

LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday, April 25, 1973

[The House met at 2:30 o'clock.]

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF VISITORS

MR. ADAIR:

Mr. Speaker, it is my pleasure to introduce to you and through you to the members of this Assembly 31 members of the Peace River Air Cadet Squadron No. 124. They are accompanied by their Commanding Officer, Captain R. S. Black, his wife, Mrs. Blanche Black, who incidentally is the Public Relations Officer for the Alberta Committee of the Air Cadet League of Canada, and also an interested parent, Mrs. Ruth Turner.

They are seated in the members gallery and I would ask at this time that they would stand and be recognized.

DR. HOHOL:

Mr. Speaker, I should like to introduce to you and to the Assembly 30 Wolf Cubs from my constituency of Edmonton Belmont. With them are the following people: their leader, Mr. Murray Blakely; the assistants, Mr. Del Golinowski and Mr. Lionel Sabourin; the group president, Mr. Vern King; and also Mr. Sol Sieben.

I commend these gentlemen for their work with these young men in the community and for taking time out to accompany them to the Legislature this afternoon. I would ask them to rise in their places and be recognized by this Assembly.

MR. TAYLOR:

Mr. Speaker, I would like to introduce to you and through you to the hon. members of the Legislature some very distinguished visitors from Strathmore and Rockyford.

First of all we have the First Strathmore Girl Guide Company with their Guider, Captain Mrs. Hendry, and their Lieutenant, Miss Webber. Then we have the Second Strathmore Brownie Pack, in the charge of Mrs. Loretta Van Babel. Also, we have the Rockyford First Guide Company and Ranger Company under Mrs. Jeanette Burke. Accompanying the group is the driver, Mr. Ron Hendricks, Mrs. Hendricks and some chaperones, Mrs. Lydia Sheltz, Mrs. Bev Heckle, Mrs. Vera Hermanson and Miss Debbie Hermanson.

I am sure we are very happy to have this group from Rockyford and Strathmore. I would ask them to stand and be recognized. I am sure we will welcome them to this Legislature.

FILING RETURNS AND TABLING REPORTS

MR. SCHMID:

Mr. Speaker, I would like to table the reply to Question No. 221.

DR. WARRACK:

Mr. Speaker, on behalf of the Minister of the Environment, I would like to table the list of coordinators for Alberta Litter Check Week, April 30 to May 6, 1973.

ORAL QUESTION PERIOD

Tax Reduction Program

MR. HENDERSON:

Mr. Speaker, I would like to address a question to the Minister of Municipal Affairs. I wonder if the minister can advise the House as to whether the matter of reassessment of land values, using for example the situation pertaining to the City of Edmonton, was taken into account in the development of the tax reduction program?

MR. RUSSELL:

Yes it was, Mr. Speaker, and I'll be commenting on that in further detail during discussion of the bill. But the payment of benefit is definitely scaled to assessments.

MR. SPEAKER:

The hon. Member for Calgary Mountain View, followed by the hon. Member for Spirit River-Fairview.

Juvenile Detention Facilities

MR. LUDWIG:

My question is to the hon. Attorney General or the Minister of Health and Social Development. Is there any program or are there plans for providing in the Province of Alberta more facilities for juveniles in detention, either before conviction or after?

MR. LEITCH:

Mr. Speaker, that is a matter that would rest primarily with the Department of Health and Social Development.

MR. LUDWIG:

Supplementary. Has the hon. Attorney General received any requests from any of the police chiefs in Alberta for the provision of added facilities in this regard?

MR. LEITCH:

No, I haven't, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview, followed by the hon. Member for Olds-Didsbury.

Medicare Premiums

MR. NOTLEY:

Thank you, Mr. Speaker. I'd like to direct this question to the hon. Minister Without Portfolio in charge of the Health Care Commission. It's a follow-up to the question asked several weeks ago. In light of the announcement by the Government of Manitoba that they are eliminating Medicare premiums, is the government now actively considering the elimination of health care premiums?

MISS HUNLEY:

No, Mr. Speaker.

MR. NOTLEY:

Supplementary question, Mr. Speaker. Can the hon. minister advise the House whether the government has commissioned a study to determine what

additional administrative costs there are, if any, as a result of the premium structure and the subsidy system we have in Alberta?

MISS HUNLEY:

We have not commissioned a study. We have continuing, ongoing studies and reviews within the commission. We have not commissioned one outside our own faculties.

MR. NOTLEY:

One final supplementary question, Mr. Speaker. Can the hon. minister advise the House whether the commission obtains the net income statistics for doctors' incomes, and also comparative statistics with the incomes of other professions?

MISS HUNLEY:

The net incomes are not readily available to us. They may be provided without we being able to insist upon having them. When we are doing studies, we use available information such as is published by National Health and Welfare records and statistics.

MR. SPEAKER:

The hon. Member for Olds-Didsbury, followed by the hon. Member for the tropical constituency of Calgary Bow.

Craig Case

MR. CLARK:

Mr. Speaker, my question is directed to the Premier. Is the government reconsidering its refusal to take action on the Craig affair as a result of the recent announcement by The Alberta Human Rights and Civil Liberties Association that it will not nominate a member to The Human Rights Commission until the matter is cleared publicly?

MR. LOUGHEED:

Mr. Speaker, the answer is no.

MR. SPEAKER:

The hon. Member for Calgary Bow, followed by the hon. Member for Calgary Millican.

Rundle Lodge

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. the Premier. Could the Premier advise which minister of the government was responsible for the decision to tear down Rundle Lodge?

MR. LOUGHEED:

Mr. Speaker, I refer the question to the Minister of Culture, Youth and Recreation.

MR. LUDWIG:

Is he responsible?

MR. SCHMID:

Mr. Speaker, the report on the value of Rundle Lodge was commissioned by the government to an outside committee and the outside committee placed Rundle Lodge in location number 29 out of 30 buildings in Calgary that should be preserved and recommended demolition of Rundle Lodge because of the findings they have come up with.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. Minister of Culture, Youth and Recreation. Could the hon. minister advise which government minister made the final decision to demolish Rundle Lodge?

MR. SCHMID:

Mr. Speaker, the final decision was based on the report by the independent committee and was probably made by the minister of --

MR. LUDWIG:

Municipal Affairs?

MR. SCHMID:

I'm afraid not. Public Works.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. the Premier. Has the office of the Premier or the Government of Alberta been served with a notice of motion and statement of claim regarding Rundle Lodge?

MR. LOUGHEED:

Mr. Speaker, if it has, it hasn't come to my attention as yet.

MR. SPEAKER:

The hon. Member for Calgary Millican, followed by the hon. Member for Drumheller.

MR. DIXON:

Mr. Speaker, my question referred to assessment. I believe the hon. Minister of Municipal Affairs said he would be talking about Edmonton assessment during the second reading today of the bill?

MR. SPEAKER:

The hon. Member for Drumheller, followed by the hon. Member for Calgary Mountain View.

Parole Program

MR. TAYLOR:

Thank you, Mr. Speaker. I have a question for the hon. the Attorney General. Does the provincial government have a parole program for prisoners in provincial correctional institutions?

MR. LEITCH:

As I understood the question, Mr. Speaker, it was whether the provincial government had a parole program for inmates within the provincial correctional institutes system and the answer to that, using the word "parole" in the large sense, is no. Parole, Mr. Speaker, is exclusively within federal jurisdiction.

We do have a number of things which are very similar to parole, for example, day passes which are used to enable inmates in certain circumstances to look for work in preparation for leaving the institute, to attend educational courses of one form or another. We also have temporary absence permits which are very restricted in time, but again they permit an inmate to be absent from the institution for various purposes. But strictly speaking we have no parole program within those institutes because it is a federal matter.

MR. TAYLOR:

Supplementary, Mr. Speaker. Does the National Parole Board consult the Department of the Attorney General in regard to granting parole to prisoners who are domiciled in Alberta prior to their incarceration?

MR. LEITCH:

Mr. Speaker, I would want to check, but I doubt that they do if it is a parole from a federal institution. There is, of course, a liaison between the provincial government and the federal Parole Board with respect to a person's parole from the Alberta correctional institute system.

MR. SPEAKER:

The hon. Member for Calgary Mountain View, followed by the hon. Member for Little Bow.

Calgary Museum Convention Centre

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Culture, Youth and Recreation and it relates to the convention centre and the archives and museum in Calgary. Has the hon. minister had any requests to discuss the matter of increased costs of construction of the convention centre? I am particularly referring to the fact that the Calgary government has to throw in another \$700,000 for its increase. Will the provincial government be giving consideration to increasing its grant related to the increase of the cost of construction of the museum and archives?

MR. SCHMID:

Mr. Speaker, a substantial grant of \$8 million has been provided for the Glenbow Alberta Institute to build a new museum, archives and art gallery in the city of Calgary. I am quite sure the citizens of Calgary are happy with this amount and I do not think we should have to consider additional amounts if there is an increase in costs of the entire convention centre rather than just the museum and archives.

MR. LUDWIG:

Mr. Speaker, a supplementary to the hon. minister. Is he advising the House there will be no adjustment made to the \$8 million grant?

MR. SCHMID:

Mr. Speaker, this is a hypothetical question because we haven't been approached about additional costs or rising costs or anything similar.

MR. LUDWIG:

That is the question I asked the minister the first time, Mr. Speaker, and he didn't answer it.

MR. SPEAKER:

The hon. Member for Little Bow, followed by the hon. Member for Olds-Didsbury.

Health and Social Development

MR. R. SPEAKER:

Mr. Speaker, my question is to the Premier. Will the Premier or his government table the presentation the Alberta Minister of Health and Social Development will make, or is making, in Ottawa at the present time?

MR. LOUGHEED:

Mr. Speaker, it will be tabled by the acting minister on Orders of the Day.

MR. CLARK:

A supplementary question, Mr. Speaker, to the Premier. Mr. Premier, will you also be tabling the results of the public opinion survey you took on welfare and social assistance?

MR. SPEAKER:

Will the hon. member please address his questions to the Chair.

MR. CLARK:

Mr. Speaker, will the Premier be tabling that information?

MR. LOUGHEED:

Yes, Mr. Speaker, at the same occasion through the acting minister on Orders of the Day.

MR. SPEAKER:

The hon. Member for Olds-Didsbury, followed by the hon. Member for Calgary Mountain View.

Sexsmith Rapeseed Plant

MR. CLARK:

Mr. Speaker, my question is for the Minister of Agriculture. I would like to ask the Minister of Agriculture if it is true that the produce from the rapeseed plant proposed at Sexsmith will not be available to farmers in the Peace River country for a period of five years?

DR. HORNER:

Essentially, Mr. Speaker, I would have to check with the operators of the plant, but it is my understanding they had a commitment to sell both the meal and the oil in the export markets. I stipulated at the time I was discussing it with them that we would appreciate at least a portion of the meal production being made available to our livestock industry in Alberta.

MR. CLARK:

Mr. Speaker, is the minister aware that a responsible official of the plant said two weeks ago in Grande Prairie that none of the produce would --

MR. SPEAKER:

The hon. member's question is scarcely appropriate for the question period. The hon. Member for Calgary Mountain View, followed by the hon. Member for Calgary Bow.

Conflict of Interests - Ministers

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Premier, and I believe this is about the third time that I am posing this question. Yes, has the Premier decided to make any statement to the House with regard to a disclosure of conflict of interests of ministers? Would he be making this disclosure before the session is over?

MR. LOUGHEED:

Mr. Speaker, as I said after checking the records and finding no action was taken for some 36 years, we have been working on it. We will have a statement to present to the House before the end of the spring portion of the session.

MR. LUDWIG:

Mr. Speaker, supplementary to the Premier. Would the Premier consider having one of his ministers move Bill No. 217 as a government bill in order that we may have a good --

MR. SPEAKER:

Order please. Order please. The hon. Member for Calgary Bow, followed by the hon. Member for Olds-Didsbury.

Peace River Flood Prevention

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister Without Portfolio in charge of Northern Development. Is it the intention of the

government to assist the Town of Peace River in funding the completion of a diking system to prevent flooding?

MR. ADAIR:

I wonder, Mr. Speaker, would you repeat the last part of that question again?

MR. WILSON:

Is it the intention of the government to assist the Town of Peace River in funding the completion of a diking system to prevent flooding?

