

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday Evening, March 8, 1973

[Mr. Speaker resumed the Chair at 8:00 o'clock.]

GOVERNMENT MOTIONS

2. Mr. Miniely moved, seconded by Mr. Dowling.

That this House approves in general the fiscal policies of the government.

Adjourned debate: Mr. Nctley.

MR. NOTLEY:

Mr. Speaker, first of all I want to take this opportunity to commend the Provincial Treasurer for his excellent delivery in presenting the budget. I am not going to commend the budget, because he is going to have enough people on the other side to do that. But I do want to take just a moment to pay a rather special tribute to an announcement he made shortly before the new year where he indicated that the government of Alberta was going to undertake self-insurance as far as the vehicle fleet is concerned. I want to say, Mr. Speaker, that notwithstanding our political differences, I think this move was a wise one, and I congratulate the government for taking it.

In looking over the budget, there are a number of features which I support. First of all, I am pleased with the allocation of some \$25 million this year to the Alberta Housing Corporation, with particular reference to the \$18.5 million which is going to be set aside for public housing development with emphasis on low-income families. Housing has been one of our real problems in this province, especially in the two major cities. But it has also been a problem in those growing communities of Alberta. Two of the most obvious examples are the city of Grande Prairie and the town of Fort McMurray. I had the privilege of spending several days in Fort McMurray towards the end of January, and was really appalled at the housing conditions in that city -- the cost of lots, and the extremely unfair arrangements that the subsidiary company of GCOS works out with respect to mortgages on houses sold to workers. And so I am pleased to see that the government is planning to take at least some steps in the direction of more public housing.

At the same time, one has to acknowledge the rather faltering start -- but at least it is a start -- in the early childhood education program. I am quite happy to see that they are going to include the rural areas in this program. I am not quite sure how they plan to do this, and I will be awaiting with interest the details of the program, especially with reference to the rural districts in the province. But it is a start, and we have to commend them for the start.

There are two other programs which I support, but only advisedly, because I don't think they go nearly far enough. One is the \$1 million for Metis housing development in the province. Certainly that is the very least that we should spend. I think our expenditure should be much, much greater than that. I would remind the members of the Assembly that housing costs being what they are, we are probably looking at something in the neighbourhood of 50 homes. And frankly, that's a pretty meagre beginning. But we have to acknowledge that it is at least a beginning.

Similarly, the much-awaited announcement on rural gas co-ops is rather disappointing. I would have hoped that more money would have been available, but again we will await with interest the details of this program to see what measure of assistance is going to be provided to farm families when they install natural gas in their homes.

At the same time we will be looking forward to what the government comes up with in terms of subsidies on other fuels such as oil and propane, because there will be a number of farms where it will just never be economically feasible to install natural gas. And so we are probably going to have to introduce some kind of continuing subsidy on propane and other fuels if we are going to deal, in my view, in a fair way with this particular matter.

May I take this opportunity to congratulate our two new ministers, the Minister of Consumer Affairs, and the Minister of Telephones and Utilities.

The remarks I would like to make now, however, deal with both departments, in essence. I must confess I wasn't happy when I saw the interview on television the day before yesterday where the Minister of Consumer Affairs was being interviewed. He mentioned that the emphasis of his department would be on education rather than regulation. Well I can appreciate that this might be a proper position to take in the first very few months of the department's life. It seems to me that we have got to get over this rather antiquated notion that consumer protection can be summed up by the phrase, "Let the buyer beware." We have to have regulation.

The hon. Member for Olds-Didsbury, in his speech on the budget, pointed out the shocking practice that has existed in this province where prefabricated home builders have managed to extract pretty healthy down payments from individuals and then have gone bankrupt before the home was completed. I was pleased to see that the minister is prepared to look into that. But I suggest that if we are going to talk about consumer protection, Mr. Speaker, we have to be prepared to do a great deal more than just educate. The consumer today is confronted with such a wide range of alternatives, and such a variety of alternative things that he can spend his money on that education is just never really going to be successful. The government has a responsibility to ensure that basic quality is there, and that there be sufficient regulation to protect the consumer's interests.

There are certain areas of consumer protection which I would hope the new minister will take a close look at, one is the whole matter of insurance. Quite clearly, the scheme we have introduced in this province of compulsory insurance operated by the private insurance industry has not really been a success. Insurance rates have climbed substantially and the review board, or the control board, has not been successful, in my judgment anyway, in protecting the consumer interest. The latest move on motorcycle and snowmobile premiums is belated, but I should point out, Mr. Speaker, that it was only after widespread provincial discontent where hundreds of people had attended protest meetings sponsored by various snowmobile associations in the province, it was only after they had tremendous pressure generated by the individuals themselves that the board took any action. I suspect that if we have to wait for public demand to generate consumer protection, then our consumer protection is not really very adequate.

Of course, I have to put in a plug here for the whole concept of socialist insurance which I know is rather obnoxious to many members in this House. Notwithstanding that, Mr. Speaker, it seems to me that just as the government is moving to self-insurance on its fleet, so the day will come when we will have government auto insurance in the province for everyone. My hope is that it comes soon.

I want to say a few words about the whole question of utility rates in Alberta. The question of Calgary Power, the 15 per cent rate application, is now before the Public Utilities Board. I have said before in this House that I don't believe the evidence I have seen to date warrants the 15 per cent increase.

I would like to point out that those people who are continually worried about inflation should be the first to cry in opposition at any rate increase. Because, when you look at certain basic commodities in your society that are basic price structures, the price of energy, the price of power, the price of steel -- you are looking at prices which affect all other prices, and when these prices go up they are bound to have an inflationary impact on the economy. When you permit the utility rates to rise, then we have to recognize that this is going to fuel the fires of inflation.

Mr. Speaker, again I suggest that if we look at the income of Calgary Power, they are doing well enough that they certainly don't warrant a rate increase at this time. Calgary Power also has some \$40 million in reserve in deferred taxes which I suppose would make the term 'corporate welfare bum' applicable to them. Probably when you look at the generation and distribution of power in Canada, a more appropriate term would be 'corporate dynasty',

because the vast majority of Canadian people are now serviced by publicly-operated power production and distribution utilities. Indeed every province west of New Brunswick, with the exception of Alberta, has public power. It seems to me that any objective review of this matter will lead us to the conclusion that public power is necessary.

But without getting into any more detail about the particular rate application which is now before the board, I want to say something about the Public Utilities Board itself. It seems to me that the argument of some that public ownership of power will eliminate the need for the Public Utilities Board is not a reasonable argument. I maintain there is a necessity for a regulatory agency, regardless of whether the utilities are privately or publicly owned. It seems to me that we should make a number of changes in the operation of the board.

First of all, I would advocate that we expand the jurisdiction of the board to include the municipal utilities and gasoline and fuel oils. The only way we are going to be able to control the rapidly increasing price of gasoline will be to put gasoline under the Public Utilities Board. This is hardly a radical suggestion because the Tory government of Mr. Stanfield in Nova Scotia had lived with the gasoline being under the Public Utilities Board of that province. It seems to me, Mr. Speaker, that this is the kind of move which is necessary.

I refer to the McKenzie Report on gasoline marketing which discussed the marketing of gasoline in this province in very considerable detail. One point that comes out loud and clear when one reads that report is that gasoline pricing is not relevant to the cost of production in Alberta or competitive factors in Alberta, but is rather largely a fixed price determined by conditions which relate to the five major oil companies producing gasoline in the main, but has very little to do with local market conditions or local production costs. So I maintain that we should bring gasoline pricing under the scope of the Public Utilities Board.

The second major change that I would advocate is to flush out the administration of the Public Utilities Board, to provide an adequate research and data collection agency to monitor profits and prices charged by the companies coming under the scope of the board. Now I realize that when one reads the present Act, this is permitted under the terms of the present Act. But, Mr. Speaker, we have not provided the administrative muscle nor the funds to have the kind of research data collection agency which is required to really give meaning to this particular part of the Act. I found it rather disturbing in a sense that we must ask our consumer organizations to engage in a form of confrontation politics with Calgary Power in order to defend the public interest at these hearings. But we are putting the whole thing on an adulatory basis, when if we had research facilities at the disposal of the Board, a good deal of objective research material as to prices and profit could be obtained on a completely objective basis. It seems to me that that information is missing and it could be filled by an expanded Public Utilities Board.

The third change that I would make is to guarantee that when you reach the stage where hearings are going to be held -- and this inevitably is going to take place in any debate over increased prices. When we reach the stage when hearings are held, we should guarantee equity between the producer on one hand and the consumer on the other. Now I realize that the government has provided interest-free loans to several consumer organizations to state their case before the board. I also realize that under the terms of The Public Utilities Board Act the board may award all or part of the costs to these organizations so they can pay back the interest-free loans.

Now I think it should be noted, Mr. Speaker, that the Act says all or part of the cost. They may pay back 10 per cent of the cost, 50 per cent of the cost, a 100 per cent of the cost. In other words, the consumer organization that is going to make a case before the Public Utilities Board has to be prepared to play a little bit of Russian roulette. Perhaps a 100 per cent of the cost will be picked up, but perhaps only 10, or 20, or 50 per cent will be assumed. And when you consider the very expensive nature of preparing briefs to go before a board like the Public Utilities Board, briefs that require a good deal of engineering data, of technical research, you are talking about a pretty substantial expenditure of funds. I have been advised by one of the aldermen of the City of Red Deer that the cost of Red Deer's presentation -- and it's going to deal only with the rate increase as it applies to the City of Red Deer -- would be some \$50,000. Now, Mr. Speaker, it's fine for cities to go out and spend that kind of money preparing a case if it knows it will get the \$50,000 back. But on the other hand, if it only gets \$10,000, \$15,000, or \$20,000 back, then the taxpayers of that community would be left out in the cold unless the

equity between consumer and the producer is guaranteed under the terms of the Act.

Another change that I believe should be made is a change in structure of the board. At the present time we have a three-member board, and in saying this, I do not intend to cast any aspersions on the three gentlemen who are presently members of the board. But it seems to me that we would probably have a better board if two of these members were chosen by the consumer group, two by the producer, two by the government, and that their term be limited to five years. I say limited to a period of five years quite deliberately because the study that has been made throughout North America on regulatory agencies tends to confirm the view that regulatory agencies are extremely influenced by the companies that they regulate. Unless you have a turnover of personnel on the board you are going to have people who are subtly influenced, I am not saying in a dishonest way, by the company that they are set up to regulate in the first place. So it seems to me that there is a good deal of merit in not giving people life-time appointments, but rather having a rotating system of appointment to the board.

