Premier out with us for a day and sort of help him out a bit and encourage him a little." So he was out fishing with them, the two former premiers. The three of them were out in a boat, maybe it was out on the lake the hon. Member for Stony Plain talks about, Lake Watamun.

In any case, they were out in the boat, they were in the middle of the lake and they ran out of bait. So former Premier Manning stepped out of the boat and walked across the water to shore, picked up some bait, came back and kept on fishing. Now this really impressed our new Premier for whom I have every respect, he was really impressed. He thought Premier Manning, now Senator Manning, was a wonderful man, he could really walk on water. Well anyway the bait didn't last too long and they ran out again and, lo and behold, the former premier, Premier Strom, stepped out and walked across the water, obtained some bait and came back, and this really got to the Premier. He thought if they could do that he could do it, so when they ran out of bait again Premier Lougheed offered to go over and get some bait. As soon as he stepped out of the boat, of course, he went right down to the bottom. When he was coming up for the third time, Harry said to Ernest, "Do you think we should tell Peter where the rocks are?" This is what we are going to do in the opposition, I think we should point out that we would like to help in a constructive way and show you where the rocks are, and we may even throw the odd one if it will help you get on the right path again.

I was so amused today when I heard the hon. Premier talking about open government. Seriously Mr. Speaker I've heard nothing during the past three or four weeks that I have been here except people complaining they can't get in to see the Premier. One lady sat around here all last week trying to see the Premier and she hasn't seen him yet. Somebody said -- I believe it was Time Magazine that pointed out that there was a wall with four doors and four assistants and all that, but I still think the best advice that I can give to the Premier is that he established open government so that

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the people can get to him. This is one thing I was proud of when we were on that side of the House, I was always impressed with the fact that people could get to the cabinet ministers and they could get to the Premier. So I am offering some friendly advice, yes, inaccessible, maybe, is the word that the Premier is going to be tagged with by some of the people, some of them from my constituency and I can name other constituencies -- and I'll give names if they are needed -- of people who want to see the Premier and some of the cabinet ministers and haven't been able to see them.

The number one assurance that the Premier talked about today, I think the number one assurance that we have to come out with in this province is some programs that are going to assure the people of what the future is going to be in the province. All we are doing now is, we're going to set up a task force or, we're going to research, or we are going to do something else, but the people want some action and stability in government and I'm sure that the first thing this government should be doing is to come along and say, "this is our program on whatever it should happen to be".

One hon. member, I believe it was the hon. Member for Wetaskiwin, said; "we are greatly concerned about the oil industry in our city of Calgary, and for that matter all over Alberta. We are concerned with the fact that there is no direction being given." I was sorry to hear the hon. Minister of Mines and Minerals say the other day; "we're not going to look at anything as far as the tar sands are concerned until Syncrude gets off the ground." I think we should be welcoming every company that comes up with a suggestion and if Syncrude does not go ahead, we should say -- "look, you are first in line. Syncrude has made a proposal and I think we should be encouraging this."

And this is the reason I asked the hon. minister the other day regarding the Japanese. I think we have just got to go out and sell this oil industry to a greater degree than we are. All we are doing is a lot of talking and no action.

I was pleased to see that the hon. Premier mentioned compensation today. It was the Social Credit Government who was the first in Canada to change legislation and I am sure my honourable friend from Fairview will be pleased to hear this -- that we were the first government in Canada to go beyond the Workmen's Compensation Act and say that people who were injured and permanently injured on low income needed extra assistance. We went beyond what the act said and made a recommendation some six years ago and sure the pension was only \$175.00. But the workmen in this province can at least know that the government was alert and went along with the suggestion that we should do this, and we did it. I am giving full credit to the government opposite that they have seen fit to increase it another \$50.00 and the Premier today even mentioned that they may even consider going beyond that. I congratulate the hon. Premier and I hope that he is able to sell the rest of the members over there on this suggestion.

You know, the Premier is operating I notice a lot differently to what he did when he was over on this side of the House. But isn't it amazing what the responsibility of being in office a few months can do to you. You have a changed situation altogether and he can see it, and he was fair and honest in his talk today when he admitted that it wasn't as easy to make decisions. When you do make decisions you make a few enemies at the same time. I still think that we can work together as a Legislature.