MR. ADAIR:

Mr. Speaker, some funding has already been made to the Town of Peace River through the Department of the Environment last year to do the diking that has been done to this particular point. It was done on a cost-sharing basis through the Minister of the Environment.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. minister. Has the government received a formal request for additional funding from the Town of Peace River for such prevention?

MR. ADAIR:

Not at this particular point in time, Mr. Speaker, although I have talked to the mayor and they may possibly be doing that.

MR. SPEAKER:

The hon. Member for Olds-Didsbury, followed by the hon. Member for Spirit River-Fairview.

Sexsmith Rapeseed Plant (Cont.)

MR. CLARK:

Mr. Speaker, I would like to ask the Minister of Agriculture if he has had discussions with the principals in the proposed rapeseed plant at Sexsmith in the last three weeks, to ask them to make produce from that plant available to farmers in the Peace River country?

DR. HORNER:

Mr. Speaker, I don't know whether the question is really in order because I have already answered it. In regard to the discussions that I have had with the principals to try and make available some of the rapeseed meal to the livestock industry in Alberta, I might say to my hon. friend that we expect and hope in the coming years that this won't be the last rapeseed crushing plant that is built. We intend to see to it that there is a sufficient supply of protein meal available.

MR. CLARK:

Mr. Speaker, I assume from his reply to the question, the minister hasn't had the discussions.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview, followed by the hon. Member for Calgary Mountain View.

Central Alberta Processing Plant

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the Minister of Agriculture. Can the minister advise the House whether he has received representation from a group in the central Peace who want a centrally located plant, and further, can he advise the House whether or not he plans to have a meeting with this group?

DR. HORNER:

Mr. Speaker, I am only too ready to meet with all kinds of groups all over Alberta, and I have already indicated that. If the member is referring to the Hines Creek people, I intend to be in the Hines Creek area this summer to meet with them on a number of matters including that of processing plants.

Sexsmith Rapeseed Plant (Cont.)

MR. NOTLEY:

Supplementary question, Mr. Speaker. Can the hon. Minister of Agriculture advise the House whether he has had any discussions with the principals of the proposed rapeseed crushing plant at Sexsmith about equalizing trucking costs for farmers?

DR. HORNER:

This is one of the factors that is being considered in regard not only to the question of the crushing plant proposed at Sexsmith, but also the crushers in the Lethbridge area. And, as a matter of fact, this is one of the areas on which a policy has to be developed in relation to the establishment of processing plants of other kinds, and particularly insofar as perhaps malting barley is concerned. The question really comes down to transportation which is of prime importance to this government.

MR. SPEAKER:

The hon. Member for Calgary Mountain View.

Conflict of Interests - Ministers (Cont.)

MR. LUDWIG:

Mr. Speaker, my question is further to the Premier's answer to a previous question. I did not understand whether the Premier has indicated that the issues being considered by the government are not a policy announcement on the disclosure of conflict of interest of ministers -- is being considered at the present time.

MR. LOUGHEED:

Mr. Speaker, I think it would be about the fourth time I've answered that particular question. The answer is yes, it's being considered. The answer is also yes, that a statement of the position of the government on that matter will be presented to the spring session of the House.

MR. LUDWIG:

Mr. Speaker, what is the delay, since this issue has been held up about two months --

MR. SPEAKER:

Order please. The hon. member is debating. The hon. Member for Drumheller.

MR. LUDWIG:

The Premier is avoiding the issue.

Bilderberg Meetings

MR. TAYLOR:

Mr. Speaker, I would like to address a question to the hon. the Premier, and just a very short word of explanation is required. I, along with all other members, have received an open letter from Calgary in connection with Bilderberg, questioning the status of that organization. Has the hon. Premier any statement to make in regard to that?

MR. LOUGHEED:

Mr. Speaker, I have read the letter and, of course, we all get letters of this rather extreme and radical nature, directed to us as elected representatives of the people.

My assessment of the Bilderberg meeting, and its sponsorship by Prince Bernhard of the Netherlands, and the people who are going to attend the meeting from the various, I think 17, nations, the stature of the people attending from the various nations and who have in the past attended -- Prime Minister Trudeau has been in attendance, Prime Minister Bourassa has been there -- is that in my view we are very fortunate that we in Alberta have been given an opportunity to express our views on matters of world energy in such a distinguished gathering. For that reason I think it's in the public interest of Alberta to go. One of the key things that has to concern us all with regard to the development of the tar sands in this province is that there is simply no way that we can develop the tar sands in the way we wish to develop them solely and strictly for Canadian domestic market consumption. There will not nearly be the development that is required, nor will there be the jobs for the citizens of Alberta.

We have to seek markets all over the world -- and, of course, in the United States. And we were pleased to have the commission here from Japan last week. So it's a matter of communicating the vast undeveloped potential of the Athabasca Tar Sands to as many people of significance, in terms of the decision-making process, in as many nations as we can. For that reason I made the decision to go to the Bilderberg meetings.

MR. TAYLOR:

Thank you, Mr. Premier. A supplementary, is this conference one of an exchange of ideas or is it [one] where actual business deals will be made and completed?

MR. LOUGHEED:

Mr. Speaker, it's entirely a matter of exchange of ideas. There is no business of any nature transacted as far as I am aware. It's a seminar type of discussion, two subjects only and the second subject is energy and it would be inter-exchange of views. I would imagine there would be nothing of an official nature or of business nature that would come out of the meeting. It would be a greater awareness and understanding by the various representations there from the nations, and almost every nation is represented by senior elected people.

MR. BENOIT:

A supplementary, Mr. Speaker. Would the hon. Premier give the members an idea of where we could get a list of the names of the members attending and the countries they represent?

MR. LOUGHEED:

Mr. Speaker, I'm not sure under the rules of the Bilderberg meetings whether I am allowed to give the names of the people, by way of names who are attending. But when I come back from Sweden perhaps I could give a report insofar as the nations that were involved and the positions of the people that were there as distinguished from the names themselves.

MR. SPEAKER:

The hon. Member for Calgary Bow.

Oil Spill Control Product

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. the Premier. Is the government investigating a complaint by an Edmonton developer of a new oil spill control product that he claims he was unfairly denied a provincial grant for research?

MR. LOUGHEED:

Mr. Speaker, I noted the press reports, as well as the hon. member, with regard to that matter and the reference by the Deputy Minister of the Environment. I would like to take that matter as notice and pass it on to the Minister of Environment so he could respond adequately upon his return.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. the Premier. Would the Premier also ask the Minister of Industry and Commerce to examine the peat moss oil spill control product regarding possible provincial assistance for the cost of developing and exporting this Alberta product?

MR. LOUGHEED:

Mr. Speaker, I would certainly be pleased to do that and will pass it to both ministers so they can respond to the hon. member.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview.

Invitation to the Soviet Union

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Premier if I may. By way of explanation, it is my understanding, Mr. Premier, that you received an invitation to visit the Soviet Union and that you have decided to decline --

MR. SPEAKER:

Would the hon. member please address his question to the Chair.

MR. NOTLEY:

Yes, Mr. Speaker. I wonder if I could ask the hon. Premier to advise the Assembly of the reasons for his decision not to go to the Soviet Union this fall?

MR. LOUGHEED:

Yes, Mr. Speaker. It became evident, in terms of scheduling, in particular with the Western Economic Opportunities Conference that there was going to be a considerable amount of pressure upon myself in terms of preparation for that meeting in the latter part of July -- with a First Ministers' Meeting in late May, our cabinet tour through central Alberta in the latter stages, again in May, the meeting with the western Premiers in June -- to get ready for the meeting in late July with the Western Economic Opportunities Conference.

I felt that if I was going to take the tour and do an effective job in accepting the invitation to go to the Soviet Union, it would have to be in the month of August. We made suggestions through the appropriate protocol and External Affairs channels to go to the Soviet Union in August. It was suggested to us, in rather polite terms, that was not a good month. They apparently were otherwise occupied. So we took the suggestion that we should perhaps consider another year for the mission and we would plan to do that. But this year, having regard to what we have ahead of us scheduled for September and October, with the fall session, August was the only appropriate month.

ORDERS OF THE DAY

FILING RETURNS AND TABLING REPORTS

MISS HUNLEY:

Mr. Speaker, on behalf of my colleague, the hon. Neil Crawford, Minister of Health and Social Development, I wish to table Position Paper No. 10. This is Alberta's position on income security which is being discussed today by the hon. Mr. Crawford in Ottawa. Copies for individual members will be distributed later.

While I am on my feet, Mr. Speaker, also on behalf of my colleague, I wish to table a statement concerning Public Attitudes Toward Public Assistance in Alberta as of April 25, 1973. This is a compilation of the study which was commissioned in August 1972. The background paper was released by the department to solicit viewpoints and attitudes of the public on public assistance.

At the same time it was requesting submissions from individuals and groups in the community. The department contracted Socio-Systems Ltd. of Calgary to conduct a public attitude survey. This survey consisted of a questionnaire mailed to over 5,000, randomly selected from the groups who completed the questionnaire. Response to the questionnaire was 47 per cent. Results of this survey, which are similar to the public responses to the background paper are summarized in the following pages.

I wish to table these documents and also advise the House that there will be a copy available and distributed to individual members.

PRIVATE BILLS
(Second Reading)

Bill No. Pr. 4

An Act to Incorporate The Grand Chapter of Royal Arch Masons of Alberta

MR. TAYLOR:

Mr. Speaker, I beg leave to move second reading of Bill No. Pr. 4.

[The motion was carried, Bill No. Pr. 4 was read a second time.]

Bill No. Pr. 6

An Act to amend The Canadian Union College Act

MR. COOKSON:

Mr. Speaker, I beg leave to move, seconded by the hon. Member for Smoky River, second reading of Bill No. Pr. 6, An Act to Amend The Canadian Union College Act.

[The motion was carried, Bill No. Pr. 6 was read a second time.]

Bill No. Pr. 7

An Act to Incorporate

The Grand Chapter of Alberta, Order of The Eastern Star

MR. TRYNCHY:

Mr. Speaker, I beg leave, seconded by the hon. Member for St. Paul, that Bill No. Pr. 7 An Act to Incorporate The Grand Chapter of Alberta, Order of The Eastern Star be now read a second time.

[The motion was carried, Bill No. Pr. 7 was read a second time.]

Bill No. Pr. 9

An Act to Incorporate St. Vincent's Hospital

MR. DRAIN:

Mr. Speaker, I beg leave to move second reading of Bill No. Pr. 9, seconded by the hon. Member for Taber-Warner.

[The motion was carried, Bill No. Pr. 9 was read a second time.]

GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill No. 48

The Alberta Property Tax Reduction Act

MR. RUSSELL:

Mr. Speaker, I'd like to move, seconded by the hon. Provincial Treasurer, second reading of Bill No. 48, The Alberta Property Tax Reduction plan.

In speaking to the principle of this bill, Mr. Speaker, I think it could be worded very simply, that the principle embodied is an excellent one. It is a direct government response to react to the problems of the citizens of Alberta whether they are individuals or whether they are represented by way of their municipal governments to direct forms of financial assistance which can be used to help offset the burden of residential property tax which our citizens are now facing.

The problem embodied in the bill and the challenge, I think, were both substantial, Mr. Speaker, and I go back to the days of 1971 wherein all members of the House up until that time, over a period, I think, of several years had listened to the problems espoused by our municipal governments, the difficulties they were having in carrying on with forms of municipal financing and the arguments they were carrying to the provincial level of government on behalf of their residential property taxpayers.

I'm aware and I think many members are aware that many provinces in our country had come forward with various forms of assistance by one means or another in order to try and help this problem, which seems to be a national one. We had at that time, of course, a sort of blanket payment on an annual basis to municipalities and also to property taxpayers who were home-owners, of a set amount each year which was supposed to help alleviate the burden of property taxes.

During the summer months of 1971 the government members made a pledge to the citizens of Alberta that if they were given the opportunity, one of their prime challenges and duties which they would undertake would be to remove substantially the education tax from residential property.

I'm happy to say, Mr. Speaker, that within the confines or limitations as I will explain later in this debate, that that pledge has been achieved. In less than two years, by means of a study undertaken by government MLAs, we have, I think, brought forward by way of this bill what could be regarded as stage one in a dramatic revision to our present system of provincial municipal financing.