Finally, in changing the structure of the Public Utilities Board, I would advocate that all rates, including industrial rates, be made public. It seems to be rather sad, in a sense, that we have a great debate, as we had during the hearings, over whether or not the industrial rates charged by Calgary Power to certain corporate businesses and industries should be released or not. In my view, Mr. Speaker, if we are talking about a public utility, we are talking about a utility that charges a rate. If we know what Mrs. Jones is paying and what Mr. Smith is paying and what someone else is paying we should also know what rate is being paid by the industrial users.

Mr. Speaker, I want to move on from there to discuss the new education finance scheme with particular reference to how it will affect rural communities. One of the things that concerns me about the proposal as I understand it, is that the government is equalizing the yardstick, but in the process they are making unequal the end result. What I mean by that is simply this. We are equalizing the grants that are paid both to rural school divisions and urban school divisions -- so much for elementary students, so much for junior high students, and so much for high school students. But we have eliminated the old sparsity grant feature of the former grant structure which provided an extra grant for rural school divisions, where you had a smaller or a less favourable teacher-pupil ratio, and where distance was a much bigger factor.

I would like to quote, Mr. Speaker, from the report to the Minister's Advisory Committee on School Finance. I am sure most of the members have read the report, but I think there are some important points in it, and I quote.

Nor can we assume implicitly that by equalizing the dollars available per pupil within a school system and among systems we can provide the same services to each child, thereby equalizing educational opportunity.

To meet the educational needs of all students the provincial support program must recognize cost differentials of various programs and recognize the variations in school wealth. It must take into account such factors as sparsity of population and the need for and the cost of special education and compensatory education programs.

Now, Mr. Speaker, page 20 of the same report goes on to say:

It is important to stress that until recently theorists in education finance equated the equalization of dollars with the equalization of educational opportunity.

I think that is a very important point, because in many of the rural divisions the same amount of dollars per student just doesn't buy as much education as it does in a larger urban division. This was based upon the applied assumption that the needs of each and every pupil were identical within a single school system and among many school systems, and that by equalizing the dollars available per pupil within a school system and among school systems, one could provide the same services to each child, thereby equalizing educational opportunity. The report goes on to say:

Today it is generally conceded that educational needs of all students are not identical. Moreover, the provision of the same number of dollars per students of the same educational needs does not necessarily mean that the same services can be provided for those students in every jurisdiction. In its report of October, 1969, the former committee noted that while

fiscal equalization remained a desirable objective, it was doubtful that its achievement necessarily guaranteed educational equalization. It suggested further that a movement towards equalization of educational opportunity could result in instances of fiscal inequality.

R.L. Johns, in Future Directions of School Financing, suggests that to meet the needs of all pupils the financial plan must incorporate cost differentials of various programs and variations in school district wealth among jurisdictions; it must also take into account such things as density of school population, cost of living differences, types of districts and the like.

Mr. Speaker, the new grant system as I understand it appears very fair at first glance because, as I mentioned before, the same grants are applied right across the board. But after talking to a number of school officials in the province, I am quite concerned at what the result of this new scheme would be. I have been advised by the school chairman in Flagstaff County, which is the constituency of the hon. Member for Camrose, that as a result of the new grant structure in that area the school committee will have no choice but to close down rural high schools. They can meet their budget providing they centralize, but because of the way the grant structure is set out, they are going to have to close down the smaller high schools in that particular jurisdiction.

I get the same reports from school board members in the two school divisions in my constituency that when they get down and take out their pen and pencil, they work out their grants structure. It is becoming increasingly obvious that to live within the bounds of this structure they are going to have to close down the smaller schools. Mr. Speaker, I noticed that when the Member for Smoky River spoke on the debate on the Speech from the Throne he said that maybe we can place more emphasis on the school house and less emphasis on the yellow school bus. But what this scheme seems to be doing at this stage is that it is going to cause even more centralization. Mr. Speaker, I am the first to admit that centralization as far as it has come has been necessary. If we still had the little school houses and the four miles square school district we would just have a dreadful system of education in this province. There is no doubt that one of the towering achievements of the former administration was the program which brought in sufficient centralization so that rural youngsters had a chance to receive a high school education.

I think we have to give them credit for that. But, Mr. Speaker, after giving them credit for that let's not go on to the point where we centralize so that young people have to be on a bus two hours going to school, and two hours coming back from school. I think, Mr. Speaker, that is a real issue at this stage. We have gotten to the point where we have healthy centralization, if we go beyond that we are passing the point of no return as far as the quality of education is concerned.

Now how are we going to preserve these rural high schools? The only way we can possibly do it is if the government makes provisions in the grant structure, build it right into the grant structure, to provide additional grants or additional money on a per-pupil basis to those rural jurisdictions. Because in those smaller jurisdictions you don't have the same teacher-pupil ratio. It's impossible to make the money go far. In northern jurisdictions too we have an additional problem when schools are constructed in the north we don't have competitive building. There's a distance problem where contractors bid on a school project from Edmonton they add on the travel cost, which is quite legitimate and quite natural, to come up to the Peace River country. So the money that a school division receives from the school buildings board to build schools in the north simply does not go as far as the same amount of money would around Edmonton. So these are factors that all relate back to the central point I am trying to make, Mr. Speaker. That is, let us not assume just by working out a per pupil grant which applies equally to everybody, that we are getting at what should be our objective. Our objective is clearly a quality of educational opportunities whether a youngster goes to school in Fort McMurray or Fairview or Vulcan, or in Edmonton or Calgary. If we insist on tying ourselves to an equal yardstick we will guarantee that opportunity will be anything but equal.

Another point that I want to make about the school program, Mr. Speaker, is the whole question of the 7.5 per cent guidelines. Now I realize that we do not have an automatic plebiscite, but a certain number of residents can sign a petition and will have a referendum. I would like again to quote from the Minister's Advisory Committee on School Finance. On the second page of that report it says:

The plebiscite provisions of the regulations limiting requisitions should be removed, provided there is some vehicle for the continuous monitoring of the operations of the financial plan.

Well continuous monitoring is one thing, Mr. Speaker. But the kind of program that has been suggested today where you have a referendum, where you have the school boards being caught and their economy being jeopardized is, in my view, quite another thing. What are you going to do when your rural communities pit one community against the other? For the rural divisions if they are going to maintain -- let's take the example of Flagstaff for instance -- all those schools they are going to have to go beyond the 7.5 per cent, which means that they are inevitably going to go to people who will sign a petition in sufficient number that a referendum will be held. And we all know perfectly well what is going to happen in a referendum. It will be turned down, or if by some miracle it passes one year, it is bound to be turned down the next year. The net result is that the school board will be faced with the rather difficult decision of closing one, two or three of these schools. And whatever happens it's not going to be an easy decision. I'm sure we know that in the years past when the initial centralization took place all the problems that this created throughout the province.

But I submit, Mr. Speaker, that because perhaps there has been a change in rural attitude today. In the '50s and '60s rural people tended to assume that all the progress lay with the bright city lights, and that the best thing a young man could do was leave the farm and go the big city and make his wealth. Today there is a very important change in rural Alberta. There is a feeling that they want to preserve the community. There's a pride in rural Alberta and it is going to be a situation where when an effort to remove a local school house they are going to have a far more explosive set of conditions than you had 10 or 15 years ago. I submit that this program, as it is presently outlined, is one which is not really in the interests of rural Alberta. I find it inconceivable that a government which talks as much as this one does about stimulating rural development, about providing incentive through loans in the rural communities to set up agricultural protesting about defending the family farm and about all the other things that we hear about what the Lougheed government is going to do for rural Alberta. I find it inconceivable that this government will bring in a grant structure which will undo all the good of the other programs.

I don't doubt there are many members of the party opposite who think that in the next election they can ride back into office on the coat tails of the Minister of Agriculture. Well, with great respect, it seems to me, Mr. Speaker, that the Minister of Education has set fire to the coat tails of the Minister of Agriculture. It's not only going to be too hot for the backbenchers, but it may even be too hot for the Minister of Agriculture himself. I really suggest that the government re-assess their position and bring in a program which is going to be more consistent with the quality of opportunity for education. I'm surprised that the backbenchers in the Conservative caucus are not insisting that changes be made.

Mr. Speaker, let me say a few words about the new municipal tax plan which has been much discussed. Obviously, everybody is happy with a little bit of a rebate. A maximum rebate under this scheme would be up to \$216, but of course it would be quite wrong to assume that everybody is going to get \$216. I've noticed in the press releases emanating from quarters across the way here a tendency to latch on to this \$216 figure. The fact of the matter is that most home owners in the smaller communities in this province, people with an assessment of \$3,500 or or \$4,000, aren't going to get anything like \$216. It will be 30 mills times that assessment. It may be \$110, it may \$100, it may be \$120, it may be \$150, but it won't be \$216.

I would also like to point out for our farm friends across the way, that that evil socialist province to the east, Saskatchewan, is providing up to \$270 to the farmers in that province by way of a rebate. I'm astonished that our backbenchers from rural Alberta haven't been able to 'up' Mr. Farran and the boys to a figure a little higher than \$270. Really, now, what a terrible, terrible job. I'm sure that next time we can do better than that.

Mr. Speaker, the point that I think has to be made here, and it is one which I find rather troubling, is that the assessment that they have used, \$7,000, is that of an average home, an urban home. Now, that's fair enough -- \$216 to an average home owner. But they've ignored the point that the average rural per capita assessment is about 50 per cent higher than the average urban per capita assessment, and therefore the farmer will not receive anything like the percentage rebate that the urban dweller will receive.