It does bother me a bit when I hear hon. members in particular from the other side of the House saying; "I represent a constituency now that was never really represented prior to this." I think it was the hon. member from Cardston who said "Gee, it's amazing how many people just get elected in time to save the province from going to

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wrack and ruin." I am just saying that we have got to be alert, we are still a young province. A lot of the men opposite came here to Alberta and it is a wonderful democracy we live in, they can run against the government -- against this terrible Social Credit government as they were claiming -- and put it out of office. But you know the thing that scares me is they may want to go back to the system they came from. As long as they stay with what we have got here in Alberta, I do not worry. As long as they start promoting, the things that were so good here that they came to see. But if they were so good here that they would like to change them to what they came from, I do not go for that at all.

DR. MCNEER:

Do you want a crying towel?

MR. LIXON:

No, I am not crying, hon. Minister, I am saying how grateful we are that we have this great province and we would like to work with you. We would like to work with you so you can do a better job, that your new directions will not get off the track.

But I really thought that I would never see the day in my long years here in the Legislature that I would hear the statement that I heard today from the Premier. I was just wishing he was in his seat because I would like to face him when I am saying this; I'm referring to the Premier, number one premier. Here is the statement I take issue with. "It's unfair to have a pay as you go program." What is unfair about a pay as you go program? I think our biggest problem as individuals and as government is, we are spending money beyond our means. I think the hon. member from Innisfail was touching on this problem a few moments ago. But what a statement for the Premier of a province to make, and especially a new Premier, full of vim and vinegar when he says, "It's unfair to have a pay as you go program and it was harmful to this province". Well, if it was harmful, Alberta has been the envy of all Canada because of a pay as you go program. As I mentioned earlier, this \$199 million debt will be equal if this keeps up, to our present budget brought down by the hon. Provincial Treasurer a few days ago. That's something to think about. On top of all that, it has to be paid for at high interest rates. I think somebody pointed out it's \$22,000 a day just for interest, seven days a week. That's a lot of money.

The hon. Deputy Premier mentions building another railway. Well he might be surprised with what I'm going to say now. Sure, we spent a lot of money in building a railway to the north, and I could give some advice to the opposite members, and in particular to my hon. friend, the Minister without Portfolio, who I know is very interested in the north. I think that this government should seriously consider starting a program and in particular -- I was going to say that to the hon. Minister of Highways who doesn't happen to be in his seat. One of the things that the present government is failing in, and when we were the government, failed in was, I don't think we built enough roads to the north. I believe that we should have a crash program to the north to build roads because this is what is going to make the north greater. If the hon. Minister of Highways said to me; "we're going to go into debt for "X" number of dollars over a period of time because it's a crash program to build highways," I think we could see some benefit. Some of the programs that we're bringing in and going into debt for, are just a lot of nonsense. You can't justify them by any stretch of the imagination. I'll touch on one or two of them in a moment.

Any time you have to get resources out, Mr. Speaker, as everyone knows, you have to get transportation. A resource isn't any good if it can't be taken out and can't be used. It's no good to anyone. So

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I see nothing wrong with the roads. I may argue that we maybe could have obtained a better deal financially; that is not my argument. My argument is, and I'm sure the hon. Minister of Tourism will agree with me, that it has meant a lot to his constituency. It's meant new towns, it's meant new employment. Maybe we can consider that if all those four or five thousand people weren't employed, isn't it better to have them employed and us paying interest than having them all on welfare and unemployment insurance? I think it is a much more constructive program.

I notice now there has been a lot said about senior citizens. Isn't it amazing that all politicians are now talking about senior citizens and saving the family farm and everything else? A few years ago it was, what about all the poor people on welfare? Now they want to save the senior citizens. I think it is a very worthy thing, but I have a few senior citizens who don't want to be saved by government -- believe that or not!

Exempt all homeowners, Mr. Speaker, age 65 or over from the 30 mill property tax contribution. Sixty-five years of age and over who are not homeowners, an annual grant of \$50. I have a lot of people of low income in my constituency who will only be receiving \$50 and they will be grateful for that. But I think their gratitude will end when they find out that a few blocks away some property owners will be receiving over \$500 grants - ten times as much. I'm going to have a hard time convincing them that that is fair. I think they'll be looking forward to putting a section in the Bill of Rights to protect themselves from being robbed. I feel that what we should be doing is helping those people who really need help. But passing orders and assistance to everybody because of an age, because their age happens to be 65, to me is not sound.