Stage one deals only with the most challenging question of property tax reduction, but I've said before and I think it bears repeating, there is more coming. There are other issues, almost equally important, to be dealt with in the field of municipal finance, and in the field of municipal taxation and assessment techniques. As soon as this session is over, our government intends to proceed with the next stage of undertaking study and future action in those regards.

But today, getting back to Bill No. 48 and the principle involved there, the legislation, if approved by this Legislature Mr. Speaker, will make it possible for some \$102 million to be passed on by way of direct financial assistance to individual citizens in Alberta, whether they are home-owners or renters, or to our municipal governments. I think that figure bears note, Mr. Speaker, because it has to be substantial no matter which way you look at it.

The source of funds primarily comes from increased revenues from the return that is due to the province as a result of the development of our natural resources. Hon. members will recall it was about one year ago when we sat through public hearings in this House, listening to the arguments of the industry as to what they logically thought they could contribute as the provincial partner's share in resource development. At that time, of course, the figures used were always substantial no matter whose figures you were using. But it gives me a certain amount of satisfaction, and I would hope most hon. members, that the additional revenues from those resources are to a very large degree being returned to the owners of those resources -- that is, the citizens of Alberta.

This is a fairly complex bill, Mr. Speaker, in that it deals with financial assistance by way of direct grants to individual Albertans, whether or not they are owners or renters of residential property. It also deals with three forms of financial assistance to our municipal governments.

In that regard, I think all hon. members will agree that the legislation to some degree has to be flexible. I am sure that any hon. member who has given study to the bill in detail recognizes the care, thought and use of time since the plan was announced that has gone into the drafting of the bill in order to try and cover most situations with respect to home ownership or ownership of agricultural land in our rural municipalities -- the different situations that might arise with respect to giving different kinds of grants and all the different possibilities you get into. Therefore, I would be the first to admit -- in fact I want to draw it to the attention of members of this House -- that the bill has purposely been written in a form that we hope is flexible, a form that can respond to the various situations which might arise so that we can ensure that every Albertan who is entitled to receive a benefit under this Act will get it.

In that regard, I should draw the members' attention to the fairly comprehensive sections dealing with regulations, because it is the intention of the government during the first few months that this plan is in operation

probably to rely fairly heavily on regulations, if need be, in order to respond to the various situations that might arise and may not be covered in the Act. I am sure all of us can think of individual situations in past years where, because of a time limit being missed, a move being made, a trust taking over ownership of property or any situation that might arise despite the fact that government would want to give the benefit, their hands were tied. So I want to emphasize that I will not be surprised if the Act comes back this fall with amendments based on the experience of the first few months of the Act, or that it is necessary to deal with some situations that could occur by way of regulation.

But generally, as a matter of principle, hon. members will see that the Act deals with three things. It's fairly heavy on definitions. It tries to define so that we will know, and the people who will be working with us at the municipal level will be able to tell fairly easily, who is entitled to a benefit and to what extent that benefit might be. There is also a fairly heavy emphasis in the Act dealing with procedures to be followed in order to ensure that the benefit is paid under the tremendous variety of circumstances that might occur.

The third major part of the Act, of course, is that dealing with regulations. This is insurance, really, to make sure that we do have that flexibility to be able to move.

Hon. members who have had the opportunity to examine the Act will readily see that, generally speaking, it is divided into two major portions. The first portion deals with assistance to individuals, whether they are home-owners or home renters, and the second portion deals with assistance to municipal governments by way of three specific programs.

I'd like to just emphasize a couple of points with respect to assistance to individuals, because again I think the record and the statistics are fairly dramatic, Mr. Speaker.

The first year assistance was brought in to residential home-owners in Alberta was in 1966 under the old Homeowners Tax Discount Act. That Act was maintained until 1972. At that time additional assistance was given by new legislation, the Senior Citizens Shelter Assistance Act, which also expanded the ownership philosophy to renters of property, recognizing at that time that renters did, in fact, indirectly pay education tax.

Mr. Speaker, from 1971 until 1972, the amount of assistance given to individuals under that legislation increased by some 35 per cent. The increase from 1972 to that proposed for 1973 is a further 83 per cent.

Mr. Speaker, when we are talking about budgets and the growth of gross national products, we are used to speaking generally in terms of 7.5 per cent or 10 or 11 per cent increase in budgets, but here we have a program that has made those two increases in the past two years -- 35 per cent from 1971 to 1972, and 83 per cent on top of that from 1972 to 1973. I think in any provincial budget that has to be a substantial mark of achievement.

In other words, Mr. Speaker, home-owners are now getting about 2.5 times what they were getting in 1971, and that does not include the additional benefits that will accrue to renters as a result of this legislation.

In considering ways and means to give assistance to home-owners, Mr. Speaker, I'm sure all the members can think of a variety of ways in which the benefit might be given. In this case, the final decision was taken in view of past comments made and past debates carried out, that it would be tied to an assessment level. In other words, the education tax, basically, for the province, is collected by means of a system based on assessment, so the decision was made to return it to the person who was paying that tax by means of a benefit, also based on assessment.

We were very much aware of the escalating curve with respect to what happens as assessment ceilings rapidly rise. Certainly I think there is some argument to be made that somewhere along the line, if you are talking about all age groups -- and I'm specifically deleting senior citizens now, because they are a special case -- but all other citizens who are still in their earning years, perhaps at least in this first year of the program an assessment ceiling is something that made a great deal of sense.

So our task force examined the effect of paying a benefit that was tied to a maximum which in turn was related to an assessment ceiling. And the assessment ceiling, based on equalized assessment -- the one selected -- was

\$7,200 so it is at that point of equalized assessment throughout the province that the home-owner achieves his maximum benefit, but from there on the benefit remains steady.

It is very interesting what this benefit or this philosophy, in fact, does for persons, Mr. Speaker. For those members who had their copies of the Municipal Councillor that dealt with the mechanical description of the plan, they may recall the table, when it showed that the very poorest person way down at the bottom of the scale with property assessed at only \$1,000 would receive 100 per cent tax relief. That percentage climbs up to our maximum ceiling level of \$7,200 whereby that percentage relief becomes 43 per cent of the property tax.

So that is significant. The fellow at the bottom gets 100 per cent tax relief. The fellow just a little above the middle of the financial spectrum related to equalized assessment gets 43 per cent relief, and then as you get into your higher incomes and your higher assessed property that benefit goes down in a descending curve. So it is a way, Mr. Speaker, that seems to me eminently fair.

I was interested today when earlier some members showed considerable interest in the effect of assessment and how assessment changes are related to the benefits that should be paid. I think I should make a few remarks about that and in doing so, I would like specifically to refer to the situation this year in the City of Edmonton. Because here is a case where our largest municipality in terms of population is undergoing this year a reassessment and of course everyone is quite interested to see how the effects of reassessment will, in fact, affect their benefit.

Again, Mr. Speaker, if the hon. members can follow me through what is going to be a fairly technical few minutes, I will try to show how the property tax reduction benefits are tied to assessment, tied to changes in assessment and, I think, are eminently fair.

As hon. members know, it is a requirement that municipalities carry out reassessments at maximum periods not extending beyond eight years. So Edmonton now finds itself in that eighth year and so up until last year they were dealing with assessments carried out seven years previously. Of course we recognize that market conditions have changed very dramatically in those last seven years, and because our assessment manuals and the assessment procedures that are to be carried out universally throughout the province on an equitable manner are tied to market values, you can see that in a dynamic metropolitan centre where land values are changing as a result of land development or changes in zoning or metropolitan growth, an assessment that comes at the eighth year is liable to be fairly substantial and very dramatic.

We also know that the municipal tax paid by a person can remain static, notwithstanding the fact that his assessment goes up, because theoretically there should be a corresponding drop in mill rate. Of course that never happens because the municipal budget generally increases each year and so even if assessment didn't change, probably the mill rate would.

But in any case there should be a compensating factor, and in the case of the City of Edmonton there has been. In round figures its proposed mill rate, based on the old assessment with respect to the new, dropped from the neighbourhood of somewhere just over 70 to the 50s with respect to the mill rate. So there is that compensating movement.

There is another step in here which is very important and which I sense that some hon. members have probably not appreciated, and that is the activities carried out by the Provincial Assessment Equalization Board. It is necessary to do this, that is to try and equalize assessment throughout the province no matter what stage any municipality might be at, whether they are in their first year, their fifth year or their eighth year of this assessment cycle. So that if anybody is contributing on the same basis to a specific program, that they are all contributing equitably and fairly. That is the duty of the Assessment Equalization Board.

Now, the way it happens is that the municipal assessor takes what is called the live assessment, that is the actual assessment for his municipality, reports it to the Assessment Equalization Board and, along with reporting the total sum, reports to the provincial board that he thinks that live assessment represents a certain factor of actual market value. You can see that if the gentlemen or the persons are wrong in guessing at what that factor is, it can have a very dramatic effect on levies which are collected from that municipality for a universal plan such as the School Foundation Fund.

This is exactly what has happened in the case of Edmonton. During the last four years the assessor from the City of Edmonton has reported the live assessment, has reported the factor to the equalization board, but unfortunately the factor was much higher than what the real situation was. And of course, the higher the factor the lower the levy that is levied against the property.

I am going through this technical background to try to get back to the point where I can show how the benefit in fact rides with the assessment.

In computing the amount which is due from any municipality for the Education Foundation Fund, and generally it is those moneys we are trying to pay back to home-owners, the Assessment Equalization Board says this: We think your equalized assessment is "X" million dollars, we are applying a mill rate of 30 mills against that and you owe us \$28 million, or whatever the figure is.

The municipal government then receives that \$28 million figure. But they are not working with equalized assessment; they have to switch back to actual or live assessment. So the proper officials look at it and they say: in order for us to raise this 30 mills on the equalized assessment for our municipality which amounts to \$28 or \$30 million, what levy do we have to invoke against our total live assessment? In the case of the City of Edmonton, this year with reassessment, the levy which will be put into the budget at this time is, I think, about 24.6 mills.

Now last year, under the old assessment, that identical figure in mills was 31.8. So you can see that as the actual assessment drops the mill rate rises in order to collect that equalized or equitable contribution collected from all municipalities.

I won't go into the detailed arithmetic, but very simply what the Assessment Equalization Board does is try to reduce all properties in the province to 35 per cent of their market value. If the local municipality reports that they believe their properties are actually at 50 per cent of their market value, you can see what happens by this brief example. A \$1,000 property times 35 per cent, the factor applied by the Equalization Board, divided by the factor of 50 which is reported, gives a figure of \$700 of equalized assessment times the 30 mills levied by the provincial education foundation levy produces a bill of \$21 per thousand which has to be collected on that municipal property. However, let's take the same \$1000 property multiplied by the 35 per cent equalization factor, but this time divide by the reported factor of, say, 20 per cent. The value then in equalized assessment is 1,750 times 30 mills equals \$52.50 per thousand which has to be levied.

So you can see, Mr. Speaker, how critical it is, because of the formula that is used, that the assessor be accurate in reporting that factor. Generally, what has happened in the case of Edmonton is that last year the factor was used of 37 per cent when, in fact, reassessment has proved that the figure should have been about 20 per cent. And this is what has caused the rather dramatic jump in assessment in the Edmonton situation.

But let us now take that general situation that deals with moving and ongoing equalized assessments and reassessments continuously carried on throughout the province, and see how it affects Henry and Martha Citizen, if I can call them that. We said we want them to make sure that everybody who had an equalized assessment of \$7,200 got their total 30 mill education foundation levy back.

Now it's been shown that in recent years for example the assessment in Edmonton was probably a little low. To make up for that they had to levy a mill rate of 31.8 to collect those 30 equalized mills. So the \$216 maximum benefit, which is 30 mills times \$7,200 of equalized assessment, now becomes 31.8 mills times \$6,800 which still gives you the \$216 benefit.

Let's take that same property and move to this year whereby the levy is now 24.6 mills, still attempting to raise that \$216 contribution to the foundation plan. We now see that the assessment ceiling that will carry that is \$8,800. In other words, 8,800 times 24.5 mills produces the same bill as 6,800 times 31.8 mills. So the collection that goes into the levy and the benefit which is paid back are exactly on the same basis, and rise or fall as the assessment moves throughout the province or up and down the economic scale.