But there is another difference between this scheme and the scheme in Manitoba, which I think is probably a more workable scheme. If you are going to

use a rebate scheme -- I have some doubts as to whether this is the right approach to take. But if you are going to use a rebate scheme, it seems to me that the basic objective should be to try to get money into the hands of people who need it most. That should be the basic objective. You shouldn't be paying all the education tax of retired millionaires, people over 65 or 70 years of age, just because they are retired millionaires. That to me is a bad, bad principle. It seems to me that if you are going to bring in this kind of rebate system you relate it to incomes they have as in Manitoba, so that the higher your income is the lower your rebate will be. So you provide the money to the people who really need it. Now, as I say, I have some reservations about this kind of rebate system because it involves a good deal of book work and duplication of administration and all the rest of it. But, we are going to have all of this Mr. Speaker. It seems to me that at least the program should be related to income.

I have to say as well that the guide line of 7.5 per cent, which municipalities must meet before they qualify for their municipal incentive grant, is rather shocking coming from a government which has just increased its budget by 13.6 per cent. It seems to me that we have a double standard of values here. I can't understand this sort of principle at all. We are going to have a guideline set for the municipalities and for the school boards. At least let that guideline be related to what the government itself is using as a guideline. Can you imagine the problems we would have with our friends across the way if Mr. Trudeau and the boys in Ottawa said, "You know, we are going to say to the Government of Alberta that they must keep their expenditures within 7.5 per cent, or else they lose all the grants under cost shared programs"? Well, good heavens, I can see the front bench down there picketing the parliament buildings, you know. They would be crying "Dictatorship." But here you have the same sort of principle rammed through, without proper consultation with the municipalities and without really sitting down and discussing the program with them.

Mr. Speaker, with great respect to the hon. member who is now our Minister of Telephones and Utilities -- he has been elevated to the cabinet, I suggest that this program really isn't adequate. We ought to go back, send it back to the drawing board, and do what was necessary two or three years ago. And that is to set up a provincial municipal commission representing both the municipalities and the provincial government, and look at the whole question of fiscal cost sharing in this province, to review municipal financing and provincial financing. But let's do that on the basis of partnership with the municipalities, Mr. Speaker, and not as a provincial government which has the constitutional power admittedly, but in my view not the moral right to treat municipalities like a group of undisciplined school children. I find some other rather interesting things in the budget. I notice that while a good deal of talk goes on about the increased highway expenditures, we are cutting back on some of the programs for municipalities.

It is interesting to note that the construction grants for improvement districts are being cut by 6.6 per cent, road construction for MDs and counties being cut by 15 per cent. In other words what I see is the government bringing in a program which is going to make it appear to local residents that all the action is provincial, and the poor little municipal politician is going to be left as the fall guy. Well with great respect, Mr. Speaker, I don't think that's a good policy. I think one of the most dangerous things you can do is to undercut the role of municipal governments.

I listened with great interest today to Mayor Sykes of Calgary on Canada AM and he was talking about the whole question of restructuring the constitution. I don't entirely agree with him, but he said that one level of government that is really pushing too much is the provincial level of government. And I suggest that there may be some element of truth in that matter. We like to talk about how Ottawa is applying too many arbitrary guidelines to the provinces, but I suspect when you look at the realities of power that the real centralization which is most troubling is the centralization at the provincial level. Mr. Speaker, I'm not saying that only applies to this province, I suspect it applies right across the country, but I think we have to look pretty seriously at giving back to the local level of government the power and the authority and the prestige which should go with their very important function in our society.

I see, Mr. Speaker, that my time has run out and I want to conclude my remarks by again saying to the Provincial Treasurer that notwithstanding the fact that I disagree with most of his philosophy, I think he is doing a conscientious job, and as I said, I thought he delivered his speech very eloquently. Thank you.

INTRODUCTION OF VISITORS

MR. SPEAKER:

May the hon. Minister of Culture, Youth and Recreation revert for a moment to Introduction of Visitors?

HON. MEMBERS:

Agreed.

MR. SCHMID:

Thank you, Mr. Speaker. May I introduce to you and through you to the members of this Assembly, a group of young Cubs up there with their leaders. I don't quite know where they are from, obviously they must be here to watch the Assembly in session. I would like to welcome them and would they please rise to be recognized.

DR. HOHOL:

Mr. Speaker, I'm sure everyone in the Assembly would like to meet on closer terms the 22 of them from the Wclf Cub Pack No. 47 with their leader, Jim Carter. They are from the constituency of the hon. Lou Hyndman from Edmonton Glenora.

GOVERNMENT MOTIONS

MR. GHITTER:

Mr. Speaker, I'm pleased to have the opportunity to enter this budget debate, the second budget of the Progressive Conservative Government in this province.

I might say at the outset, Mr. Speaker, that I enter this debate with some trepidation as I recall the ringing phrases, or the note that was sent across to me last year after I was in this debate, and I'm sure the hon. Member for Pincher Creek-Crowsnest won't mind me reading this little note because it is something that has stuck in my mind, and it's going through my mind as I rise for the second time in my career as a politician --

AN HON. MEMBER:

Did you get permission?

MR. GHITTER:

I had the permission of the hon. member to read the note. The note stated, "That was a good speech. Don't slay all the dragons before breakfast, leave some for dinner. Congratulations."

Mr. Speaker, I don't intend to slay any dragons this evening, but I hope the hon. Member for Pincher Creek-Crowsnest will allow me just a few snacks during the course of my address. However, I would like to suggest before embarking on such suggestions that --

MR. DIXON:

On a point of order. I wonder if I could find out if the hon. member in his speech is going to speak about second mortgage costs, because I think he could skip that part of his speech. We've already read it in the paper, and apparently Mr. Ralph Armstrong --

AN HON. MEMBER:

What's the point of order?

MR. DIXON:

Now just a moment -- there's nothing staler than yesterday's news, so I don't think we should have to listen to that part of it.

MR. GHITTER:

On the point of order, Mr. Speaker, I'm happy to address my thoughts to it. I really quite intended to proceed on another attack this evening and suggest

other areas. But the suggestion that has come to me since the newspaper article has shown such great response that I feel that I should detail out my recommendations for the benefit of those who are interested.

I would add though, Mr. Speaker, that if the hon. member feels he knows everything about what I am going to say, there is certainly nothing compelling him to stay here in the Assembly if he feels he knows about it.

Mr. Speaker, I would like to join all the members of this House at this time when I say to you, sir, that you have added immeasurably to the decorum and I'm sure at times to the saneness of this Legislature. We are all indebted to you for your charm, your fairness, your calmness, and your good humour. And I say to you, sir, may your presence be a symbol to all of us resulting in the continuing understanding and respect that all of us have in this Assembly for the process in this democracy in which we serve.

May I also extend my congratulations to the hon. Bob Dowling who, it seems, has fallen and has been elevated in the short period of but one week. I personally regard his responsibilities, Mr. Speaker, to be of the highest priority and I am confident that he will deal with his responsibilities -- with one foot or two -- with the highest ability and intelligence that he has displayed to this Legislature in his work with this government to this date.

I would also like to add my congratulations, Mr. Speaker, to my close friend and colleague, Roy Farran, a most well-deserved appointment to the front bench. I think his yeoman service to the citizens of this province as an alderman and his spearheading the task force on property tax reform certainly has shown his tremendous abilities and leadership. I would like to add, to the hon. member Mr. Farran, that now that I have moved into your somewhat larger office, I would appreciate it if you would take away your somewhat used pipes, your book of poems by Sean O'Casey and your box of Twining's tea.

I would also like to congratulate the hon. Member for Wetaskiwin-Leduc on his elevation to Leader of Her Majesty's Loyal Opposition. I have noticed, Mr. Speaker, that with the leadership and his new responsibilities the hon. member has somewhat changed his attitudes in this House. He now seems to be more compromising. He seems to be more gentlemanly, and probably less volatile. I think that all of this has had a profound effect upon our Minister of Agriculture for he is now assuming the same. I do notice, however, that the hon. Member for Wetaskiwin-Leduc seems to be frowning a little bit more and mumbles a little. But other than that, we all appreciate your efforts, sir, in being able to control adequately the spontaneous and often ill-considered cloudbursts flowing from your colleague to the left.

Mr. Speaker, I have also noted with a great deal of interest the new low profile which has been assumed by the hon. member of the state control party. I wonder could it be that the hon. member is somewhat embarrassed by his colleagues elsewhere in Canada? For what has ever become of the intellectual, high-principled party, known as the NDP, as they sit in Ottawa daily, vacillating back and forth, forgetting about their principles and their election promises as they run the road of keeping...

MR. LUDWIG:

Yes, I missed some of his remarks. Is he apologizing for the Conservative Leader?

MR. GHITTER:

I don't think that requires an answer, Mr. Speaker. In any event, I wonder if the hon. Member for Spirit River-Fairview is somewhat embarrassed by the government in British Columbia that sterilizes land, kicks out an oil industry with unilateral, ridiculous regulations, imposes annexation without plebiscite, and on, and on, as it ruthlessly disarms an entire insurance industry without any of this great input that we hear they are so familiar with in their feeling for people that we hear so much about. Or could it be that the hon. socialist member is somewhat embarrassed by what is happening in Saskatchewan and Manitoba, where taxation is skyrocketing, business is fleeing, government intervention is everywhere and state ownership is growing. No wonder, sir, you are quiet these days.

And now for the Member for Pincher Creek, I say to you I have had my snack, I feel much better, and I will carry on.

Mr. Speaker, these are serious times in the sense of looking at a budget. These are serious times because the pressures upon a Provincial Treasurer to

determine the fiscal future of this province are indeed acute. The uncertainties of our international atmosphere with respect to fiscal policy, the pressure upon the American dollar, the strength of the German mark, all will have an influence upon this province. The uncertainty of federal fiscal policies, as the political instability of the Ottawa situation will well display, again is another uncertainty that our Provincial Treasurer must consider in trying to steer the proper course for the future years in this province.

The uncertainties involved in being a province that is the custodian of energy in an energy-starved world, the policies of other nations when Ottawa is sometimes not overly considered by governments elsewhere and by corporations dominated by other countries, again adds additional uncertainty to the creation of a budget. The continuing expenditures and needs of our people as they look to government to do everything and look to government to be the end-all, again puts severe strains upon any budget and severe strains, I am sure, Provincial Treasurer, upon creating a sound fiscal path for the future of this province.