I thought maybe some of the hon. members, Mr. Speaker, may have noticed this article in the Calgary Albertan this morning -- I find that in my constituency, and I have a lot of people who are on low incomes, who are more concerned about the fact that they are being side-tracked by all these programs. They're saying, "Well, look, you're being looked after financially, goodbye, and don't bother us." But they still want to be part of society and I think the writer in this article I have here expresses this. I'll just read a short paragraph from it, Mr. Speaker:

"First of all, let's explore the bureaucratic myth that people over 65, the so-called senior citizens have passed the point of usefulness, and should be content to sit in the sun and nod when it is nice and have a warm, dry dwelling place when it's cold or wet. These people who have vitality which has sustained this province for many, many years cannot just turn off overnight. Nor can they just shut off the mental processes at 65, the same processes they have used for decades to support themselves and their families and to build a life we all enjoy."

I think that those people, many of whom are well able to look after themselves would sooner see the money used for some worthwhile project rather than worry about government paying their 30 mills. But I definitely say, help those that need to be helped. But don't go overboard in trying to help everybody just because he's over 65. A fellow from Montana said to me the other day: "If I lived in this province, it would be wonderful, if I could just hit 65." He further suggested the opposition should be finding out how you can have everlasting life so you can enjoy it for a long time. And really, that's how foolish it is, when you stop to think about it.

I'd like to turn for a moment, Mr. Speaker, to some promises that were made, and I'm going to make them fairly short. There were so many promises. I'd just like to touch on one or two of the 'now' promises that were made. This promise was made on June 10, 1971, by the present Minister of Municipal Affairs. It has a direct

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relationship to our budget. I'm sorry that the hon. member is not in his seat either, but I'm not complaining. You know, he's a bachelor, and he may have to go out and phone a few of his girlfriends. In any case, he can read Hansard and he can get it from there. I'll just point out, Mr. Speaker, one or two things.

I'd like to touch briefly on the abolition of the municipal assistance grants to municipalities by the province and abolition of the municipal tax levy for the education foundation plan on all residential property, including apartment buildings. Mr. Speaker, this is fine. It sounds good. This is a promise that was made by a member of the 'now' government who is now Minister of Municipal Affairs. The first two steps in the program were abolition of the municipal tax levy for the education foundation program on all the residential property, including apartment buildings. I don't think he'll be too anxious to make that statement now, in Calgary and Edmonton, when it hasn't come true in this budget. Because Calgary is being faced with a \$30 or \$40 increase on the average homeowner, and Edmonton is running a close second, if not a little higher. But the thing that I've really been concerned about, Mr. Speaker, was the second one -- abolition of the municipal assistance grants to municipalities by the province. I have an article here by one of the high officials of the Alberta Municipal Association, and this was a good one, because he claimed that Bill No. 28 which restricts oil and gas revenues allotted to the municipality, was approved April 1, April Fools' Day. Well, if the now government carries out its second promise, and it's by no means other than the Minister of Municipal Affairs, I'm going to say it's doomsday, not April Fool's Day, for our municipalities.

I'd like to turn briefly, Mr. Speaker, to the premium free coverage of senior citizens, which is going to cost almost \$12 million to implement. I say again that this major change will add further burden to a smaller group of tax payers, because tax payers are getting less and less. Those in actual need, prior to this program, were already being assisted. Because, of the 126,000 registered plans, almost half were getting assistance to meet those needs, 20,000 of them had no cost over 65, and 40,000 were receiving subsidy. And I thought this program was a realistic program because it was very close to the ratio of figures covered by people under old age security. About 48% of Canadians over 65 at the present time are receiving subsidy. So our program was taking care of this matter to a great extent, and very close to what the national average is.

I was pleased, Mr. Speaker, to hear today the hon. Minister without Portfolio, Miss Hunley, mention that there may be some changes in the Medicare Plan so that it is more realistic in helping those people who really need the help, rather than to make it a magical blanket coverage for all people who are 65, some who are well able to look after themselves, some who really do want to look after themselves and pay their way, because they are in a financial position to do it. This program is wealthy socialism, not assistance to the needy.