I have taken some time, Mr. Speaker, to deal with that particular situation because I think it is one not only of current interest here in the City of Edmonton but also of direct interest to some hon. members.

Another important feature in the bill is a provision whereby renters of residential property can be paid a home-owner or a taxpayer benefit. The philosophy for this, I think, is fairly straightforward. We recognize that at least a third of our citizens, at least in the metropolitan areas, are renters of property and not owners. We recognize also that a renter perhaps doesn't have the same responsibility or the same financial involvement as an owner does, but nonetheless he is indirectly paying property tax. So we looked to see what other parts of the country had done and what might be done for our Alberta property renters and have included a section in the Act whereby a benefit which is scaled to the rent they pay and to their net taxable income will be returned to them. Again I emphasize that the part of the Act dealing with benefits to renters is not written in very great deal of detail for the purposes that I mentioned earlier.

There is, however, one important feature in the section dealing with renters and that refers specifically to our senior citizen renters whereby the net taxable income or the income tax route will not be used for those citizens. At the age of 65 they have probably coped with these complicated income tax returns long enough. So the \$100 maximum renter benefit will be paid universally to all senior citizen renters, upon direct application to the government, who are renting property that is assessed for school foundation purposes. I think that deals with the principle of the benefits that are to be paid to our Alberta citizens who are property owners or renters.

I would like to talk now, just for a couple of moments, on the assistance given to municipal governments, Mr. Speaker. Again I have to go back and look at what the record has been, because there has been a fair amount of debate about this. But again I think the record is one which speaks for itself. The old Municipalities Assistance Act, first commenced in 1965 generally on a per capita basis, gave a level of assistance to our municipal governments that was \$11.90. That went continuously upwards until 1970 when the level reached \$23.85. In 1971 that level was frozen. So on a percentage basis the benefit did not go up. In 1972 the freeze was lifted and the benefit went up to \$25.30. This year the benefit is being increased to an all-time record high of \$28.80 per capita.

Mr. Speaker, I think that is fairly significant because there has been a fair amount of publicity and argument about the level of direct financial assistance which is given by the provincial government to our municipal levels of government. But I think it is significant that in the last two years it is at an all-time high and in fact, the percentage increase this year over last year is just over 14 per cent, which is in excess of the general increase in the provincial budget.

I wanted to emphasize those figures, Mr. Speaker, to show that this government is, in fact, regarding the financial situation of our municipal governments as a priority item. We are prepared to deal with them on an ongoing basis, and I think the dollars that are included in the budget and the enabling legislation that is here before us now for the consideration of members certainly proves that point.

The assistance which is given to municipalities takes three forms: direct assistance grants which are going out to municipalities; there are also fairly substantial incentive grants which a municipality can earn if it decides it wants to; there is also direct assistance given by means of the province taking over certain additional social services previously carried by the municipal level of taxation.

First of all, let me deal with the assistance grants. We recognize, and I alluded to the year 1965, that over the past seven years up until 1972 Alberta municipalities had expected some sort of fairly unconditional direct financial assistance on a universal basis. However, late in 1972 at the two municipal association conventions, we did make it very clear that probably the era of unconditional universal assistance grants was drawing to an end in Alberta and from here on in it would be the policy of this government to give assistance based on relative need and relative responsibilities; in other words, trying to recognize that all our municipalities were not equal.

The paper or formula as to how these grants were devised, I think has been given far too much attention. Because when the members get it they will probably see that they have been concerned about a problem which doesn't exist. And as soon as the very onerous exercise of preparing municipal budgets is over and we have time to sit down and talk about it, that formula will be released. I have said that before and I would like to repeat it.

I think another important feature of this bill and its relationship to the budget is the time at which these municipal assistance grants are made known. Traditionally up until 1971, the amount of the grant was included in the budget and wasn't known to the municipal governments until the provincial budget was presented in the Legislature.

In 1972 that date was moved up to the end of January, and this year the full figures were known by mid-January. And this is done in a sincere effort to try and make the forms of assistance that are due to our municipalities known to them at the earliest possible date in the calendar year, which is their fiscal year, in order to assist them with realistic budgeting.

So that is the basis of the municipal assistance grants, a pool of roughly \$14.5 million which is given to our municipalities throughout the province on a basis of relative need.

The incentive grants are a companion package of grants that go with the ones I mentioned earlier. And the philosophy here is quite an interesting one because when we look at what Bill No. 48 does, what the principle of it is, we will see that it is attempting to alleviate the burden of property tax on residential property primarily for the hungry programs like social services that tend to eat up the dollars so very quickly, and by doing so more or less hamstringing our municipal councillors insofar as their municipal spending is concerned.

So the philosophy here, devised in a direct response to submissions made by municipal governments, is that if the province were giving these assistance grants, if the provincial government were prepared to take over essentially most of the burden of the education foundation levy, the last thing that was really a significant financial burden on our municipal governments -- and one which they felt they had no control over -- was the education supplementary tax levied by local school boards via the municipal council in every municipality.

So we came up with this philosophy, the municipalities had said to us they could control their spending but the tax bills that went out to Henry and Martha were sometimes unreasonably raised by virtue of the supplementary education tax over which they had no control. So really what the municipal incentive grants are is an incentive with a substantial bonus -- a bonus of \$19.5 million tied to it -- to our municipalities which simply says to them, if in fact what you say is true, that you can control your spending, we then will take over at least one-third of the supplementary education cost, which generally speaking raises the level of financial support by the education foundation fund from 85 to 90 per cent of the total cost of education in the province.

The financial assistance actually comes to more than the one-third I mentioned. The one-third would have been \$14 million. But because we brought in the sliding scale which is tied to direct mills levied, whether they are zero to five, five to fifteen, or above fifteen, an extra \$5 million was put into that fund.

I hate to dwell on figures all the time, Mr. Speaker, but this is substantial financial assistance and you can't talk about a good program like this without referring to figures once in a while.

The response from the municipal governments was that this was a direct invasion of their local autonomy and in fact I don't think they were very happy about it. We made the proposition to them that, alright, we'll take those incentive grants and put them directly into the education foundation fund and thereby achieve the same results for your taxpayer and you do what you want with your municipal mill rate. And that was not considered acceptable either.

So now, through discussion, we have reached the stage where through this legislation, which embodies the guidelines that were distributed to our municipalities and all hon. members late in March, the choice and the system whereby municipalities which are able to exercise reasonable increases in their municipal budgets stand to reap substantial benefits to the level of \$19.5 million.

I should point out just one important addition to the Act, Mr. Speaker, over past legislation and that is, these grants are completely unconditional as to use. The old assistance grants were conditional, but those conditions have been removed in this Act. So I think it's worthwhile, very worthwhile, for a municipality to make every effort it can to earn its incentive grant. And I am pleased to say that I think our municipal governments throughout the province have been working very diligently at doing this since the revised guidelines were announced on March 28.

The factor of 7.5 per cent has been criticized, but one has to take individual budgets along with the option that the municipality has selected, whether it is a rise in mill rate or a rise in municipal expenditures, and see what it actually amounts to.

I had gone through this situation in the case of the City of Red Deer when we were working in that situation with a rise in mill rate. Sticking very strictly to the guideline of 7.5 per cent, when all parts of the program are taken into effect, in other words, they can take their municipal mill rate from last year, they can move into the mill rate being vacated by virtue of the fact that the province is taking over certain social services. They can take that as their base, add 7.5 per cent to it, earn their municipal incentive grant, deduct what they might have lost last year as a result of a reduced municipal assistance grant, and still come out with a budget that shows growth or increase in excess of 10 per cent.

So it's really very interesting to follow through with our various municipalities what is the real effect on a municipality in spending power to them, whereby they earn a grant by sticking to the 7.5 per cent guideline. As I say, in the case of Red Deer, working with mills, it worked out to just in excess of 10 per cent. Since the revised guidelines were issued, perhaps Red Deer has selected the total expenditure route. I haven't heard yet. But in any case, I think that's significant.

Another thing is that the growth in assessment is also a bonus. In other words a mill, because of increased construction or municipal growth, is worth more dollars. So the percentage factor applied to mills really results in a higher spending increase than the 7.5 per cent which is included in the guidelines.

Let us now go to the case of the City of Calgary. I am using this because it is a municipality I recently met with that has elected the other option, that is, the increase on a percentage basis in spending rather than in mill rates. Last year, Calgary's budget in round figures for municipal expenditures was \$80 million. They add on their 7.5 per cent, which is about another \$5.6 million, and if they stick with that they thereby earn another incentive grant of \$5.5 million, which gives them a total of \$91 million to spend.

But the important thing, Mr. Speaker, is that the Calgary taxpayers are only being levied for \$85.5 million, but it gives the local council \$91 million to spend. In that case, there is an increase over the previous year in excess of 13 per cent. That again does not include the substantial additional benefit as a result of the increase in assessment.

The last part of the Act deals with assistance to municipalities. It embodies the philosophy or the principle that it is the social costs, the costs of services to persons as opposed to those generally directed towards property, that are again hitting our municipal councillors the hardest, because they are the ones that appear to be escalating the quickest. So there has been a real, dramatic move here to take over essentially the bulk of those costs this year, that is, local health unit costs, the last dollar support insofar as hospital requisitions are concerned. And those, of course, include nursing homes that are supported by hospital boards, and an additional 10 per cent insofar as municipal social assistance is concerned.

I was interested, Mr. Speaker, when we were dealing with the estimates of the Department of Health and Social Development, in the remarks of the Leader of the Opposition in dealing with the kinds of things that go along with the takeover of this financial responsibility and the desire, of course, to maintain some kind of control which is essential, whether it comes about as streamlining or consolidating hospital boards or going into different forms of budgeting. But I think his remarks were extremely interesting and certainly bear study by all members.

In conclusion, Mr. Speaker, the last part of the Act deals with the consolidation that will provide consequential amendments to other acts that are affected by this and will repeal previous acts that gave the kinds of assistance that this Act now consolidates. So that when the Legislature passes this Act, Bill No. 48, we will have one piece of legislation that gives this very substantial benefit of assistance to our municipalities, to our citizens whether they are owners or renters, gives them assistance in various ways to help them with the challenges they face in these sometimes difficult economic times with the problems of property taxation.

I believe Alberta is one of the very few governments that brought in a budget this year that reduced existing levels of taxation in such a dramatic

way. As I mentioned, Mr. Speaker, it's a bill that embodies a package of assistance, excluding renters, worth \$102 million. As I said before, those are very substantial benefits that merely represent stage one of this government's ongoing program in the fields of provincial-municipal finance, and I have no hesitation at all, Mr. Speaker, in recommending for acceptance the substantial good, direct benefits contained in this bill.

MR. HENDERSON:

I wonder if the minister would entertain one question before we go on with the debate? I wonder if the minister could indicate in practical terms whether, in actual fact, the taxpayers of Edmonton, for example, in spite of his explanation of equalized assessment and how it works, are actually going to experience a tax increase. I'm talking about a given home-owner who owns a piece of property. If nothing changed under the assessment, will he or will he not be liable to an increased tax payment under the foundation program as a result of the reassessment?

MR. RUSSELL:

We'd have to examine each individual taxpayer. There will be some, and we are taking steps through measures of property tax payment alleviation in cooperation with the City of Edmonton to help those particular groups. Generally they tend to be in areas of the city which have been affected by dramatic increases in land.

It's quite possible, for instance, that if someone was below the prior average of about \$6,400 or \$6,500 in assessed value, say they were at \$5,900, and because of a unique situation their assessment leaped up to somewhere in the neighbourhood of \$9,300 or something, yes, their taxes would increase. But I go back to trying to deal with the average taxpayer, and that's who we must be concerned about, who can move from a \$6,800 assessment level up to an \$8,800 assessment level without paying any more. I think that generally takes care of the bulk of Edmonton citizens.

MR. HENDERSON:

Mr. Speaker, I'd like to make a few comments on the bill itself, and first, speaking to the question of principle in the bill, I find that trying to speak to a principle is rather difficult because there are several principles contained in the bill. I have to suggest at the outset, Mr. Speaker, that I think the bill would have been much better handled had it been split into two or three pieces of legislation where every principle could be dealt with separately, because in this instance we have the one principle of increasing the tax revenues to the home owner.