There are examples in this budget, Mr. Speaker, which disclose to me that our fiscal policies are being directed on a responsible and confident course. It seems to me as I look at the budget, Mr. Speaker, the fact that the 1972-73 budget originally forecast a deficit of \$199 million when, in fact, the deficit was but \$131.9 million, discloses to me fiscal responsibility. The fact that our income accounts surplus will be some \$70 million when the 1972-73 budget forecast a surplus of \$.5 million is another example of fiscal responsibility. The fact that property taxes throughout Alberta will be substantially reduced with the money going directly to the people proves to me we are on a path of fiscal responsibility. The fact that we do not have a sales tax proves it to me as well. The fact that the anticipated deficit of \$139 million that we have forecast for the coming year is well within the financial responsibility of this province again discloses to me that we are on the right track. Yet, Mr. Speaker, before we applaud too readily, let us not forget there are stormy times predictably ahead. I am concerned about the matters that I have already mentioned. I am concerned that Ottawa may place unreasonable controls over the export of our resources. I am concerned that governments are too inclined to accept short range economic policies such as wage and price controls in an endeavour to curb that inflation.

I am concerned that our citizens are again, as I have mentioned, trying to expect too much for the government and quite frankly, Mr. Speaker, in a local sense, I am concerned that our ministers and our Premier are working too hard. They should sit back and have a few laughs from the point of view of the onerous obligations that they have assumed and the long hours that they are working for the benefit of the province. Yes, these are times for concern, Mr. Speaker, and even though the economic predictions for this province are indeed exciting, these are times not for bravado. They are not times for complacency. These are times to count our blessings for being Albertans, and these are times for all of us to pull together to ensure that our pride and satisfaction of today do not turn our thinking away from the economic challenges and the complexities of tomorrow.

The hon. members opposite will be relieved to know that tonight I do not intend to embark on a dissertation about the accomplishments of this government. I am proud to be a part of this government, and I am very willing to let the voters of this province decide at the next election whether or not this government is conducting the public affairs of Alberta in a satisfactory way.

I have, however, some specific concerns, Mr. Speaker. One in particular relates to the new Department of Consumer Affairs, a particular concern that I have looked at for some six months, and one which I wish to bring publicly to the attention of this Assembly.

Mr. Speaker, I am appalled that in Alberta today we are allowing unscrupulous and unethical corporations and individuals to fall prey upon the unsophisticated credit-hungry consumer and receive 30 to 42 per cent interest for their loans. I am appalled that these unconscionable transactions are allowed to continue with no imposition of government. I am appalled that the activities of these individuals and corporations receive the guise and approval of the government under the regulations of The Mortgage Brokers Regulation Act.

The name of the game, Mr. Speaker, is a mortgage rip-off and investors are becoming wealthy in Alberta over the sweat and toil of unsophisticated Albertans who fall dupe to the scheme.

Let me explain to you how it works, Mr. Speaker. Many of you may have seen the friendly face on the television set suggesting that we have money for you.

Many of you may have seen this ad that was in the Journal, and many like it, on September 2, 1972, where it says:

Homeowners - Cash in on one of Edmonton's fastest growing loan services. Borrow for any purpose by way of 1st, 2nd, 3rd mortgages, or equity in Agreements for sale. All loans based on the equity you have in your home. No other qualifications. For cash, easily and quickly -- call us now. We mean what we say about loans.

Then it goes on to talk in terms of, borrow \$1,500, \$25,000 or more, whatever it might be. So the unsuspecting consumer gets on the telephone and phones these people. "Yes, you need \$5,000 to pay your debts. Fine. Come and see us." They bring with them a little form, a form that is supported by this government. It is a form called The Mortgage Brokers Regulation Act Statement of Mortgage-Form 4. It is filled in and the borrower who is getting the \$5,000 all of a sudden finds that to get the \$5,000, the face value of the mortgage will be \$6,500. He finds that instead there will be \$106 in legal costs, and by the time he turns around that \$6,500 mortgage that has an interest rate disclosed on it as some 24 per cent, will reap in his pocket some \$5,000. Yes, he only pays \$40 or \$50 a month, Mr. Speaker, but the fact does remain that he is paying a tremendous amount of interest for the opportunity of receiving this loan. On this particular mortgage, Mr. Speaker, the yield that will go to the people putting out this loan is in excess of 32 per cent, and sometimes it is well beyond the capabilities of the consumer to repay. Sometimes the consumer finds his home over-mortgaged. These people know full well that even if they do have to foreclose they will take the property back, and due to inflation the increase and the valuation of the property will eventually cover their mortgage.

Other examples -- there are countless examples, Mr. Speaker. Try this one: \$2,000 face value, 21 per cent, bonus \$670, legal fees \$88.00, insurance fees \$32.40 -- effective yield to the lender 35 percent.

Another example, Mr. Speaker, is this one. A \$2,000 loan, interest 15 per cent, borrower will receive \$1,050. The effective yield in this mortgage, and it exists in Alberta, is 42 per cent, Mr. Speaker.

This very same issue as I was looking into this matter in the last six months, and as I am sure many of you have read, has also come forward in the Province of British Columbia. The hon. MLA from Vancouver, Mr. Brousson, has done a lot of work in this area. I have talked to him about it. He has given me some examples, and it can be seen in the Hansard from British Columbia.

Examples like this: a \$20,000 mortgage, a \$10,000 bonus plus 24 per cent. A \$2,500 mortgage, a \$500 bonus plus 24 per cent on top of it. A \$5,500 mortgage, a \$2,000 bonus, 20 per cent on a first mortgage. Appalling, Mr. Speaker, from a company that is a basic offender in both Alberta and British Columbia. I am advised in Alberta alone last year it advanced \$3 million in this province and their average rate of insurance varies, I am sure, Mr. Speaker, to between 30 and 42 per cent. Mr. Speaker, my investigation also discloses that in 1972 in Calgary alone this company, or its interlocking companies, foreclosed some 16 times, only 2 of which went through to fruition. As for the others, the consumers were forced to sell their properties to meet the mortgage commitments, resulting in an earlier pay-out of the mortgage to the mortgage company, and resulting as well, Mr. Speaker, in a situation where on an earlier pay-out the interest rate they receive skyrockets from 42 per cent to as high as 70 and 80 per cent.

Mr. Speaker, this is a mortgage rip-off. There is no place for this type of activity in the Province of Alberta. I have discussed this matter with the Chairman of the Calgary Real Estate Board who is very concerned with the situation. Approximately one year ago he came across a mortgage which was yielding to the investors some 33 1/3 per cent. At that time he corresponded with the Registrar of the Mortgage Brokers Regulation Act saying that the Calgary Real Estate Board was concerned. He was then advised by the Registrar, Mr. Speaker, that the 33 1/3 per cent indeed is a mortgage that exists, but that the Registrar had experienced a mortgage in the area of 42 per cent. The Registrar then wrote back and said, and I quote from a portion of the letter:

The writer is aware that there have been some mortgages in Calgary with the effective rate as high as 42 percent. However, when checking into the background of the borrower's credit rating, not too much criticism can be levelled at the person loaning money, under the circumstances.

Well, I can level criticism, Mr. Speaker. I suggest that anyone who has to pay an effective rate of 42 per cent, as they put a second or third mortgage against their property, is not being dealt with fairly. If their credit is that bad,

then I think our Department of Consumer Affairs should be concerned. We should step in and we should look at this, because I don't think it's right.

Mr. Speaker, many will say this is not a provincial matter. Many will say that the Federal Small Loans Act relating to interest controls this situation. Many will say that our regulations in Alberta are better than in British Columbia, that is true. However, Mr. Speaker, may I suggest ten points that I feel would be instructive and helpful to counteract this force which exists in this province and which is doing such an unfair job on many of our citizens.

Firstly, I suggest that The Mortgage Brokers Regulation Act come under the Ministry of Consumer Affairs -- immediately. It may well be the intention of the government to do this, I don't know. But certainly this is a consumer matter and certainly this is an area that should be dealt with under the hon. Bob Dowling -- not to take anything away from what has occurred up to this point -- but I believe it is not a matter to be dealt with in the law enforcement way. It is something to be dealt with by education regulations and it is a consumer matter.

Secondly, I suggest, Mr. Speaker, that this Form 4 that I have mentioned -- it almost takes a lawyer to understand and it is supposed to clearly state the facts to the consumer. I would suggest that this Form 4, which must be signed under present regulations 24 hours prior to the signing of the mortgage, should clearly, right at the very top, say that the effective yield on the mortgage to the mortgage company is 42 per cent. It should stay there and not be hidden with some gibberish at the bottom. The effective yield, the face value, the bonus, all of these things should be stated right out clearly for everyone to see, so that the consumer can well know and not have it hidden in the form that it takes a lawyer to understand. I also suggest that 24 hours is not enough. I think that the cooling off period, the period from which the person first signs this form to the period when they end up in the lawyer's office -- if that be the case to sign the mortgage -- should be a minimum of 72 hours. 24 hours is not nearly enough for a person to obtain advice from another source.

I would suggest -- and this is the strongest area of my suggestion -- Mr. Speaker, as I believe that this is within our jurisdiction to accomplish -- I suggest that we restrict the bonus, the legal and the insurance charges to a percentage of the loan. In other words, a mortgage broker may charge a minimum fee of \$200 on a service that he has provided. On mortgages up to \$10,000 the maximum fee shall be no more than five per cent of the face value of the mortgage; this to include the bonus, the legal and the insurance charges. In mortgages from \$10 to \$20 thousand the maximum total fee that may be taken on that mortgage must be no more than four per cent, and on mortgages between \$20 and \$50 thousand the maximum fee should be no more than three per cent of the face value of the mortgage. In this way there will be control, Mr. Speaker, of some nature at least. It's not fool proof. It means then if the mortgage company wishes to get a higher rate they can't hide it by the bonus. If they are going to get 42 per cent then it's going to be stated on the mortgage for all to see.

I suggest that we make representations to the federal government to amend The Small Loans Act to restrict the percentage yield on loans of this nature. I suggest that we enter into an educational program through the Department of Consumer Affairs whereby people can feel free to come to the department to receive advice as to what to do in this area. I also suggest, Mr. Speaker, that instead of the borrower walking into the law office of the solicitors who represent the mortgage company, a notarial certificate must be signed in another lawyer's office or in a notary's office, whereby he says that he has explained the contents of that mortgage to the consumer and that the mortgagor understood the percentage and the yields; and that notarial certificate must be attached to any mortgage of this nature as a condition of registration at the Land Titles Office. It is no different, Mr. Speaker, than the requirements in this province under The Guarantees Acknowledgement Act where a notarial certificate must be attached to the guarantee to ensure that the guarantor is aware of what he is signing. Certainly the mortgagor must be aware in the very same way. I suggest this as another recommendation to at least ensure that the consumer knows what is happening.