The hon. Member for Wetaskiwin touched briefly on the rising cost of Medicare, and this is another warning I would like to point out to the government because it looks to me that if costs are not held, and keep going up the way they are, they will double in three to four years. I will just touch on one or two costs of the Medicare program as I look over the statement I received the other day from the commission. Obstetricians and gynecologists were paid \$4 million for their services last year. This year they are over \$6 million. General surgeons have jumped from \$5 million to over \$7 million. X-ray and radiologists from \$2 million to over \$4.5 million. And so on and so on. All I am saying is that we should look at some of these costs; and also we should look at some of the extra charges that are being made by some of the physicians in our province. I think we are

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going to have to decide whether Alberta doctors are either going to opt in the program or opt out, as is done in Ontario.

I think it works a hardship on some physicians who are trying to get by without the extra charge and are just billing Medicare for the costs. A lot of people are saying to me and I am sure to the rest of the hon. members, "what am I paying insurance for? I have no guarantee that when I go into hospital, it is going to cover me". I pointed out in a previous debate in this House, Mr. Speaker, that one man was charged \$150 over and above what his doctor received from Medicare, and all his doctor received from Medicare was \$68, so there is something wrong. Either the doctor is really overcharging, or the contract the doctors have with Medicare should be boosted higher than \$68 to the physician to take care of it.

Turning briefly, Mr. Speaker, to the hon. Minister of Health and Social Development, and in particular, the seed money he talked about in the new mental health program, and I am glad he called it seed money, because it is very, very scarce, as far as getting anywhere to solving the mental health problems in this province. The hon. minister stated in the House that \$1.5 million will be spent on improved mental health services. I am sure the hon. minister would have been better off to stay with the program of only helping senior citizens in need rather than helping many of those well able to look after themselves; and use that extra money towards our mental health program. We could have saved, I would say, around \$5 million by bringing in realistic programs as far as our senior citizens are concerned. And this saving could have been passed on to the field that is much more urgent, that of mental health.

I noticed some of the hon. members opposite during the campaign and after, were saying to the public of Alberta, that the Alberta Hospital at Oliver, and the Alberta hospital at Ponoka will not be needed in our future plans, in mental health programs. These hospitals will, and should, play a vital role in any future mental health program; and it is a cruel hoax to say that they are not going to play a part, because I think we should assure the patients, the staff and the communities involved in those hospitals that they are still going to play a vital role in the mental health field of our province.

I was talking to a physician the other day, and I asked him what he thought of it, and he laughed. He said, "You know, it is a wonderful thing. You hear a lot of talk." He used a term 'dogooders'. He said, "you know, the trouble is, if you had a patient in an auxiliary nursing home or general hospital, and if he kicks a window out or some other infraction quickly he will find out he has to go for long term treatment to places like Oliver, Ponoka, Claresholm or Camrose." And so, we are going to need these places, and I think we should be fair in telling them. And as the hon. Member for Ponoka said the other day, himself a member of the government, he is concerned about the fact that they may cut down. As he pointed out, in very good terms, just losing 35 people makes a great impact in the town of Ponoka.

I would like to pass a compliment to the hon. Member for Edmonton Strathcona. The only trouble is that he should be on this side of the House with the free enterprisers. He said public housing was not needed, but private housing was. Well, I wouldn't go so far as to say that public housing is not needed at all. But I agree with him, Mr. Speaker, that we should take a serious look at putting more money into the private housing field than in the public housing field. I know there are constituencies where they are having trouble filling up some of the public housing because of inferior workmanship or other things, or the tenants don't want to be classed in a ghetto. We should encourage home ownership. I am sure the hon. Minister of Municipal Affairs will agree and that he will take my advice, and

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that the hon. Member for Edmonton Strathcona will also do something about it. I will be the first one to congratulate him.

You know a lot of people make great statements to us how we are opposed to helping them get home ownership, and yet those same people won't criticize when you say we are helping to a greater degree those people on subsidized rentals. We should look towards a homeowner's grant to encourage homeownership.

While I am on my feet, too, I would like to congratulate the hon. Minister of the Environment. I got a group of constituents to see him; they had a good hearing, but best of all, he took some action. He carried on a program that we had started and I think he has carried it on with even greater zeal than we did, and I congratulate him for it.

But in my constituency of Calgary Millican, we have all the packing plants that there are in Calgary -- meat packing plants and stockyards -- but we also have a very large rendering plant in the southeast section of our city, and we have had problems with it. These problems have been met by the company itself at the urging of the Department of the Environment, the former minister and the present minister. I think that we are going to be able to control this odour pollution that we have had in the constituency of Calgary Millican. And I would like to congratulate the minister because he gave encouragement to my constituents, and has also, as I say, carried out wherever possible, remedies that will solve this problem.