As I say, nothing makes a politician, particularly a minister, more popular than does handing the taxpayer's money back to them which is what the program does, and I suspect members on both sides of the House are kind of amenable to that approach. There probably wouldn't be too much quarrel with it.

But when one looks at the question of the municipal incentive grants, for example, the municipal assistance grants, other principles come into effect. It isn't only the matter of increased payments being made to the municipalities which really don't show up as being very dramatic, but it is the change in ground rules under which the grants will be paid in future and the very explicit implications of the limitations on local spending on municipal councils which are imposed by the bill. And for all practical purposes it does impose limitations. When the minister says they are unconditional, when it applies to the municipal incentive grants, of course, one has to take his word with a grain of salt because there very explicitly is a condition attached to the grants. If they can stay within the arbitrary guideline imposed by the minister and his department then they will collect these additional revenues. So we get into different principles in examining the bill.

In regard to local grants, the question of local autonomy is very definitely a factor. I think the minister is probably aware that some 20 years ago the previous administration sought to try to inject this type of principle by slightly different means into the matter of municipal grants and found, just as he is finding out, with all the fancy footwork he has been doing with the municipalities to try and find loopholes and ways and means of getting around the roadblocks of 7.5 per cent, a guideline is imposed that after a period of one year the guideline simply had to be abandoned. Because the provincial government, in spite of all its wisdom, simply does not have the capability to make judgments that are really that intelligent insofar as what a municipality in a given instance needs, and what its municipality wants.

So when we start lumping together the question of increased payments to the home-owner in the form of rebate under the home-owner tax discount, even though it is dressed up in another name, I suspect most members would go along with that. When one comes to examining the fancy footwork going on in the municipal grant area, the restrictions being placed upon municipalities, the matter of principle that is contained there contrasts somewhat sharply with the principle that is under the home-owner tax reduction program. I suggest, Mr. Speaker, it would have been far better, and I think a little bit more of an open government political exercise, had they separated the two.

I suggest also, Mr. Speaker, when it comes to dealing with the question of the change in financing and the very serious infringements upon the question of local autonomy in health units and hospitals that are contained in the amendments in the bill, the question of principle in local autonomy becomes even more relevant. It could be argued that it would have been a far more productive exercise to have separated those particular aspects out into a third bill. But by lumping them all together I think the government has created what undoubtedly is a political package on their part and, quite frankly, imposes some constraints upon the opposition possibly when it comes to voting in principle on the bill. Because we are in the interesting situation of approving one principle in the bill and on the other hand, on very good grounds, having strong reservations about the other principle in the bill which I suggest has some long term consequences. I think it would have been in the better interest of the people of the province of Alberta had there been two or three bills before the House to deal with on this matter as opposed to one bill. But nonetheless, I would be surprised if the minister is, in his remarks concluding debate, going to accept the recommendation I make that it be withdrawn at this time, returned to Legislative Council, and brought in as two or three separate bills so we can more intelligently examine the public interest in all these areas.

I rather assume that he is not going to take too kindly to that so I will proceed with the rest of my remarks on the assumption that he is really not interested in really wide-open debate, the real examination of principles he says are contained in the bill, but is more interested in the political expediency of getting the bill through the House.

So I would like to examine in greater detail the three or four principles contained in the bill. And I think the home-owner tax reduction program speaks amply for itself. I am sure it is going to be welcomed by all the people in the Province of Alberta, and is basically a continuation of an established program which now has more generous funding.

I think it remains to be seen however, Mr. Speaker, whether the words of the minister, that it is going to be all financed out of increased natural resource revenues, are really going to prove to be true or not. Undoubtedly, the government is going to obtain more revenue out of the municipalities in the first place, in the instance of where this municipal reassessment is going on.

It appears in the City of Edmonton, for example, on the basis of the newspaper reports there will be a substantial increase in the tax that will be collected by the province through the 30 mill levy on the average home-owner. In fact it could be argued that a substantial percentage of the increased revenue going back to the home-owner is going to come out of increased tax payments on the part of the individual property owner resulting from the reassessment.

But I don't know if the minister has a final, really firm measure of the magnitude of that increased revenue that will result this year, and in the next year or two, from increased reassessments or not. But I simply point out that the final vote really isn't going to be in for some time, to see whether the minister's claim that it is all being financed out of oil and gas revenues is really completely accurate or not.

On the question of municipal assistance grants, Mr. Speaker, I have to suggest to the minister that his refusal to table in the House the formula under which the grants were calculated suggests that the minister himself is not too sure how this is being done. He simply does not want the Legislature looking over his shoulder too closely the first go-around in this program because there is so much confusion in it. So as a consequence -- and I think his suggestion that they were going to have a lot of government by regulation in this area in the next year or two further reinforces my conclusion or convictions, suspicions, I should say, Mr. Speaker, that the minister's refusal to table the formula in the House at this time is really because he doesn't have a formula. He has some crystal ball that he arbitrarily polishes up once in a while and looks at from different angles and directions and on those bases concludes what each individual municipality is going to receive so far as his share of the

kitty is concerned out of some \$14 million, whatever is in the municipal assistance grants.

I suggest to the minister that he would be far better to face the music now, produce the formula, because I don't know how he seriously expects the opposition to approve the \$14 million in the fund without some logical explanation as to how it is going to be divided up and paid out to municipalities, particularly in view of the fact that there was an arithmetical formula in the past on which the payments were based. But we can pursue that in greater detail during the study of the Estimates.

I strongly urge the minister to reconsider his formula because rather than impeding progress in the House, I suggest to him it might expedite the approval in the House if we had a better idea of how they have arrived at the level of payment. When the minister is saying he is not prepared to justify how [he] is breaking down the allocation of the money, that it is in the budget, he is not prepared to make the formula available, it simply means that we are going to have to go through a much more detailed questioning and cross-examination exercise in the study of the Estimates with a view of trying to extract from the minister some indication of what the ground rules are, because we have a great number of municipalities extremely interested in this, and it is not simply relevant to our responsibilities as members of the opposition.

I know the minister has -- and I have a copy of it -- a letter from one of the counties in my own constituency in which, in spite of all the glowing words the minister said inside and outside the House at earlier times on this particular issue, and in spite of all the increased funding of the several millions of dollars that are going into this new program, we find that the municipality is still ending up with less money than it had previously.

I suggest to the minister that municipal councils in those cases are going to expect and should expect to get an explanation. I think it's incumbent upon the minister to provide the House with the explanation. In absence of the explanation I get the suspicion that some of the variation between the municipal assistance grants is due to money the government has arbitrarily shifted out of assistance grants into incentive grants. Yet the minister, I think, has indicated thus far that, oh no, the calculations of the two grants are completely separate. But one is forced to be suspicious because there is an inter-relationship. Money is going to be shifted back and forth between incentive grants and assistance grants somewhat arbitrarily on the basis of unknown factors brought to the attention of the minister by one of his numerous civil servants or one of his backbenchers.

But very seriously, Mr. Speaker, I suggest that the minister would be well advised to inform the House of the basis of the grants. If the basis on which he has worked out the allocation of the assistance grants is equitable, as he says it is, he should have no trouble convincing the members of this House that the formula, or whatever it is, is a reasonable one.

But there will be a number of municipalities looking for these explanations. As a consequence I think members on both sides of the House in those cases should be looking for explanations from the minister during study of the Estimates. But at the moment, unless he is prepared to change his mind, I would conclude that he is not too sure of just how he is running this municipal assistance grant and he doesn't really want it too closely scrutinized in this particular session of the Legislature. So on simple good faith we are going to be asked to give him the blessing to spend several million dollars and trust that with his good judgment it is going to be allocated out to municipalities in an equitable and just manner. I would hope it is, but I think we would have the horse before the cart if he brought the formula in and the matter was resolved at this point in time instead of waiting and having the matter come up a year hence to be dealt with again. Sooner or later he is going to have to account for the basis on which he makes the municipal assistance grants.

Earlier I touched on the matter of the incentive grants, Mr. Speaker, and said that the previous administration some 20 years ago tried a little bit of footwork in this area and said that if increases were kept down below a certain rate then the province would give them an increased supplemental payment of some sort. They ran into the same dilemmas the minister has encountered in this particular program, because it's extremely difficult for a minister or a group of civil servants sitting in the City of Edmonton to decide, I think, with a high degree of equitability what spending is desirable and relevant and necessary in a given municipality. That surely has to be the decision of the people in the municipality who are the local taxpayers. As a result of the experience, exactly what the minister is going through now, that program was abandoned after one year.

I would like to predict that the minister, with all the exceptions he has to come up with to wind his way through or around this 7.5 per cent guideline, would be better off to reconsider this 7.5 per cent guideline at the outset instead of putting himself in the embarrassing position of having to backtrack a year from now. Because if he keeps it up the exceptions are going to become more numerous, more complicated and in a year or two, I suggest, this thing will be quite a mess. People locally are not going to accept the wisdom of a provincial bureaucrat as to whether they need to make this or that expenditure. In many ways I think the philosophy is inconsistent with the idea that municipal councils should have the freedom of access to the property tax and unrestricted access to it.

Turning very briefly to the question of the health units and hospitals, Mr. Speaker. I would have to go on record once again as saying that we really question the principle that is contained in the amendment and the implication of it. It says that the manner in which the hospital board and the health units get the money is incidental. The main thing is, they get it. And their concept of local autonomy is somewhat irrelevant so long as they are getting the money.

I have to say, Mr. Speaker, that that attitude contrasts very sharply with what I found as Minister of Health responsible for those programs. I found it, and I still think it is the case and the problem is going to be worse in the future, or even more so. It is literally impossible right now under the old program to find out who on earth a hospital board or a health unit board is accountable to, but particularly a hospital board.

Who are they accountable to? Are they accountable to the local taxpayer? Are they accountable to the Minister of Municipal Affairs? Are they accountable to the local council? Are they accountable to hospital commissions? It was difficult to find out to whom they were accountable previously when there was only a token amount of money going from municipal councils into hospitals, but it is going to be literally impossible now.

I suggest that the amendments simply removing the tax levy, without corresponding consideration of The Hospitals Act to determine what type of creatures hospital boards are, is really not an adequate policy. Up until about three years ago the policy had been that the government paid practically 99.9 per cent of the hospital costs in the Province of Alberta. They had a 4 mill tax levy on property which went into general provincial revenue. At the same time there was a \$2.50 co-insurance charge.

On examining the matter and in the interest of trying to deal with a number of problems, particularly the question of who a hospital board was accountable for, we arrived at a number of conclusions. One of them is, under the \$2.50 co-insurance we were losing federal cost sharing and the \$2.50 co-insurance simply discriminated against those who couldn't afford to insure, so we eliminated them. In the process we picked up about \$3.5 million because we were losing, as I recall, about \$7 million under cost sharing because of the \$2.50 per day charge with the patient. Then offsetting that we concluded that in order to get some accountability into the hospital programs and administration at the local level the only effective way to do it was really through dollars.

We eliminated the provincial 4 mill levy with the idea that in future the municipalities would be expected to contribute somewhere in the order of 4 mills toward the cost of hospital services locally. While this would mean a loss again in tax sharing with the federal government, it was going to be compensated for by the fact that we were not losing money under the co-insurance and would get some degree of accountability into hospital board operations at the local level. Agreed, I guess, we arrived at the conclusion that it was worth \$3.5 million in the loss of federal cost sharing in order to try to inject an element of accountability into hospital operations at the local level.

With the new program we have in the bill before us today, the government is saying, in principle, that the concept of local autonomy and local hospital board administration is not worth \$3.5 million. Because something like that is what they are gaining from the federal treasury by eliminating any form of local tax levy.

I suggest, Mr. Speaker, in all sincerity that the question of local autonomy in hospital services is worth \$3.5 million, and that the manner in which the money is going out to the hospital unit for its operations, not only the amount but the manner in which it goes out, is important. Because with the amendments, we have for all practical purposes eliminated the last vestiges of any element of local autonomy on the part of a hospital board, that they are accountable to really no one. They are accountable to the minister or the commission for the money they spend, but beyond that there is simply no element

of local accountability. In my mind, in the absence of an element of local accountability, there really is no meaningful concept of local autonomy involved. So with the bill, the complete authority and direction of hospitals has been completely vested within the provincial government.