I suggest higher bonding requirements. It seems now that one of the companies that was named in British Columbia by Mr. Brousson in the Victoria legislature has now an application pending to come into Alberta, and the signs are that more companies now that things may get tougher in British Columbia, will be coming into Alberta. We don't need this type of business operation in this province. If we have higher bonding requirements, if we make it a firm requirement that bonding be in the area of \$50,000, at least it will keep the marginal 'highbinders' as they call them, out of Alberta.

I suggest spot audits. I think that the Securities Commission now has the power to do this, but it doesn't. I suggest that we should ensure that the securities people, at least once a year, walk into the offices of any of these some 70 registered mortgage brokers in this province, audit their books and ensure that what they are doing is in a proper area.

I would also suggest that we must have much closer scrutiny by the registrar of The Mortgage Brokers Regulation Act, of people who are coming into this province with the power to say, "No, there is no place for you here, we don't want you in Alberta."

Mr. Speaker, it can be said that we have in Alberta The Unconscionable Transactions Act. And this Act, some would suggest that it would be adequate protection from the point of view of people who fall prey to this type of lending. But this Act does not work, Mr. Speaker, and I only need quote from a letter I received in September of last year from the Ministry of Consumer and Commercial Relations in Ontario. He said to me:

To assist borrowers who end up with an unconscionable deal, we have the Unconscionable Transactions Relief Act here in Ontario, which I believe has been on the statutes since 1950. A copy is enclosed. This Act enables any person who has entered into a money contract, and that includes a mortgage, to appeal to the courts, who have the power to alter the terms and even to order a rebate for having regard to the risk and to all the circumstances, the cost of the loan is excessive and the transaction is harsh and unconscionable. Unfortunately the people who need the protection of this Act seldom are aware of its existence, or being aware of it, somehow cannot seem to afford the legal costs involved to go to court. These same persons can ill-afford to borrow money to begin with, and to save on legal expenses they often allow the solicitor acting for the lender to also act for them. This is a practice that common sense dictates against, we frown upon it, and so does the Law Society, but no one has every gotten around to prohibiting it.

Mr. Speaker, it seems to me that that Act, although it is on our books, just doesn't work from the point of view of the guy on the street who gets into a situation like this, who is in enough financial trouble because of it, and who then has to go into a lawyer's office and plunk down some more money to try and get out of a transaction that he could ill afford.

Mr. Speaker, I certainly feel very strongly that it is time that we did something in this area. I might add though that we do have reputable companies in this area in Alberta. There are many of them, and I have met with the representatives of some eight of them in Calgary. We have discussed it. All of the recommendations that I have stated to them and stated to this House this evening fall within their guidelines, and they would be happy to meet them.

The responsible people who are offering a mortgage brokerage service are not concerned with the regulations that I have suggested. It is the marginal, high-interest type of mortgage broker that I mentioned who is concerned.

Mr. Speaker, I think it is time that we acted in this area, and I certainly recommend these suggestions to the new Minister of Consumer Affairs.

MR. COPITHORNE:

Mr. Speaker, I beg leave to adjourn debate.

MR. SPEAKER:

May the hon. minister adjourn debate?

HON. MEMBERS:

Agreed.

1. Dr. Horner proposed the following motion to the Assembly, seconded by Mr. Topolnisky.

Be it resolved that, the Legislature require the government to set up an Alberta Agricultural Land Use Forum consisting of three Albertans and appropriate staff to hold public hearings and report to the government thereon and to make recommendations regarding agricultural land use.

Further, that the Forum consider, but not be limited to, the following matters:

- (1) The family farm;
- (2) Multi-use of agricultural land;
- (3) The use of agricultural land for recreational purposes;
- (4) The use of agricultural land for urban expansion;
- (5) Future land needs of Alberta agriculture;
- (6) Corporate farms, foreign ownership of land, absentee ownership and communal farming;
- (7) The common ownership of land, agricultural processing and marketing facilities;
- (8) Land use as it influences population distribution in Alberta;
- (9) The extent, if any, to which the historical right of a land owner to determine the use and disposition of agricultural property ought to be restricted.

MR. HENDERSON:

On a point of order, Mr. Speaker, may I beg the indulgence of the House to make a request. We have three members from this side of the House interested in this particular matter, namely the Members for Little Bow, Cypress, Taber-Warner who are unavoidably away from the House attending the funeral of the father of Mr. R. Speaker. I would certainly ask consideration of the government to let this motion stand over for debate on their return.

DR. HORNER:

Mr. Speaker, under those circumstances we agreed to the request from the Leader of the Opposition. We had hoped to move ahead with this motion but that can be let stand. Mr. Speaker, I suggest that we go back to Motion No. 2.

2. Mr. Miniely moved, seconded by Mr. Dowling.

That this House approves in general the fiscal policies of the government.

[Adjourned debate: Mr. Nctley]

MR. COPITHORNE:

Mr. Speaker, it gives me a great deal of pleasure to participate in this budget debate tonight. I want to congratulate you on the very efficient way in which you conduct the conduct in the House, and the fairness with which you rule on the manners of the hon. members in their frustration of doing the business of the House. I also want to congratulate the Provincial Treasurer for the very magnificent way in which he is handling the money affairs of the province, and for the efficient manner with which he has been able to provide for the citizens of Alberta -- a very fine management of the province's money affairs. I think when you read the budget and the Estimates, you have to agree that a great deal has been acquired for the citizens of Alberta by his shrewd ability to handle the affairs of the treasury.

I want to congratulate my two colleagues in their new cabinet posts of Consumer Affairs, the hon. Bob Dowling, and also the hon. Roy Faran in his new portfolio of Telephones.

In my opening remarks I would like to put on the record at this time some things related to my own constituency of Banff Cochrane -- some of the anxieties, some of the happiness that my constituency has.

I want to start first in the Banff Canmore area. The need for a senior citizens home is one of utmost concern: we are making progress to that end in making our presentation to the hon. Minister of Health and Social Development. We also have in that area concerns of housing. These are some of the concerns. On the happy side, we have a \$30 million cement plant constructed in that area, which, Mr. Speaker, will be one of the most modern in North America - clean air, clean water and excellent working conditions. This is a big plus in the area so I suppose, Mr. Speaker, you have to have a little bit of the bad with the good.

I'm sure we are going to be able to serve the housing problems in the area; that will certainly offset the immediate difficulties encountered at the moment.

Of course, Mr. Speaker, the area also has some concerns with the mining industry in the area and the hon. Minister of Industry and the hon. Minister of Mines and Minerals are working very hard, helping to solve that job of the continuation of the coal industry in the Canmore area.

You know, Mr. Speaker, the coal industry to Canmore is very important, leaving over \$1,200,000 worth of payroll in the town. It's a very important industry in any community.

The rest of the constituency, a mixture of ranches and towns -- my constituency goes around three sides of Calgary -- is enjoying the prosperity of a good conservative government in both agriculture and all the various degrees of industry that generate in a rural constituency.

DR. BUCK:

There's no such thing as a good conservative!

[Laughter]

MR. HENDERSON:

Would the hon. Member for Clover Bar please repeat what he said?

MR. COPITHORNE:

Mr. Speaker, it's good to see the hon. Member for Clover Bar is finally seeing the light, even his vocabulary is improving.

Mr. Speaker, the Department of Highways and Transport which I am responsible for, -- it gives me a great deal of pleasure in being able to present to you a report of the progress that we have in that department. The progress we have in developing the platforms that we, the Conservative party, promised the people of Alberta during the election of having economic growth, not only in the large communities but all over the province. The first thing that has to happen in that area is to have a good transportation system

You know, Mr. Speaker, it wasn't too long ago, it was quite a thing to have a train ride, and now it's considered kind of a novelty if you get a train ride. We travel by bus, we travel by air, but it's very important today for the economics of any community to have good roads and a good transportation system in this area.

We have made a plan for the organized development of a transportation system involving all of the Province of Alberta, even those parts of the province, Mr. Speaker, where they didn't look favourably or believe that our government, when elected, could produce that kind of a favourable program for the development of all of Alberta.

We have set out certain priorities because we believe that these priorities will add to the economics of not only the communities involved, but of all of the Province of Alberta. Some of these priorities are the highways in the north part of the province. Firstly, into the Fort McMurray area where the rich tar sands are, and it's estimated, Mr. Speaker, that three-fifths of the known world oil reserves lie in this area.

We also put a very high priority on the Mackenzie Highway leading into the Northwest Territories which is the 'Gateway to the North' and is the one area where there is a linking road from the southern part of Canada. And, Mr. Speaker, I'll be dealing with that priority at later time.

I also want to say to you that we have put a high priority on developing a road from the central part of Alberta into the national parks to give the central part of Alberta a boost in being able to enjoy some of the fine things in life, a boost to the tourist industry which is a very important industry in this province, as well as the spin-offs of having a good recreational area for the balanced economy in the province.

Mr. Speaker, we have also put a very high priority on the road in the southeast corner of the province. Because at the present time there is not a good port of entry from the United States into Canada in this southeast corner of the province, we are going to build a road there. We think it will have a significant impression on the economics of Medicine Hat; and not only Medicine

Hat but all along the southeast part of the province which includes Highway 41. This would make it not only nice touristwise, but will also add to the economic development for agriculture, and other aspects.

Mr. Speaker, on Highway 48, which is on the southeast corner of the province -- we intend to develop this year about 17 miles, probably from Cypress Hills south. This is about as much as can be developed at one time in that particular area. We put very high emphasis on it because the Americans on the other side of the boundary have a very good road up there. The Chamber of Commerce, the businesses in Medicine Hat and in the area feel that this would add a great deal to the ability for a trucking industry to carry their products into the United States to be sold and distributed for the benefit of all Canadians and Albertans.

In 1974 and 1975 we anticipate being able to have that part of the highway completed. It will then be an all-paved road into the United States, and although it is considered as Highway No. 48, it is really a continuation of Highway No. 41 and into the Cypress Park and on down into the south.