It is one of the problems we are going to have to solve, because the southeast part of our city, is where the largest growth is going to turn in the next year or two. We are going to be faced with terrific demands for housing in that area, and of course, the odour pollution problem is one of the problems that was holding up some of the development, and I would once again like to congratulate the minister, Mr. Speaker.

I would also like to say that I think the government failed the municipalities this year by only giving them a 10% increase in grants, because if you look at some of the main revenue that they are expecting to get this year, according to the government's own figures it looks like we are having an upswing for the first time in some months, of about 14% in petroleum and natural gas revenues as far as fees, licences, and permits are concerned. And we are also having quite an increase in the royalties, almost 24%. So I don't think that they have been too generous with the 10% grant. I think that they should have given at least 20% of that increase to the municipalities and helped them relieve the taxpayers in all our municipalities. In particular, I can only speak for our own City of Calgary where we are facing quite a tax hike this year.

And so, Mr. Speaker, in closing I would like to say that if the government across the way would like to carry on any type of research program involving people, there is no need to go beyond the constituency of Calgary Millican because I have every type of person from the poor, to the rich. So any time you want to carry on a research program, and if I can be guaranteed the co-operation that I've had from the hon. Minister of the Environment, I am sure that we will be able to solve many of our problems. Thank you, Mr. Speaker.

MR. KING:

Would the hon. member permit two questions?

MR. DIXON:

Yes, go ahead.

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MR. KING:

I would be very interested in hearing from the hon. member whether or not, in the light of the comments which he made, and which have also been made by his colleagues on the other side, namely, criticisms of the borrowing of \$199 million -- I would like to know whether or not this criticism reflects a significant shift in Social Credit philosophy in that it has in the past been directed towards the banking institutions which create this situation, rather than toward the governments which are forced to live with it.

MR. DIXON:

Mr. Speaker, I don't think the hon. member can stand on his feet and say that the banks have created it. It's this government that has created the debt by some of the silly programs they are bringing in.

MR. SPEAKER:

The hon. Member for Calgary North Hill followed by the hon. Member for Hanna-Cyen.

MR. FARRAN:

Mr. Speaker, I knew that it would be something of an anticlimax following the hon. Premier after that statesman-like speech. I didn't think I would have to follow a comic turn, but I will do my best.

The hon. Member for Calgary Millican tells us he is going to teach us how to walk on water like Premier Manning, and he says he is going to tell us where the rocks are. Well there is no need to tell us -- we know where they are -- in the head of the Member for Calgary Millican. I had just better warn him to get out of that head nodding habit he told us about the other day; it might be dangerous. As far as pay as you go is concerned, which he says is his philosophy, I think he must be talking about commissions for real estate -- he can't really be serious -- pay as you go -- because in the real estate business isn't it all on a loan basis except for the commission?

Talking of the budget itself, my thanks go to the hon. Treasurer for the clear and understandable manner in which this budget has been presented. For the members on the other side of the House to say that these blue books, which are so clear in their presentation, could in any way compare to this disgraceful little gray document -- I think it is just impossible. This is open government -- this is closed government. Even here it gives for the first time exact numbers of staff in each department; it was never in the estimates before.

Nowhere is it more difficult to be simple than in the field of public accounts. It is always difficult for a politician to think in simple terms. I know that's so but nowhere is it more difficult than in the field of accounts. I have always found it extraordinary that in public accounts they haven't yet got around to double entry bookkeeping. They always have some strange evolution of single entry primitive bookkeeping where they mix up capital and current accounts without any rhyme or reason.

But anyway, for a first time a giant step forward has been taken to separate current and capital accounts. The next big step [laughter] -- Well what is so funny about that? Everybody else does it. They do it in private business, every corporation in the land does it, but you don't do it because you haven't moved with the ages. The next incredible thing is that the hon. Provincial Treasurer has been able to hold the increase in current account, after only six months in office, to 6.7% when the habit around here in Alberta is to have increases of 14% to 14 1/2% every year for a large number of years. Now it didn't matter much when you had some \$3.08 billion to