Tied in with that we have other concepts which I think are not good in principle. I notice the bill says that if a hospital or a health unit does not spend all the money received from the minister it must return it at the end of the year. But I see nothing in there about saying if the board overspends that they are going to receive any consideration from the government or the commission for any over-expenditures.

Similarly they say that they are really going to operate on a yearly basis, that a board really has no right to a nominal cash surplus in which to run its day-to-day operations. And I find it difficult to see how a local board is going to operate effectively under that basis because they are never going to hit the budget bang on. If they underspend, the government takes it back, but if they overspend for good reason, that's their tough luck, they can't requisition the municipality for it, the provincial government won't pay for it, and so where does it leave the board? I don't really know just how they can operate on that basis, neither the hospital boards nor the health units.

And I think, aside from the politics of it, the managerial philosophy contained in that particular approach to funding the operations of health units and hospital boards is not a sound one. The government, I would predict, is going to be forced to reconsider because they can't have it both ways and say to the hospital, if you economize on the one hand you have to return your underspending, any results of good management will accrue to the provincial government but leave them in complete limbo as to what happens if they get into difficulties on the other end of it.

I suggest, Mr. Speaker, it would have been far more sense for the government, instead of saying that any moneys must be refunded back to the provincial government, to say to the hospital boards and the health units, if you maintain the level of service expected of you, and in the hospital the type of service you are providing does not change significantly throughout the year -- and this relates to the type of medical practitioner using the hospital -- that if you have a moderate surplus you can retain it. You can use it for the improvement of your plant facilities, particularly if that investment you would make from the surplus of funds will reduce your day-to-day operating costs. You can't start any new programs with it, but you can use the money, the moderate surplus, to improve your plant facility and reduce your operational cost.

But the government is not prepared to do that. It is just one more small indication that operation of the hospitals in particular, but the health units also, for all practical purposes is now directly under the authority, all aspects of it, of the provincial government. The only function the hospital board will have in future is that of seeing that the bookkeeping is done reasonably accurately, and even there they have to pay an auditor to come in and do that.

So the whole question of the function and purpose of hospital boards and health unit boards is brought into very sharp focus with these amendments and I think the government should seriously consider the implications raised by the amendments and the complete removal of any element of local autonomy.

If the government, I think, is saying that it has decided that local autonomy in health boards and hospital units serves no useful purpose and, in fact, is detrimental and therefore it is going to centralize all the authority; I think if that is what it is doing it is incumbent upon them to say so, so that the men and women who make up the boards throughout the province of Alberta at the local level will fully realize the situation they are in.

But in the absence of that, an argument which says, oh no, they are not interfering with local autonomy in contrast with the provisions in the amendments in the Act, I suggest hospital boards, the people involved in them, the health unit boards, are not going to take the government very seriously; the position of the government is not going to be very credible.

If the government intends to centralize all the decision-making, all authority in these areas, that's a policy the government has the authority to make. But if that is the principle contained in the bill, I think it is incumbent upon them to say so and make it plain. Because they are simply, I think, going to undermine the boards locally, leave the boards subject to a lot of local criticism about affairs in the hospital over which the board will have no authority or control, and will simply bring about the demise of the hospital boards and health boards by a process of starvation instead of saying openly

and directly that this is what we are doing, we are centralizing the decision-making in these areas.

On the whole, the hospital boards and the health unit boards have been placed in the position of a hand-to-mouth existence by the amendments under the Act. I am sure it is going to make the job extremely difficult to get any element of planning into their operations locally. Rather, somebody in a central, air-conditioned office in Edmonton here is going to decide what they need and what they don't need, what they can spend and what they can't spend.

None of this is to say that I don't concur with earlier statements or support statements I have made earlier about the need to control cost in these areas. But the government simply taking over all operation and all financing does not in itself indicate control of costs.

It has certainly been my experience, working with municipal councils in the rural areas of the province, and as a councillor in a small town and so on, that the farther or more remote becomes the level of authority relative to the control of a particular operation, the more demanding the taxpayer becomes. He knows it's something he has to dig for a little bit locally, he is a lot more reasonable in his demands, but when the great white father in form of the provincial government is going to pay the bill for him, the sky is the limit.

I think the foundation program for building schools is a good example of that, when the fund was fat let's have rugs in every room and all sorts of luxuries that were nice to have, if you can afford them, but in many cases the people confused education with architecture. If you had a big school, it meant you had a good educational system.

We are going to find again, Mr. Speaker, in the long run that the propositions contained in the bill, I think, are going to prove unacceptable in many ways as they relate to the health units and hospital units.

I would also like to suggest, Mr. Speaker, that the number of principles contained in the bill; I view in my own mind the question of local autonomy in these areas, health units, hospital units and municipal councils, far more significant in the long run than the dollars. There are a lot of governments around the world that say the main thing is you are getting fed and housed, how you are getting fed and housed is of no concern to you and how you are getting your health costs provided or health services provided. But there is certainly no semblance of democratic government involved in it.

Quite frankly, a democratic system of government works from the bottom end up. The absence or the weakening of democratic prerogatives at the local level as contained in the principles in this bill, in my mind, in the final analysis weakens overall basic democratic process, weakens, I think, the democratic process at this level. And I also suggest, Mr. Speaker, it further encourages the federal government to simply arbitrarily impose -- notwithstanding constitutional implications -- more and more restrictions on provincial governments as to how they can spend their money and where they can spend it and so forth.

To see the provincial government now moving more in the direction of policies the federal government has pursued and to which the province of Alberta, and I think the present government and the previous government, have long objected, I find to be rather startling.

So I suggest, Mr. Speaker, in conclusion, that the minister, following second reading of the bill, should seriously examine some of the matters which are going to be raised in debate today with a view to considering the desirability of amending portions of the bill in third reading.

I particularly make the plea and the suggestion to him that he examine the infringements on local autonomy in the health units and the hospital units. I'm not really this concerned about the municipal one because I think he has arrived at the conclusion himself that he's going through a face-saving manoeuvre and he's not backing off it this year, but next year we won't hear too much more about it if I read the signs right. But if he hasn't, it's still serious and should be reconsidered, that the manner in which the money is provided is just as important as the money itself in the final analysis so far as any concept of local autonomy is concerned.

[Four hon. members rose simultaneously.]

MR. SPEAKER:

Do any hon. members wish to ask questions? If it's a matter of speaking next, the hon. Minister of Telephones and Utilities, followed by the hon. Member for Spirit River-Fairview.

MR. FARRAN:

Mr. Speaker, the opposition whimper, they whine, they tear their hair in despair over this Alberta property tax reduction plan, because they just cannot find a sensible way to knock it. You see, Mr. Speaker, there is no real way they can criticize it. They are caught on the sharp prongs of a fork. If they oppose such substantial relief to the people they obviously lose credibility. If they oppose the increased assistance to municipalities, they are back where they were in 1970 when they froze the municipal assistance grants at \$38 million without a word of warning. So all they can do is to try to fabricate a case about alleged intrusion into local autonomy.

If the province pays the bills, they say, the local council will have less control. Well, that won't wash with the people either. I'll just tell you, they are barking up the wrong tree. Neither will the argument that the \$46 million going to the property owners should be given to local councils to spend instead of direct to the people -- that won't wash either.

MR. HENDERSON:

Who's arguing about that?

MR. FARRAN:

They say that if the province relieves the over-burdened property owners of health and hospitalization costs, this will violate local autonomy. They just can't win with that argument. The people will laugh them out of court. Really, they're crying sour grapes. Before 1971 they were going around saying the Progressive Conservatives would cancel the \$75 home-owner allowance if they were elected. And now that the PCs have fulfilled their promise of taking the basic education tax off property they are gnashing their teeth, just gnashing their teeth. Because you see that means a relief of three times the size the former government gave in that very regressive flat home-owner grant -- \$216 -- just about three times the size of \$75.

MR. HENDERSON:

Mr. Speaker, I wonder if the hon. member was aware of the fact that the gnashing of teeth really is --

MR. SPEAKER:

Order please. I'm unaware of anything in the rules which raises a point of order on what the hon. minister has said.

MR. FARRAN:

I'm sorry, Mr. Speaker. I'm obviously getting under their skin, but just take it for once. They love dishing it out; they really hate to take it.

Now we've also provided for renters. This really burns them up. They were murmuring before -- just before they got the final details of the plan -- that we were going to take away money from the renters and we were going to give it to the residential property owners. They said we were, you know, robbing Paul to pay Peter, or Peter to pay Paul -- that we were going to take it away from one side and give it to the other. And now look what happened. Everyone can see how much truth there was in that.

They are talking now about wanting the formula for grants based on need, the municipal assistance grants based on need. They never believed in that before. They had one of the strangest formulas anyone had ever seen in their lives. It was an alleged formula because they never stuck to it. I could never understand why, for instance, the County of Red Deer was treated differently from the County of Kneehill and nobody else could either, because they didn't have a formula they ever stuck to.

MR. BARTON:

Where's yours?

MR. FARRAN:

The Leader of the Opposition is saying don't take over all the hospital and health costs and he's on the record to that effect. He said it. It will be in Hansard. He said it about ten minutes ago. He said it would be better planning to stick the poor old property owners with it in the way Social Credit stuck them with it for so many years.

Hospitalization and health, in all conscience, it shouldn't depend on the wealth of a municipality in terms of its assessment. It should be equalized right across the province. The standards for hospitalization and health should be much the same from Fort. St. John down to Coutts.

Of course they would love to pick holes in this plan, but they can't. The province is no longer putting its hands in the property tax pocket in the way it used to under the old regime. One of the other criticisms they used -- I haven't heard it in the House but I have heard it outside -- is that under this plan they make people pay and then refund. Because they are courting what they call political popularity and this causes unnecessary overhead and administrative costs. What nonsense.

Every Albertan who is over the age of 18 or 21 will know that he pays property tax short. He will pay it short by the amount of the refund he is entitled to. And what other way can you have to reduce tax? He won't pay it and ask for somebody to pay it back to him. It is obvious you don't understand that people in Alberta can add up and they will pay their property tax bill from the municipality short by the amount of the rebate. They will fill in the application form and the rebate will then go direct to the city or municipality involved.

This is a real PC program, from a conservative government. It reduces taxes, something you fellows never, never managed to do. In all the years you never managed -- they never managed, through the Chair, I mean -- to reduce taxes and it also applies budget control. Now for all your fine talk you were never able to apply any budget controls. This is a "must be" profit. This is good, sensible housekeeping that you don't allow local governments to send their people into the poorhouse, that their budgets can grow by the annual growth and the gross provincial product, by the growth in the economy, and the same must apply over the long run to the province too. You shouldn't spend any more than you have, and this, after all, is the sort of thing the hon. Member for Cardston talks about even though his government was never able to apply it. So how can you really knock that?

Then we get down to the basic philosophies on which this plan is based and I don't believe that anyone can really argue that they are profit. These principles have been recommended by commissions into property tax from one end of Canada to the other, ten different commissions over the last eight years. They have all recommended that property tax is a most regressive tax and that it should not be used to finance human resource programs such as education, health, hospitalization and welfare. It is regressive because it is not wholly in tune with ability to pay, that the size of a fellow's house is only vaguely related to his income, therefore the tax he pays is not wholly fair. For somebody on a lower income a much bigger proportion of his disposable income goes on property tax than somebody on a higher income.

In the same way that property tax itself is regressive, so are the Band-Aid methods used by former governments to try to alleviate. Because a flat grant, a flat home-owner grant is just as regressive as the property tax itself. The best way is to take the property tax off.

SOME HON. MEMBERS:

Why don't you?

MR. FARRAN:

Now I believe -- this is what we're doing, something you fellows could never accomplish. The best way is the way which is now being applied to the rebate for renters where it is directly hitched to annual income through a tax reduction plan. We have gone halfway toward this because the people of Alberta didn't seem to understand the allegedly complicated format of new income tax forms, but I hope that eventually we will move into something similar to the plan now proposed for renters for property owners too.

In the meantime there is an element of ability to pay in this property tax reduction, in that it is hitched to an assessment ceiling. People with above

average property don't get any more than people with just average or slightly above average property.

The general mishmash of equalization procedures will have to be sorted out during the coming year and perhaps the year after --

MR. DIXON:

Yeah.