We put a very high priority on Highway 63 which goes to Fort McMurray because we expect a high acceleration of industry in that area. And because of the complexities involved in road construction in that area, we feel that it is best to have the road completed before the heavy traffic gets on it. We hope also to have this road completed by 1975 or 1976.

One of the things, Mr. Speaker, in working on the road program last year, was that if we wanted it to rain in a sector, all we had to do was move the highway construction machinery in, and it assured the area of adequate rain for the full time the machinery was there. Mr. Speaker, a number of the contractors have ability to develop many miles of road if the weather is good. But they sometimes get bogged down in one area, and it sort of holds up the general procedure of the construction work. Somewhere else where it likely is dry they are waiting for the contractors to move in. The hon. Member for Pincher Creek-Crowsnest, who is familiar with the developing and building of roads, will know exactly what I am talking about.

The Mackenzie Highway to the Northwest Territories has a tremendous potential for the economy of Alberta. I don't know whether the people in the Edmonton area and in the northern part of the province realize what the potential is and what this means to the servicing ability of the Northwest Territories and the oil industry in the North. But you know we are in this area -- the natural area to service the Northwest Territories. And we've placed a very high priority on the development of the North, and particularly the Mackenzie Highway.

I'm very pleased to inform the House that this year, at the end of the construction season, we hope to have it base coursed all the way to High Level, and that is a pretty ambitious program, to say the least. They are still 118 miles from that point to the 60th parallel. Mr. Speaker, we feel that the help we have received from the federal government has not been sufficient in this area because it's not only to the economic advantage of Alberta to develop this particular road. It's for the economic development of all of Canada to have a good all-paved road into the Northwest Territories to serve the industries and the potentials in that area and give them a ground route in there, rather than everything shipped by air.

[Mr. Deputy Speaker in the Chair.]

It is being used very heavily. The highway now is an all-weather road but is heavily used by heavy traffic and it takes a lot of maintenance to keep up.

This road, although it seems to be a long way away, does provide a tremendous amount of business for the City of Edmonton and for all the towns between Edmonton and the Northwest Territories. It is a very important road in the service of the North and the Northwest Territories. It's a long road. There are 290 miles from Grimshaw to the 60th parallel, and 136 miles are now base-coursed and completed; 113 miles are paved to date, and this will leave 151 miles for paving and 118 miles which will be left to be base-coursed. We are hoping that in the last 118 miles which perhaps the federal government may see fit to share in the program of this development. It is a very important program, certainly for the Northwest Territories. Alberta has always been the supply route used by the Yukon and Northwest Territories. We are committed to maintaining that relationship by the northern highways expansion program, many of which are now unnecessary.

Mr. Speaker, as I spoke before I said that we put a high priority on what is generally known as the David Thompson Highway. This highway, Highway No. 11, goes west from Red Deer to the national park. It will assist the economic development of west-central Alberta. It will open up the marginal gas exploration area and new timber reserves, and will also have tremendous potential for the tourist industry and the possibility for central Alberta people in getting into the national park for recreational purposes.

Mr. Speaker, we hope also that by 1975 or 1976 we will have this road at least base-coursed and a great deal of it will be paved. There are 107 miles from Rocky Mountain House to the Banff Park boundary. There are now 84 miles graded, and 40 miles base-coursed. No part has been paved yet, but we hope to start on that this year.

Mr. Speaker, we have put a great deal of time and emphasis on the leisure time that people have and areas for recreational purposes. We propose to develop a road, and there is a debate now, a private members' debate in the House in which three excellent presentations were given in regard to the Kananaskis Highway.

Mr. Speaker the first time I went to the Kananaskis area is when I was about 12 years old. I remember, at that particular time, going with a pack train and my brother into that area after a heavy wind. I remember that we spent the greater part of the day, two days, as a matter of fact, Mr. Speaker, cutting logs and windfall out of the way. And I enjoyed the remarks of the hon. Member for Pincher Creek on fishing. You know, Mr. Speaker, it was even better than what he described. You had to go behind a tree up on the side of a hill to bait your hook before you threw it into the river. It was dangerous to do it any other way.

But at that time, Mr. Speaker, there was absolutely no development at all in the area other than a forestry trail cut through. There was no power development, and there was no ski development in the area, there was no coal mine development. And I can remember during the early years of the war when they decided to put an internment camp of maximum security in the Kananaskis area where the environmental station now stands. I thought that it was an excellent place to put a maximum security place for prisoners of war. Mr. Speaker, I thought at the time that anybody who walked out of there would certainly realize that Canada was a very big place before he got to Calgary. My uncle and I had the opportunity one day in March to apprehend two German officers who escaped. They were, to my knowledge, the only two who tried to escape from there. We picked them up on the Elbow. They didn't know where they were, there was three feet of snow on the ground -- it is deep-snow country, Mr. Speaker -- and they certainly had had enough of walking in that particular area and were happy to go back to the internment camp.

You know, Mr. Speaker, at that time it would not have seemed very real to have been promoting or having a road go through there. It seemed like it was a world of fantasy, and a very long way from anywhere. There was a lot of game in the area I can remember. Certainly there seemed to be many wonders for a boy riding in the area at that time. But a lot of things have happened since then, as I have said, water power development, coal mining which was developed at Ribbon Creek during the war years, then some oil exploration, lumbering, and then a road was developed through there, firstly as a forestry trail which later became known as the forestry trunk road. It was to actually serve the forestry as a faster way for the use of horses for getting around in the forestry and patrolling it with trucks.

With the advent of leisure time, Mr. Speaker, the people from urban and rural areas discovered the beauty of that area. In fact, they discovered the beauty of all of the foothills east of the Rockies, and they use the forestry trunk road to a great extent today.

It was decided to put a road in that area and I was pleased to report the progress on the Kananaskis. There has been some opposition develop with regard to this, but I am pleased to report to this Assembly that a senior representative of my department has been meeting with representatives of the Kananaskis Action Committee to discuss the proposed Kananaskis Highway. The members of the Kananaskis Action Committee have effectively made known many of their concerns about highways, particularly in the area of the environmental protection. We, in turn, have made every effort to show them that what we are proposing is a rural standard road of the quality of the road from Banff Junction to Lake Minnewanka, not an elaborate highway. Nevertheless, a number of their concerns are valid, and I am pleased to say that we have made a number of changes in our plans that will alleviate some of their concerns.

For example, gentle slopes will be developed wherever feasible to promote revegetation as well as safety. The plans include drainage and erosion control measures along with a program of slope reseeding. Where stream diversions or encroachments are unavoidable, the road design will provide for hydraulic stability and protection of siltation. Stream remodelling methods will be studied by fishlife experts to further minimize any possible environmental damage.

Mr. Speaker, we are currently reviewing the area immediately south of the Kananaskis River diversion to determine if further modification may be feasible to stay clear of beaver dams and other water areas supporting fish. On that portion of the project south of the cleared right of way, that is from the Ribbon Creek ranger station to the Kananaskis Lakes access right-of-way, clearing will be minimized and will be varied as required by topography or for aesthetic purposes.

Mr. Speaker, we have appreciated the suggestions made by the Kananaskis Action Group and, indeed, will continue to consider their suggestions as well as those from any other interested Albertans. Mr. Speaker, I can assure this Assembly that my department and our government have absolutely no intention of making the Kananaskis Highway a heavy commercial high-speed expressway. It will be a scenic road giving our people much needed recreational access to this beautiful valley with a speed limit of 50 miles per hour.

As many of the members are aware, demand is accelerating for recreation areas outside of the national parks. Overcrowding of many of our provincial parks could develop into a heavy serious problem if steps are not taken to add to our recreational resources. In co-operation with other departments and agencies, we will be developing plans for numerous road turnouts, rest areas, viewpoints, nature study areas and camp grounds. We are confident that we will be able to make this tremendous recreational resource more abundantly and safely accessible to Albertans without adversely affecting the natural environment.

Mr. Speaker, we have put a very heavy emphasis, as you have noticed, on the budget for the growth roads of Alberta. With a vigorous thrust by the Department of Agriculture we anticipate and we know the value of the economic growth in rural Alberta to the economy of the rest of the province.

I was amused tonight when the hon. Member for Spirit River-Fairview was trying to point out some punitive cutbacks in the grants structure. Mr. Speaker, he did not mention that there was \$20 million going into the secondary and 900 series roads in this province which will more than take up some of the grant that had been cut back to the local government. Most of the local governments are not, at this time, able to maintain and take care of paved roads that are being put into the areas and we are looking after these for the time being until they have a sufficient number of these roads to warrant the extra expense of having equipment to look after them.

The 900 series roads in this province, Mr. Speaker, as they are developed, will be taken into the primary highway system. We have put a particular thrust in this particular area. As has been stated often in the rural areas, if we don't have a good quality of life in the rural towns, industry won't move in; to have a good quality of life we have to have a good quality of road. In fact, I have to think back on the first few minutes that I was Minister of Highways and had a reporter ask me: "Mr. Copithorne, what qualified you to be the Minister of Highway?" At that particular time I said something like this: "I have lots of qualifications for the Minister of Highways; I've graded a lot of roads, miles of road, with the bottom of my car and the front of my windshield".

I think many of the rural people have felt this way. Where we are doing a secondary road or a highway, we now try to build an access road right into that town, to give them a good street and a quality of life. I am very happy also to say that we have a program this year -- it's not a large one, it's \$1 million -- which will be developed for the street programs for towns and villages throughout Alberta. This will be dealt with on a formula basis of \$20,000 and also, \$20.00 per capita with a \$50,000 ceiling to each town.

Mr. Speaker, this will give each town the potential to develop some quality road within their corporate bounds and improve the quality of life. People will want to move in that area and live and develop industries and economics for the benefit not only of that community, but all of Alberta.

Mr. Speaker, as well we have a major problem to develop more picnic areas and rest areas on the primary highway system. This is a very popular concept and appreciated by travelling motorists. It is nice for the automobile drivers and truckers to have a place to pull off by the side of the road, if they are

tired they can have a sleep, they are not in the way of traffic on the highways creating accidents.