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blow. Money was no object - easy come - easy go - so there was no control. But now there is control and I believe that it is a very creditable effort to hold this to 8.7%, and just 3% on the capital portion. If you wanted to use that ancient method of bookkeeping that you seem to like so much then, of course, it would be an increase of just under 10%, which is still far below the 14% to 14 1/2%. We've already been in debate over the way the Treasurer set the program for the new era. We've had editorials congratulating the Premier and his cabinet on his methodical and practical approach and I agree. I think we've kept our cool in the face of quite a bewildering situation when the \$300 million of found money was found not to be there in terms of cash but was mostly in the form of uncollectable debts. In terms of real cash that \$300 million that was bandied around was somewhere between \$20 million and \$60 million. The budget sets an immediate relief to the most hard pressed of our citizens, and then it begins to change the direction of this province in a very, very marked fashion. We are determined to overcome this excessive reliance on the sale of natural resources. This is the tragedy and failure of you guys, my friends on the other side of the House, you extracted all this money, and it's not that you didn't extract enough money from the foreign corporations, that would be the position of the hon. Member for Spirit River-Fairview, but it's that you didn't use the billions of dollars you had since 1947 to build up a long term job providing secondary industries. You blew it, that's right! I mean even in the present you have the same situation, these extractive industries are not labour intensive. So the failure has to be there, you educate the present generation, at great expense, enormous expense. You all talked about the high cost of education at every level, you educate them to high expectations, and then there is no employment for them when they graduate. That is the failure of your government -- that is where you failed.

So our decision is to stimulate industry, particularly agriculture -- to restore the balance as far as we can in the population across the province. The exercise in the budget is simple enough to understand, but for some three years, since the departure of the illustrious predecessor to the hon. Member for Cypress, the hon. Leader of the Opposition -- since the departure of his predecessor to the banking field, there have been deficit budgets. It may have been a coincidence, but they came in with him. I mean he got cut just at the right time. Let's face it. Now, you weep crocodile tears about debt, about mortgaging the future, but it didn't start this year, it started two or three years ago, and there was no alternative if you still wanted to keep this province rolling, because we can't go on forever relying on the construction industry, on building houses for each other, even though you might sell them at 7% commission. You've got to have something that is going to be long term and will be here long after the oil companies are long gone.

The question of these liquid reserves, according to Touche Ross -- I don't know why everybody labelled them a Montreal firm -- they've got branches in Calgary, in Edmonton, they are a very well known national firm and they do a big business in Alberta with private corporations. But this very well respected firm points to there being about \$20 million cash lying around instead of the \$300 million we had been led to expect, and really, this is less than reserves of the Workmen's Compensation Board, do you know that. That is the one thing in this budget I can't understand, why our cabinet and our front bench here have to raise another million dollars from general revenue to lift that ceiling for the permanently disabled when the wealthiest department in this province is the Workmen's Compensation Board. But I understand the difficulty, and from talking to members on the other side of the House, the difficulty has been there for many years, and the Workmen's Compensation Board is not completely under control.

Now, so far as I am concerned, it's right in principle to borrow for capital works. Every business does it. How could you pay cash

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for everything? I mean it's just utterly impossible. Our whole continent is built on credit and on the theory that you pay for something in instalments over its lifetime, and then of course, you are sensible and your payments keep up with the constant dilution of the dollar. We can't change the dilution of the dollar, so why should you be so crazy as to pay for everything in today's dollars, when you know that you could be paying it in part with tomorrow's dollars which will be worth less. And this is why corporations borrow for machinery and buildings and so on. It's wrong in principle to ask the hard-pressed generation of today to pay cash for everything. I mean future generations will use the facilities. They should pay their share and pay their share with the dollars of that day.

Certainly the borrowing must be within the capacity to pay, or to repay and to service in the form of interest. But our present servicing costs about 1.1% of our total revenue, and this extra borrowing will push it up to about 1.8%, which is just about the lowest in Canada. And you should take credit for this, and say: "well yes, this is a proper opposition ploy, say yes." The only reason you can borrow without any qualms is because we didn't borrow too much ourselves while we were blowing in the \$3.08 million.

The hon. Leader of the Opposition talked of white elephants. Well we all know that there was never such an expensive white elephant as the AAR, that railroad, and I believe that the first one to call that a white elephant was the hon. Minister of Telephones last year, and how right he was.