[Interjections]

MR. FARRAN:

No, no. No, we are telling it. This was a conglomeration of errors and muddled thinking that had taken 36 years to put together. It is so full of holes, it is so unequal that nobody could hope to sort it out in a year. It took 36 years to put together this mare's nest and I hope it can be unravelled within the next two years.

But it reminds me actually, the equalized assessment -- I am quite certain the Minister of Municipal Affairs will eventually untie it -- but it reminds me of an unskilled fisherman getting into trouble with a nylon line.

MR. RUSTE:

You should know.

MR. DIXON:

The big one got away.

MR. FARRAN:

The method taken by the task force, to relieve property tax of these human resource programs, was to measure the net combined budget in the Province of Alberta after eliminating federal transfer. And it came to the conclusion that the local governments were paying some 35 per cent of the combined budget; but in order to give them more room to move the province should assume another 5.5 per cent of that combined budget. The way it did it was taking off almost 4 per cent of the budget which represented the school foundation plan levy, one-third of the supplementary education costs through increased municipal assistance grants known as a good-housekeeping incentive grant, by assuming the total cost of public health, total cost of hospitalization, and half the net cost of social assistance, which meant that the local government's responsibility for the combined budget dropped from some 35 per cent down to 30 per cent. This is, in my opinion, a proper division of the revenues available to the province when federal transfers have been eliminated.

It is true that some urban municipalities did not accept the hypothesis that the province taking over the total cost of hospitals and health was a relief to them, but I am quite certain that people will. Because these were the areas of the municipal cost that were the most difficult to control. The projections for supplementary requisitions for hospitals and health were quite alarming, and they were going to become a more onerous burden on the municipalities as the years went by.

Limits have also been placed, 7.5 per cent is well understood, another 7.5 per cent guideline is also placed on the supplementary requisitions for education through the measures introduced into the House by the hon. Minister of Education. So the people are again protected there.

There were some allegations, again by the opposition, that all the money that was going into this property tax relief will be sucked up in one year by the municipalities. Then, of course, they hollered when some cork was put into the bottle to prevent that happening.

In fact the increased direct payments to municipalities, apart from the \$28 million to property owners and the \$12 million to renters, there is another \$6 million over and above the \$42 million that was paid last year and as compared with the \$38 million at which the level was permanently frozen by the former government. So there has been an increase of more than 14 per cent in direct assistance to the city councils and other municipalities.

So there you have it, and that is why it is so difficult for the opposition to criticize this particular bill with any degree of constructiveness. They are

desperately hoping that the formula for paying out municipal assistance grants on the basis of need will give them some sort of loophole or something to catch on to whereby they can make credible criticism. I don't believe they will find it. I think they are still reaching for something impossible for them to catch. They, in effect, are saying that these grapes are sour because we didn't grow them and we only wish that prior to 1971 we had had enough imagination to fetch in an Act like this. It's too late now, we can't go back and make a concerted attack on property tax, we missed that chance, we've missed the bus and our day will never come back again. So all we can do is criticize it on the basis that if the province takes over costs it undermines local autonomy, and the people won't buy it.

MR. WILSON:

I wonder if I could direct a question to the hon. Minister of Telephones and Utilities?

MR. FARRAN:

Certainly.

MR. WILSON:

Mr. Minister, would you advise -- if I understood you correctly did you say that it was --

MR. SPEAKER:

Would the hon. member please address the question to the Chair.

MR. WILSON:

Mr. Speaker, would the hon. Minister of Telephones and Utilities advise if he said it was government policy that local autonomy wasn't important, or if it was his policy that local autonomy wasn't important?

MR. FARRAN:

Mr. Speaker, I didn't say either of those things. I said the other side was claiming there was a loss of local autonomy when the province paid the bills for the people. I'm arguing that this has nothing at all to do with local autonomy. You can still have your local boards running hospitals and still pay the full bill. Your form of local autonomy --

MR. SPEAKER:

Would the hon. minister please address his reply to the Chair.

MR. FARRAN:

Mr. Speaker, their form of local autonomy is one that the people will not buy.

MR. NOTLEY:

Mr. Speaker, I would like first of all to address myself to the tax refund principle enunciated in the bill. I notice that the hon. Member for Calgary North Hill pointed out in his remarks that he would have preferred a tax credit system, but he didn't seem to think the people of Alberta understood it sufficiently and therefore they went back to a proposition somewhat less progressive than the tax credit approach.

Might I just take a moment, Mr. Speaker, and say to the members of the Legislature that in my judgment a tax credit approach would have been far sounder. If we are going to provide property tax relief it is clearly important that we provide the maximum relief to those people who need it most. This, of course, is done most efficiently through a tax credit proposition. I remind the members of the Assembly that in the Province of Manitoba they now have a very workable tax credit system. Their tax credits range between \$100 and \$200. The maximum figure is \$200. Then, to work out the tax credit a person deducts 1 per cent of his net income from the tax credit, which means that the higher the net income the lower the tax credit. A person with a taxable income of \$10,000 receives the minimum amount of \$100, while on the other hand a person with no taxable income receives the maximum amount of \$200. This is applied not only against the school tax, Mr. Speaker, but against the total property tax of the individual. It's also available to renters.

Now I know that some people have argued that the disadvantage of the tax credit system is that the individual has to wait for a year until he or she files a tax return in order to get the rebate. But in the Province of Manitoba this year they have brought in an advance so that everyone can receive at least the minimum tax credit. Then they get the extra when they file their taxation return.

One of the chief advantages of the tax credit system -- and I want to underline this, Mr. Speaker, because I think it is very important -- is that it gives the maximum assistance to those people who need it.

We hear a lot about providing programs to help the working poor. Well, under the present rebate system the fact of the matter is that most of the working poor in Alberta are not going to receive the \$216 maximum. Most of the working poor are going to be stuck with the renters' allowance of \$100, whereas in Manitoba, under their scheme, the maximum assistance goes to those people whose income -- and that is surely the soundest basis on which to judge a rebate system -- warrants a maximum rebate.

Another feature of Bill 48 which I just can't accept, I criticized it last year and I criticize it again, is what I call the "Daddy Warbuck" clause. This feature of Bill 48, doesn't provide any ceiling on the education tax which we pay for senior citizens. On the other hand, the renters will receive a maximum of \$100.

Well let's look at what is actually going to happen. Low income senior citizens who are forced to rent accommodation can, under this scheme, expect a maximum of \$100. But in the absence of rent control, especially in those parts of our two major cities where you have slum landlords, it is very likely that the slum landlord is going to get the extra \$100 by simply escalating the rent.

On the other side of the scale the individual senior citizen, who is a retired millionaire living in a mansion, is going to receive all his education tax paid by the government without any ceiling. I suggest, Mr. Speaker, that this is providing a windfall for the wealthy senior citizen and a pittance for the poor.

Again you avoid the problem of this sort of situation developing if you tie your rebate to the income of an individual. That is why I feel a tax credit approach would have been a far sounder proposition.

If we are going to, as the Leader of the Opposition has suggested, hand the taxpayer's money back to him, at least let's hand it back to him on the basis of ability to pay so we help the people who need it most.

The second principle I want to deal with briefly is the incentive grant of \$19.5 million which is tied to this 7.5 per cent formula. I think it is important, Mr. Speaker, to look back over the last few years and recall that just several years ago, prior to 1971, the oil royalties of this province were divided, two-thirds to the province and one-third to municipalities.

Municipalities then could count on a source of revenue, a share of an expanding revenue. This, of course, would have been very significant, Mr. Speaker, when one considers the fact that because of our expanded oil and natural gas production royalties are going to be rising very sharply in the years ahead, or at least the income from royalties.

Now that, of course, was abandoned in 1971, as the minister pointed out, and a frozen figure of \$38 million was substituted instead. I felt that the decision of the former government to freeze municipal grants at \$38 million was a mistake.

I feel that the present approach, however, is perhaps, even a worse mistake, because under the former approach at least that money was provided on an unconditional basis. If a municipality wanted to take the money -- if the City of Edmonton wanted to take the municipal grant and they wanted to build a statue of the mayor, or perhaps more likely, the City of Calgary wanted to build a statue of the mayor --

[Laughter]

-- so be it. That is up to them. That's not the responsibility of the province, in my judgment, to tell the municipalities how they should be spending that grant. But now, of course, we have, as the minister suggests, good housekeeping legislation -- or perhaps it was the hon. Member for Calgary North. He used that phrase to describe the 7.5 per cent guideline. Well frankly, Mr.

Speaker, this represents, in my view anyway, an infringement of the autonomy of the municipalities.

Now following on from the municipal incentive grants which are now tied to the 7.5 per cent formula we have, and while this wasn't dealt with directly in this bill, Mr. Speaker, it is certainly part and parcel of the whole question. We have the new grant structure for education where the supplementary mill rates have to be kept within a 7.5 per cent level, or alternatively people can petition for a referendum. This will undercut the autonomy of the school board. In my view it is not an answer to simply say that this approach represents a somewhat more subtle effort to control costs than the approach of the former government. I disagreed with the approach of the former government. I disagree with the referendum approach because, in my view, it threatens the autonomy of the school board.

Then, as the hon. Leader of the Opposition pointed out, the impact this is going to have on hospital boards is indeed a very interesting one to put it mildly. I think members of the Legislature are going to be asking some questions which really have to be answered by the government during this debate. What is going to happen, for example, to hospital boards that overspend because of unforeseen circumstances? Is there going to be any money as a result of global budgeting to pick up a deficit of \$30,000, \$40,000 or \$50,000 in a hospital budget? Or is that going to be deducted from the grants for the following year?

It seems to me that whichever way the government moves by taking over 100 per cent of the cost of hospital budgeting they get themselves into a box, because if they pick up the deficits, then in effect they are giving the hospital boards a blank cheque. On the other hand, if they don't pick up the deficit, what is actually going to happen is that the quality of hospital service will be reduced in that community in the following year.

Mr. Speaker, I listened very carefully to the hon. Minister of Health and Social Development during the estimates of his department and I felt that he has failed to answer some of the very practical problems associated with taking over 100 per cent of the cost of operating hospitals.

For a long time I felt that we should fund from the province all these social services. I remember reading a very musty old report prepared for the UFA government in 1934. I believe it was the MacPherson Commission and it talked about local autonomy. The MacPherson Commission, by the way, recommended that the province take over 100 per cent of operating the school system, which was almost 40 years ago. The commission said that local autonomy is not predicated on getting money from an impoverished source, but rather is determined on the basis of how you allocate money equitably raised. Well, for a long time I believed that. But frankly I'm not so sure. It seems to me that if you take away from any level of government the power to impose a tax, the latitude that having the power to tax gives them, you seriously undermine and erode their autonomy.

So in my view, Mr. Speaker, it is necessary to provide the local levels of government with unfettered access to a source of taxation. It may well be, as we take a look at redividing the taxation path, that some other source of taxation should be turned over to the municipalities, but I think there should be some source of municipal tax revenue available where the boards or the hospital boards or the municipal councils or the county councils, or whatever they may be, have the power to tax without any strings attached by a government in Edmonton which is saying, we are somehow going to look after the taxpayers. We have the better judgment necessary to make sure that you local members of councils or hospital boards or school boards keep your expenditures within a reasonable level which we unilaterally have set from Edmonton.

Frankly, Mr. Speaker, one of the things that concerns me about Bill No. 48 is that I see considerable evidence of power being centralized in Edmonton. We have, for example, the case of municipalities where if municipalities can plead extraordinary circumstances they may be able to get some consideration from the minister. But they have to go cap in hand to the minister and plead extraordinary circumstances.

In the case of school boards this year -- next year apparently it isn't going to exist -- but this year, there is going to be some leeway on the 7.5 per cent figure on supplementary requisition, providing, of course, the school boards again go on bended knee to the minister in order to plead their special case.

And in the case of hospital boards, as yet we really don't know what is going to happen to them, who is going to make the final decision. But it is pretty obvious that it is not going to be members of local government.

Mr. Speaker, what should we do? It seems to me there are a number of steps which would represent feasible alternatives. The first, and I ask the government to seriously consider this, because it was contained, at least in part, in the first draft report of the task force on provincial-municipal relations, that they reconstitute the tax credit approach rather than the rebate approach.