We have in the province 6,870 miles of roads in the primary highway systems. These are numbered from 1 to 59; we have 13,090 miles graded, 5,480 miles paved, 610 miles oil treated. In this year's program we are grading 165 miles, we are base coursing an additional 230 miles -- this is a first layer of pavement, 455 miles of paving, and 885 miles of oil treatment. Now some of the oil treatment will be for a second time, but this is working out very well in the areas where the traffic is not really heavy. Certainly in many of the areas where it has been done a second time, it is almost comparable to pavement. It has a great effect on the economy of keeping the road up and maintaining it. The road doesn't blow away every time a car goes over it at 50 or 60 miles an hour, the gravel doesn't fly off both by cars and when we are scraping the snow off it in the winter time, and in the rain storms there is little moisture to seep into the grade. It is a good economic practice. I have encouraged the municipalities to do this and save themselves a lot of maintenance.

You know, Mr. Speaker, it costs in the neighbourhood of a \$1,000 to \$1,200 a year to maintain our primary highways and in the rural areas depending upon the amount of traffic in the area, it could cost them a similar amount. A saving of this kind in oil treatment is something that certainly is going to accelerate the good road system in Alberta. There are some disadvantages of course, the development of potholes from holes in the roads. But by and large, it serves the area well, particularly if the quality of the soil is of a portion of texture that it doesn't take as much oil as the silted types of soil do. In these areas, while we haven't had the greatest success, it just means that you have to apply more oil to the treatment.

The rural growth road program this year will be 158 miles of grading, 175 miles of oil treating, 185 miles of paving. This will be a very ambitious program. It is certainly welcomed in rural areas particularly where they have some industries developing and where these roads lead into their towns. It is a great feeling of accomplishment to go to these areas after a road has been developed in those communities and to see how the people appreciate them.

We have a very good bridge program, as I said. Mr. Speaker, we have put a lot of emphasis on the development of northern Alberta. Last year we started a bridge at Fort Vermilion which is going to cost in the neighbourhood of between \$5 and \$6 million. We have run into a certain amount of engineering problems in the area. With a project of this kind, because the depth of the river in that particular area is about 65 feet, and there isn't a base, a bedrock area. They have to put pilings down well over 100 feet in the sand and silt under the Peace River in order to get good footing. This has created quite an engineering problem, but I am happy to report to the House that we are making good progress in the development.

This year we hope to get started with the Maple Avenue Bridge in Medicine Hat. This should certainly help alleviate the transportation problems in that city from one side of the river to the other and aid in its economic development. Certainly, Mr. Speaker, it will be timed well with the natural growth in industries that the Department of Industry is able to locate in that area. They will not have traffic problems there.

In Lethbridge, a new bridge will be built opposite the university, opening up a whole new area on the south side of the river for the development and expansion of that city. It will be very compatible with the development in the area of the university. It was announced last fall by our Premier that we would proceed with it. It's being programmed ahead as quickly as possible. We hope by 1974 or 1975 that the Maple Avenue bridge in Medicine Hat and the bridge in Lethbridge will be completed. We are also building a bridge at Whitecourt across the Athabasca River.

This year's program will see ten railway grade separations. Seven have been approved, Mr. Speaker, by the Department of Transport in Ottawa who will pay 75 per cent of the funds toward these. Three are pending. We are building 31 other medium-sized bridges throughout the province.

Mr. Speaker, it might be interesting to the hon. members in this House to know that there are approximately 11,120 bridges in this province. Of these, 4,540 are smaller standard type bridges, 5,410 are large culverts in lieu of bridges, 1,203 are major or semi-major bridges.

Mr. Speaker, there has been a great deal of pressure for a bridge north of Lloydminster on the meridian road. I would like to say that Alberta is willing

to share on a one-third basis with Saskatchewan and the federal government the building of this bridge in the future.

If Alberta is to maintain its unique character plus encouraging decentralized economic development, we must pursue a road construction policy of linking all Alberta, not just the major urban centres, which seems to have been entirely unacceptable. Such a broad highway policy requires co-ordinated, advanced planning. We've completed and done a great deal on this five year plan. Why? First of all, Mr. Speaker, it was necessary to have a plan in which we could have guidelines on the development of a artery system. It's almost like the human heart and blood streams of the growing province.

And there were other advantages as well in developing a five year program. First of all, at budget time I recall, Mr. Speaker, many of the members opposite encouraged an aggressive road building program in the province. But you know, Mr. Speaker, this cannot be done without an adequate budget, or without a good Provincial Treasurer who is able to supply that budget, or without some pretty good colleagues who can run a tight ship in order to run a good financial situation. But looking down the road five years, Mr. Speaker, and hoping to have this kind of a program finished at that time, it wasn't too hard to catch the imagination not only of the Provincial Treasurer but of each one of my colleagues in drawing up a reasonable budget for highway development throughout the province.

There will have to be a certain amount of flexibility in the development of this program because situations that develop all the time have to be dealt with. But by and large the plan is there, and we will be generally following that kind of a program. It has a very good guideline in the development of rural towns, combined with the program that we have for rural towns and villages throughout the province.

Motor transport and commercial bus traffic; a full-time highway traffic board chairman has now been appointed. This was long overdue. And that new chairman is a person with the name of Orville Griggs. He has been with the department for over 30 years, and certainly understands the transport business very adequately. We are now reviewing all the current regulations and the problems associated with the cartage industry in Alberta. There will be some major changes in the coming year, and I am sure that some of our hopes of better treatment throughout the other provinces in Canada and throughout the United States are one of the goals that we are aiming at.

This will create a more equitable and competitive base for Alberta's trucking industry. You know, Mr. Speaker, with the number of railways abandoned the trucking industry has become one of the major and most important modes of transporting wares and produce, particularly farm products, oil products, and other products of need, to communities. Consequently today it's not as important to be situated on a rail line, as long as there is a good road system nearby. I think that some of the developments the hon. Minister of Agriculture announced -- oil plants, seed plants, and pelleting plants -- are industries, Mr. Speaker, that were quite lucrative over the last five or six years. But now, through the advance of agriculture and technology in shipping, they have become businesses that are important in the Province of Alberta. Certainly, Mr. Speaker, the rapid growth in the rapeseed industry alone has created a whole new series of industries that we didn't have five years ago.

Mr. Speaker, last summer when I flew to Fort Vermilion to look at the bridge program, it was one of the greatest trips I have ever had in my life. The rape was all in flower and you don't realize what a tremendous amount is produced in this province until you have had a look from the air at the fields.

We're going to be tightening up on the operative authority of issuing practices, especially with regard to out-of-province trucking operations. We're going to work towards a 72,000 pound carrying capacity on all of the primary highways. Now, Mr. Speaker, we had some problem in this area because some of the bridges couldn't carry the extra weight, and many of the rural roads are still, and will be for some time to come, incapable of carrying this kind of capacity. But if we can have a road program, a road system, that will, on the main arteries carry a 72,000 pound load, it will be a pretty good load.

Now I know that there are pressures for higher rates, and it's easy enough to talk about that, Mr. Speaker, but you know, it's going to cost extra money to build roads that will carry this kind of weight. However, there will be some areas where we will be doing more experiments with the technology of building better types of asphalt, and that is continuing all the time.

We're examining more centralized control of the road bans and the weight enforcement. Because of the extensive mobile home industry, we will maintain the 12 foot maximum width with special precautions according to, and allowing for, special 14 foot widths under special conditions and permits.

Wider loads create hazards to other motorists, also structures are endangered. Mr. Speaker, we have had to close the Whitecourt Bridge due to a wide caterpillar tearing out several of the girders on that bridge and making it unsafe. In fact, Mr. Speaker, we were very lucky that a bus loaded with people didn't cross it. It happened at a time of the day when there was little traffic across the bridge, and it certainly wasn't safe for anybody to travel. We were very fortunate.

We also had a bridge burn up on us last winter. Somebody had a high load and knocked the top of the hay off, and some helpful person came along afterwards and set fire to the hay and the bridge went up in smoke.

[Laughter]

Well, Mr. Speaker, it may seem a little humorous but the people in that area were without a bridge for a while and -- you know -- some people don't lose much pride on some of the problems that they create by their careless habits.

The triple trailer experiments on Highway 2 have been quite successful. There will be no chance of this experiment being allowed on any of the other type of roads -- only those that are divided.

Bus routes have played an important part in the moving of people due to the withdrawal of the railroad. We are open to experiments on ones that are not being serviced by buses. The Greyhound Bus Lines service the major part of all of Alberta, probably give the only all-inclusive service to most of the areas in Alberta. Some of these are very profitable routes, and some are operating at a deficit. Averaging out, they are doing a very good job giving service to people in rural communities throughout Alberta and moving the people who have not a car, or do not want to drive to the communities to which they commute.

[Mr. Speaker resumed the Chair.]

There are indications of federal moves to exercise some control over truck transport. I attended a meeting of all the transport ministers in Newfoundland last fall. The federal government made a move to co-ordinate sharper requirements for truck drivers under federal jurisdiction.

Mr. Speaker, it looked to me that this meant a lot of paper for truckers to carry with them to meet these standards. It wasn't that the standards they were promoting were so high, but that the book work and the paper work was pretty extensive. Mr. Speaker, being a little bit allergic to paper work myself, I had every sympathy for the truck drivers. I did not want to burden them with having to carry such documents as their birth certificate and other papers that the federal government was going to impose upon them.

We discovered that in Alberta we have one of the highest standards of requirements for truck operators anywhere in Canada. And we have taken it upon ourselves to promote that as a standard; and if other provinces throughout Canada meet that standard, then the chauffeurs of trucks throughout Canada would only have to carry the one trucking chauffeur driving authority.

We are going to be implementing this year a driving licence which will have a photograph on it of the holder, his social security number on it if he wishes, and it will be tamper-proof. Certainly this document in itself should not only be a passport of who he is, but also that he is well prepared to be on the road. This, Mr. Speaker, to me would be much better than having another duplicate of papers handled by the federal government which would really mean nothing, because of the duplication.

I was amazed, also, at that meeting to find out that there is not as much co-ordination between the authorities across Canada in regard to their trucking regulations and their standards as one would think or hope there should be. I am sure we are going to make a lot of progress in this area because it seemed that such a meeting brought about a great deal of ability to communicate with one another.