But as the hon. Provincial Treasurer recognizes, and everybody who is a good businessman recognizes, it is wrong to borrow for current or operating accounts, and this I believe will never be done by this side of the House. In a tough year he demonstrates a small surplus. Do you want to know what the experts think our borrowing power is? Professor Eric Hanson, who I agree, has expansionist tendencies -- according to Edmontonians anyway -- gave an opinion the other day that the borrowing power of the Province of Alberta on the present level of the economy is \$2 1/2 billion, which is half the estimated income portion of the gross provincial product. So we are far, far short of that. Our combined and indirect debts, including all the municipalities, all the guarantees are around \$1.6 billion dollars, or about \$1,000 per capita. It's far, far below any danger level. Of course, Alberta hasn't really been debt free for years, I mean these estimates here had \$1.4 billion total funded and unfunded and guaranteed debt, direct and indirect. It is hypocrisy to say that we were debt free. You used to go around boasting about a debt-free province, like the Premier of B.C., while the City of Calgary had a combined debt of over \$300 million. Edmonton had a combined debt of over \$400 million, but you used to boast that the Province of Alberta was debt free. Well, of course, that was a little hypocritical shell game that you were practicing then. Now we must think in terms of the total revenue, the total debt for all Albertans, and this is the spirit in which we must face this provincial municipal fiscal rearrangement. We must think of us all being in the same game together, and not adversaries or different levels of government in conflict.

The thrust and the most exciting part of the budget to me, is the part that pertains to the hon. Minister of Industry and the hon. Minister of Agriculture, in the expansion of our economy in the role of providing jobs, to give more basic underlying strength, because we must have diversification of industry in Alberta if we are going to have a happy future. We must restore prosperity to agriculture, which is the longest lasting of the industries and the most obvious of our alternatives to relying on the sale of natural resources. Agriculture is our second most important industry and the main prop of about one third of our economy. And in our fertile soil, all those thousands of acres with that six and nine inches of black loam,

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we have a clear opportunity. It's clear that the chief obstacle to full production in Alberta is marketing and distribution, and I believe these come far ahead of the improved technology that the hon. Member for MacLeod was talking about.

Our second big potential, which is again recognized by this side of the House in the estimates, is in the field of tourism, clean dollar that requires so little in the form of services from the state. With 200 million of the wealthiest people in the world just south of the border, we lack common sense if we don't attract them up here to vacation among our mountains, our lakes and our parks. We, like the hon. Member for Calgary Millican, would have rocks in our heads if we didn't go out of our way to attract those people up here. They ask for no health services, their children aren't educated by the state or by this state; they leave their dollars and ask for very little in return. Of course, they do expect a happy holiday with some civilized facilities and a warm greeting from Albertans.

After that, we need to get our share of more secondary industries. Here again, I point to this failure of not having used the \$3.1 billion in windfall money in the discovery of oil to better purposes. This source of money, obtained from the sale of oil leases, is largely gone, as the oil plays move further north. We have to make up for lost time in a hurry and compete with other provinces for job producing industries. For many years we have sat back in this province, and apart from allowing ourselves to be regarded as colonial territory for upper and lower Canada to exploit, we sat back and thought that industry would just come here and we didn't have to compete with provinces like Manitoba, Saskatchewan and the Maritimes to attract it here. It's a tragedy for Alberta when it exports natural gas, only to discover that the petrochemical industries settle in Sarnia, to which unprocessed Alberta gas is being exported by pipeline. I can well remember the debates in this House between, at that time, a Liberal opposition and the Social Credit government, where the Liberals were opposing the export of gas and the government said; "well we'll export gas but we'll get the secondary industry in the form of petrochemical byproducts." We never did get it. Sarnia, Ontario got it. We got it to a very small degree -- a few fertilizer plants, and just a handful of plastic plants. As the hon. Fred Peacock is intimated, the time has long overdue for a showdown on freight rates. We've got to have it and soon.

I would like to deal before closing with a few points made by the hon. Member for Wetaskiwin-Leduc. He was talking about the habitual practice of the former government of never really balancing a budget and of covering their short falls by warrants. I think, and I hope, that we are not going to continue that practice. I think it's really sad when you point to, say, only 12% increases -- in your opinion, reasonable -- in hospital and social development estimates, and then forget that you've got another \$35 million over and above that, which you have to pay for by special warrant at a later date. There were 65 in total, but 35 relating to hospitals. The hon. Member for Wetaskiwin-Leduc talked of welfare and the abuses, where one in ten were deadbeats and that we should put a ceiling on welfare at the minimum wage. Well, I just hope, since I'm just a humble member of this government, that that minimum wage of \$1.55 doesn't stay too long, because if there was ever a crime to humanity, it's the lowness of that wage, especially when the federal guaranteed wage is now at \$1.75. If he really thinks that anyone with a family of four could exist on \$1.55 an hour, he's absolutely wrong. It just could not be done.