The provinces, I am sure, will fight to maintain control over their extra-provincial truck and bus routes. Ottawa may be trying to get their foot in the door, but I think that the provinces should have full jurisdiction over this area.

Mr. Speaker, we have added quite a lot to our budget for the development of the metropolitan cities. This year for Calgary and Edmonton the budget is \$6.4 million for those two cities. For the first time, Mr. Speaker, we will be giving those cities some freedom in the use of a portion of that money with regard to their transportation problems.

Now I know, Mr. Speaker, that the problems in the urban centres are quite extensive. If you look at a map, you will notice that the roads lead into the centre of the city, and it has not been a policy in the past, or an engineering practice, to divert or spread the traffic either just inside the city or at the city limits. We are making a study on this and will be trying to develop a plan that will disperse that traffic considerably. We are not only dispersing the traffic of autos, but are also centralizing the people who wish to move into the centre of the city with other modes of traffic, to give the cities of Calgary and Edmonton -- and as our other cities in Alberta grow -- a balanced type of planning. At present the automobile is controlling the planning of Edmonton and Calgary. I don't know, but maybe the planning should be controlling the automobile.

Edmonton and Calgary must decide, as autonomous bodies, the role of the automobile in the future. If the auto's role is to be reduced, then firm -- and I emphasize firm -- alternatives must be selected and developed. Alberta cities must be cautious and not make the same mistakes evident in many of the United States and eastern Canadian cities.

Mr. Speaker, I am going to talk for a few minutes on the use of suspended drivers and the demerit system. I have to believe that this is working very well because you have just to look at the statistics, and it gives you a pretty good run down of its ability to work. You know, in my course of office I receive quite a few irate calls --

AN HON. MEMBER:

I bet you do.

MR. COPITHORNE:

-- from people who get suspensions but I have to believe that it's working. The total number of points handed out in 1972 was 263,377. There were 21,058 courtesy notices handed out, and there were 3,428 demerit suspensions for one month. This is for the first suspension period. Demerit suspensions for three months dropped to 450. This is for second offence suspensions. For third offenders who were suspended for six months it dropped to 75. Mr. Speaker, when you look at the results you have to believe that the system is working, and working well.

We also have impaired driving of which we had a total of 4,962 for six months of last year. In the impaired driving charges for 12 months, the number of second offenders dropped down to 1,058, and for those who were impaired the third time -- these are a little harder learners -- 449. So you see, Mr. Speaker, there is a very significant drop-off in that policy. I have to believe that it is making the roads a safer place for the responsible citizens of Alberta who are driving on them. In a little over 50 per cent of all fatal accidents recorded alcohol is involved in some way or other. There are also, Mr. Speaker, about 30 per cent of the remaining accident figures that can't really be explained. But, you know, I was reading recently the Safety Council figures in the United States where it was estimated that 15 per cent of the fatal accidents were caused by suicide. So, you see, Mr. Speaker, in that 30 per cent you are not quite sure what would be the cause of many of the accidents.

Mr. Speaker, we have had a great number of car thefts in the province. It was quite easy to register a car here in the province and we have tightened up on that, particularly on the people from outside of the province or from the United States who try to register cars. They have to show at least two documents of ownership and their car is also subject to a visual inspection. For proof of ownership we can now check back very quickly to the jurisdiction by computers to see if the papers are in order. We believe that this system will work well.

We are also requiring at least two documents for people out of the province or from the United States who require drivers' licences in this province and they have to prove to us their authority to be able to apply for these licences. We believe this will work particularly well with the combination of the plasticized driver's licence which will be coming into effect some time this year.

We have a new program, Mr. Speaker, in issuing new licences this year. We are going to try it on an experimental basis. Starting on March 15, we will be selling licences on Thursday and Friday evenings up till 9:00 o'clock. This will be only in the Calgary and Edmonton Highways buildings.

I do appreciate, Mr. Speaker, the enthusiasm which the hon. Member for Clover Bar is showing for the progressive report that I am making tonight on the Highways Department.

Mr. Speaker, we will proceed with the selling of these licences at extended hours in Calgary and Edmonton until April 30. At that time we will be dispensing with that particular program because we feel that the rush of licence buying should be over. We will be looking pretty closely at the people running around after that without a blue and orange licence plate on their cars. Of course, Mr. Speaker, I don't hesitate to tell you of the fine and cheap rate at which we are selling the licence plates; they are bargain prices here in Alberta.

DR. BUCK:

Are you trying to tell us they are going to go up next year?

AN HON. MEMBER:

Like dentists' fees.

MR. HENDERSON:

Adjourn the debate. Dcn't overdo it.

MR. COPITHORNE:

Now, Mr. Speaker, there has been quite a bit of -- well, you have got to oil up your boilers once in a while, Mr. Speaker.

This year was the first year of the implementation of The Off-Highways Vehicle Act. Of course, there have been quite a lot of problems as people adjusted to the problems that it brought up and the misunderstandings that happened.

I believe there are some problems that may or may not be proving valid in the insurance rates. This seems to be one of the areas of main contention. We believe from the statistics compiled across Canada, that our policy of not allowing snowmobilers to operate on sideroads, or on ditches or primary highways, is a valid one. Certainly, as far as the roads are concerned in municipalities, whether they are urban or rural, we believe those municipalities know best what their citizens need and what should be done in their local communities.

I believe that it is absolutely impossible to make a flat set of rules in regard to the needs of every municipality throughout Alberta, whether it is urban or rural, in regard to the regulations that they would like. In that way, Mr. Speaker, I believe they should have complete autonomy in deciding the regulations they wish to impose in their area.

The snowmobilers were allowed to use the forest reserve areas and certainly there are other areas as well. They have had a very successful convention here in Edmonton, have made many recommendations, passed some resolutions. Members of the cabinet and members of the snowmobile associations will sit down with us, to discuss their resolutions in depth. That, Mr. Speaker, is democracy working at its finest.

DR. BUCK:

Why didn't you do it before you brought the bill in?

MR. HENDERSON:

You are a year late.

MR. COPITHORNE:

Mr. Speaker, I could enter into debate with some of the hon. members opposite but I have learned by experience from a long time ago that it is hard to argue with little learning.

MR. HENDERSON:

That is a reflection on the speaker, members opposite.

MR. COPITHORNE:

Mr. Speaker, I would like to deal a little bit with some of the problems that arise out of road allowances. You know, Mr. Speaker, I have sat in this House and listened to certain dissertations in this regard that they either haven't taken time to study the way roads are operated or what their purpose was. When this country was first surveyed -- the properties throughout all of Alberta -- there was an access provided for every quarter section in every section in every township in Alberta. This was a good plan, it was a long range plan and it is being accentuated now down into development of small acreages. Before any of these quarter sections can be divided up into smaller parcels -- whether urban or rural -- they have to dedicate a certain amount of property to service that particular property to be sure that it has an access.

Mr. Speaker, there has been a distinction somewhere along the line between urban and rural areas. The urban areas are allowed to -- in Calgary and Edmonton and the major cities of Alberta -- make the decisions for themselves as to whether those road allowances are open or closed. This is within the city. The cities of Calgary and Edmonton and the cities of Alberta do not ask the province whether they can close or open a road.

You know, Mr. Speaker, our primary highway system has almost developed entirely on right of way, where road allowances never existed in many areas. They were developed for safety, easy transportation, to provide a good transportation system. This is a good policy.

However, Mr. Speaker, the rural people were treated somewhat differently. For every road that was to be opened or closed after 1969, permission had to be granted by the provincial government. Mr. Speaker, I am not sure that I can follow the reasoning why the rural people should not be able to designate how those roads are operated or controlled by their local jurisdiction. Because you know, Mr. Speaker, the people who had property along side those roads, until last spring when The Noxious Weed Act was repealed, had to be sure there were no weeds growing, were responsible for how those roadways were kept. That still exists, Mr. Speaker, because the authority was transferred to the municipality who in turn took the maintenance of weed control on unused roads in the area and consequently it reflected back on the taxes that the people in the community had to pay.

Mr. Speaker, those particular roads, I believe, should come under the jurisdiction of the local authority. It is my belief that probably rural and urban people are not too different. They have the same ability to govern themselves and govern themselves well, and to make those decisions well. I am sure it is very difficult for a central government to be able to make a policy that is going to be workable throughout all of Alberta from one centralized point.

Mr. Speaker, I believe in democracy and I believe that that is democracy working at its best.

To sum up, Mr. Speaker, I would just like to commend the hon. Member for Calgary McCall who made, though it is unfortunate that he is not in his seat at this time, a very stirring address on the problems of the road system in Calgary. And he referred to it as highways, and so forth within the city. I thought though, Mr. Speaker, it should have been made when he was on City Council. You know, Mr. Speaker, the hon. Member for Calgary McCall, the hon. member, is approximately five years late in making that speech and in the wrong place on top of that.

Mr. Speaker, in summing up, I would like to say that we are spending this year \$47.5 million on the primary highway system: \$12 million on rural growth roads, \$8 million on bridges, \$4.2 million on municipal and counties, that is a grant; \$3.4 million to the ten Alberta cities outside of Calgary and Edmonton, \$260,000 to the special areas, \$1 million to towns and villages, and \$16 million to the cities of Calgary and Edmonton.

Mr. Speaker, with that kind of budget and that kind of program, I don't know how any of the hon. members can say that the municipalities in Alberta are being short-changed in any way in the development of their transportation.

This government is going to continue to promote industry and diversification of industries and development throughout all of Alberta, not in any one centralized area.

Rural Alberta will receive emphasis on market development roads. Participation by local governments to establish priorities and long-term plans; co-operation with major urban centres in the development of overall transportation plans, a balanced highway system providing equal facilities to all Albertans in all areas of Alberta.

Mr. Speaker, it has given me a great deal of pleasure tonight to participate in this fantastic budget that we have been able to provide for the citizens of Alberta.

MR. FRENCH:

Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER:

I take it the hon. member has leave to adjourn the debate.

HON. MEMBERS:

Agreed.

DR. HORNER:

Mr. Speaker, I move the House do now adjourn until 1:00 o'clock tomorrow afternoon.

HON. MEMBERS:

Having heard the motion by the hon. Deputy Premier, do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until 1:00 o'clock tomorrow afternoon.

[The House rose at 10:27 o'clock.]