He criticized the expenditure of \$8 million on the Glenbow Museum in Calgary. Well, this really is a thrust towards trying to promote the tourist industry in Calgary. It's an adjunct to the convention centre in which Calgarians are investing a lot of money. And the hope, of course, is that they will get some of those clean

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dollars from tourists. This is one of the industries on which we can rely, and we do make a big profit in terms of return for every dollar we put into it. So I think that the \$8 million there will be a good and a sound investment. I believe that previous similar investments have been made in the City of Edmonton.

He talked about Medicare and the alarming 40% increase between the first and the second year. Of course, this is alarming. We weren't here between the first and the second year. It took place under the previous administration. But it must be cause for concern, and whereas our predecessors were not brave enough to put any brakes on the possible abuses or misuses of the scheme, I think that we must consider doing it. I'm just talking now as somebody that perhaps sits at the back and is not the architect of policy in the front. But I hear it every day -- that the citizens of Alberta believe that they should at least have to initial an invoice when they leave a doctor's office, or initial some sort of form which will be an authorization slip attached to a subsequent payment. And they would also like to see a total of the account more frequently than once every six months.

The hospital costs are also alarming, and we all tremble at the huge job that has to be faced by the Minister of Health and Social Development. But I do believe that the practice of the former minister of freezing on a 1969 base experience is not the right way to go. I believe that we should have a manual or a guide...

MR. HENDERSON:

A point of privilege. The former minister never did any such thing. The hon. gentleman has stated that twice in this House and it is simply not correct.

MR. FARRAN:

I agree. I meant using the 1969 experience as a base and advancing therefrom. I'm sorry if I gave the impression that there was no increase after 1969. That's not so. But the 1969 experience was used as a base.

MR. HENDERSON:

A point of order, Mr. Speaker. As a matter of privilege, that was not the case either. The hon. gentleman is misinformed.

MR. FARRAN:

That certainly was used as the base in the hospital in which I served, and I've served on hospital boards for seven years, with two different hospitals. If the hon. member wants to tell us afterwards what he thinks the base was, I'd be happy to hear if it was any different. Or how he can account for the differing bed-day rates in different hospitals, if this was not so.

In closing I'll just talk about this one thing. The hon. Member for Olds-Didsbury wept a lot of tears over the cancellation of a \$750,000 budget item for the Human Resources Research Council. Well, I may look at it a little differently from him. I thought that it was a program for poverty stricken professors, and that very little of the money was actually getting to the real poor. And I find that this is part of the difficulty with all these do-gooder schemes. It seems to be very easy to raise money for research, for briefs, for papers about the poor, but it is very difficult to actually do something for the poor themselves.

I think the poor people are beginning to cotton on to this. They are beginning to realize this is big business for people who are not poor. I can see the day if we run out of poor, when we will have

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fellows hunting around looking to see if there are some left, like hunting the surviving buffalo in the 1970's. So I don't believe any of the pccr in my riding will suffer from any cuts in the Human Resources Council. They share my opinion that the ranks of the poor do not include the poverty stricken professors, who wax fat on endless research into poverty. So what I urge you to do now is to vote rather quickly for the budget and get on with the rest of the House's business.

MR. FRENCH:

Mr. Speaker, I beg leave to adjourn Debate.

MR. SPEAKER:

The hon. member asks to leave to adjourn the Debate. I take it the House agrees.

HON. MEMBERS:

Agreed.

MR. HYNEMAN:

Mr. Speaker, I move that the House do now adjourn until tomorrow afternoon at 3:00 o'clock.

MR. SPEAKER:

The hon. minister moves that the House adjourn until tomorrow afternoon at 3:00 o'clock. Do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned. Is there something further?

MR. DIXON:

I would like to ask the hon. minister, Mr. Speaker, if you are planning on a night session tomorrow night, because a lot of us would like to go to the Klondike celebrations tomorrow night.

MR. HYNEMAN:

We had planned on a night sitting, Mr. Speaker.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 3:00 o'clock.

[The House rose at 10.37 p.m.]