The second, it seems to me, is that we should set up a provincial-municipal commission now, as recommended by both the urban municipalities association and in my understanding the rural association as well, to sit down and begin the assessing of the fiscal relations between the provincial government on the one hand and the municipalities and local levels of government on the other.

I realize that we are never going to find the formula which solves all these problems. The fact of the matter is that in this complicated old world in which we live, there are always going to have to be adjustments between governments. And it seems to me that a provincial-municipal task force, representative on an equal basis of both the municipalities or local government on the one hand and the province on the other, should have an ongoing responsibility of reviewing the fiscal relationships between the province and local government.

And finally, I would suggest that we should seriously consider providing some additional form of revenue which goes automatically to the municipalities, similar to the two-thirds one-third proposition that we used to have with oil royalties. It may not be with oil royalties this time. I notice in Manitoba a certain percentage of the personal and corporation income tax is going to be rebated automatically to the municipal governments in that province, over and above their system of grants and over and above their tax credit approach.

I think perhaps, Mr. Speaker, that we should move to that position in Alberta, but I submit that in doing so, it shouldn't be as a result of a unilateral approach made by this Legislature or by the government of Alberta. It seems to me it should be as a result of a new partnership between the municipalities and local government on the one hand and the province on the other. If we do that, Mr. Speaker, it seems to me we will be creating a far better climate, a climate where we will be able to deal with some of the difficult financial problems of local government, the difficult problems for that matter that face the province too.

One of the things that is very important and shouldn't be minimized is the impact that slowly eroding local autonomy has on the type of people who are going to be attracted to public office at the local level. I think we have been generally pretty fortunate, Mr. Speaker, in having some high calibre people on our hospital boards and our school boards, our town councils and city councils and what have you. But if we begin to systematically erode their authority, then you are going to find that the people who are the best local government representatives just won't be interested in seeking office at that particular level.

So, Mr. Speaker, in conclusion I suggest to you that Bill No. 48, while it is going to mean a certain amount of money rebated to Albertans, nevertheless still has a number of flaws which should be reconsidered if we genuinely want to work out a harmonious and just relationship between the province and our local levels of government.

MR. SPEAKER:

The hon. Member for Drayton Valley, followed by the hon. Member for Calgary Bow.

MR. ZANDER:

Mr. Speaker, you know it amuses me to hear the eruption of local autonomy coming from the other side and especially the hon. member who has just finished speaking, who has perhaps no knowledge of local government or has never been in local government.

But nevertheless, Mr. Speaker, I have to look at the bill as it is at present. If we look at the direct assistance now available to renters which was not available to the renters before, and when we consider, Mr. Speaker, the freeze in 1970 of the municipal assistance grant of \$38 million, and the amount

of money now available to the taxpayer, it certainly cannot be knocked from the other side.

I just wanted to answer a few questions. I have some problems with the bill and I may mention them at this time. I do believe, Mr. Speaker, in part 3, that perhaps the minister should give consideration, under Section 16(3) -- after being a chairman of the health unit board for 14 years -- and I think the former government made that mistake. They had the very same section in the Act whereby the moneys had to be returned. And this met with tremendous opposition from the local governments and the health unit boards. I can see where there would be some benefit if the surplus were retained, or at least would be used in the following year to a better advantage.

Mr. Speaker, as I think the hon. Minister of Telephones has mentioned, I don't think the opposition finds too much wrong with the bill because it certainly is a bill of tremendous value to the taxpayer of the Province of Alberta. When we consider the amount of money -- if I read the minister right in his statement -- in 1971 the assistance grant per capita was \$23.85 and it now is \$28.80, it certainly is a direct benefit to the taxpayer in general of the Province of Alberta.

The one thing that amused me, Mr. Speaker, as the hon. Member for Spirit River-Fairview mentioned -- he mentioned it as well last year -- that the assistance grants should be given to municipalities without strings attached to them. Speaking as a former councillor and reeve, I don't believe that this is quite what he intended to say. Because my experience has been, and I think the former government also had that experience -- being the great white father and building all the school buildings throughout the province, having no questions asked. We now find many of the school buildings empty and some entirely abandoned, and the people are still paying for the very educational institutions they so literally built out there in the open prairies. I recall one east of the City of Edmonton -- not too far out -- and that is not too many years ago.

I can only say this, Mr. Speaker, that after the study into the fundamentals of assessment taxation on property, especially on residential property, and looking at the other formula, I am really amused at the Leader of the Opposition saying he wanted the minister to table the formula. I would say, Mr. Speaker, how many municipalities have asked the former government to table the formula they had -- but they never did. Many of the municipalities --

MR. HENDERSON:

Point of order, Mr. Speaker. That has to be corrected. The formula was a matter of public --

MR. SPEAKER:

The hon. member is debating what has been said by the hon. Member for Drayton Valley --

MR. HENDERSON:

He's misleading the House, Mr. Speaker. The regulations --

MR. SPEAKER:

There is no point of order which covers that sort of alleged misleading of the House. The hon. member has not referred to anything which was stated in the speech of the hon. Leader of the Opposition, and if the point is to be counted in debate, it will have to be counted in debate by some other member.

DR. BUCK:

Come on and tell the truth now.

MR. HENDERSON:

Mr. Speaker, on a point of order. What you are saying then, sir, is that an hon. member is not accountable in the House for a statement he makes in the House which is completely erroneous.

MR. SPEAKER:

Whether it is erroneous or not may be a matter of opinion or someone's recollection of history. I know of no rule of order covering that situation.

Beauchesne makes it very plain that a difference between hon. members concerning matters of fact does not constitute a point of order.

MR. ZANDER:

Mr. Speaker, I would only say this. I don't know what the hon. member of the opposition wanted to correct, but certainly I would go on record as a member of the county council that we requested this formula many times and to my knowledge we have not received it to date from the former government.

Looking at that formula just this past year -- and the hon. minister has mentioned it -- there is no way it could possibly fit into any jigsaw puzzle because it was used at the discretion of the minister. No matter how we looked at the formula and tried to work out how they arrived at the dollars and cents these municipalities did receive or could receive, it never fit. If the hon. member of the opposition gets his hair up about the formula, I think the formula is still available and if he can fit it in any manner into the grants --

[Interjections]

Well, if you can try to fit it into any grants the municipalities received, then I would ask you to try and unravel that jigsaw puzzle, because nobody in their right mind would know what to do with it.

The Member for Spirit River-Fairview also mentioned the tax credit system. I think it has a lot of merit and we looked at it for a long time. In looking at it closely we found out how many senior citizens in this province do not file an income tax return. Many of the people -- and I think the hon. member has some in his constituency as well as I have in mine -- are not capable and are not making sufficient money to file income tax, but they would certainly have to file income tax to come under the tax credit scheme.

He also mentioned the senior citizens, the millionaires, who are now receiving benefit under the Act. Which would be easier, Mr. Speaker? Should we hire agents who would go out and search every bank account of our senior citizens to determine whether they should be exempt from paying the educational tax? According to experience, Mr. Speaker, the more people you put out in the field the less money is put into the taxpayer's pocket. I think when we looked at the possibility of doing just that, we found that the saving to the people of the province of Alberta would be very small and still the senior citizens would have the benefit of it.

In concluding, Mr. Speaker, I can only say that with this small consideration on page 3, this is the finest piece of legislation the people of Alberta could have had. As the hon. member has said, if they could have thought of this type of legislation 36 years ago they would have probably put it before the House. Now they find they can't attack it on any grounds except that it takes the autonomy away from the local governments, and that is all. That is the only attack they can put upon it.

MR. WILSON:

Mr. Speaker, the Alberta Property Tax Reduction Plan in its present form will further contribute to the deterioration of relationships between the provincial government and the local municipal governments in Alberta. Local autonomy is being sacrificed for power or some other reason not being made clear. Much of this is by former aldermen, who should know better but have quickly forgotten the policies they once espoused and held important.

Mr. Speaker, the Minister of Municipal Affairs mentioned that assistance grants would be based on relative need and relative responsibilities of municipalities. Part of the deterioration of relationships will occur when situations like this are not made clear as to who will determine it, how it will be determined, and will there be unanimous agreement.

Now, Mr. Speaker, the whole problem I think I would like to deal with today relates around the situation of communication or the inadequate communication between the provincial government and local municipal governments.

No public vehicle or mechanism exists whereby the many local municipal governments can speak to the provincial government and espouse their problems and the things that they would like to see instituted. There is no regular basis for meaningful representation to the provincial government, and in a democratic society it is vital and essential that a larger government consider and recognize the views of the municipal governments.

The time, I think, has arisen when the provincial government should provide leadership to ensure a continuing forum of ideas and opinions with the municipal governments. The time has come to implement public hearings before the Public Affairs Committee of the Legislature.

Now, Mr. Speaker, the present system of secretive ad hoc meetings, confidential documents flowing back and forth, does much to deteriorate the confidence and relationship of the local municipal governments and the citizens of Alberta with the provincial government. The present system is not adequate and it breeds public contempt.

Now, Mr. Speaker, the Minister of Municipal Affairs mentioned that we had public hearings to determine the resources revenue. Now why not have public hearings to determine the best way of returning that revenue to Albertans? The minister also mentioned he anticipated amendments in the fall, and it seems to me that all in Alberta would benefit if the government made an early announcement that they would indeed entertain a public hearing for local municipal governments at the fall sitting of the Legislature to deal with the expected amendments to the Alberta Property Tax Reduction Act. And I would encourage the government to make that announcement as soon as possible.

MR. LUDWIG:

Mr. Speaker, I would like to take part in the debate on this bill.

First of all, I believe we ought to correct a few misconceptions being made in this House by some members opposite. One of them is that they now refer to what they had undertaken as a Conservative policy to remove education costs from residential property.

That isn't the way I heard it. I stand to be corrected if I am quoting their promises improperly, but they always said property taxes. There is a great difference between residential property and property. A lot of property is residential, that is by way of apartments, and they have not removed education costs from taxes on that property. So they have to be accurate. It seems to be a shortcoming of any Conservative, particularly a minister, to come up and really say it the way it is. Always slant it and shade it a bit and they feel that perhaps we won't remember, but perhaps they can stand up and challenge the accuracy of my remarks by what they have said previously.

Also, I am amused by the remarks of the hon. Minister of Telephones who can't seem to abandon his role of an apologist for the Conservative government. He continues to do it even though he is now part of the government. And I was also rather impressed by his remarks when he disagreed so vehemently with the hon. Leader of the Opposition and then agreed with him that this general mish-mash will have to be sorted out. And that's a remark coming from the draftsman of this whole thing because, as he had admitted, the architect of this whole mish-mash was the hon. Minister of Municipal Affairs. I believe I could produce Hansard to prove that what I'm saying is correct.

MR. FARRAN:

On a point of order, Mr. Speaker. I said that the author of the mish-mash was on the other side of the House.

MR. LUDWIG:

Mr. Speaker, I beg to differ. That isn't what he said at all and it's inaccurate and he wants more saying of that which I believe to be entirely untrue. I couldn't say that it is knowingly untrue to him because there hasn't been much evidence that what he has done in this House is done knowingly.

I agree with the remarks made by the hon. Leader of the Opposition that we are dealing with more than one principle and it is difficult to stand up and support one portion of the bill, which I believe every hon. member will support, and that is the increase in home-owner tax discounts.

I would like to bring to the attention of the House, Mr. Speaker, a very interesting incident that took place in this House a couple of years ago when the hon. Minister of Municipal Affairs was sitting on this side. He was very impatient with the fact that this home-owners' tax discount was buying votes by the previous government -- he said that, maybe he's forgotten but I believe that he did. And now they have, in some instances more than doubled this same principle and all of a sudden it appears as if this is something that the Conservatives invented in their short term of office. It is an extension of a previous principle. I believe that when revenues permit that I support an

increase in the home-owners' tax discount. But it's not a new thing at all. It's been practised here within the means of the government at that time to pay.

So we should just set the record straight and be accurate about these things. And when the hon. Minister of Municipal Affairs and the Minister of Telephones and Utilities get up and make such glowing endorsements of this present policy, they could perhaps stand squarely and admit that it is an extension in this one particular area of a previous principle. It's Social Credit established principle of discounting the costs to residential taxpayers and this is an increase and nothing less than that, Mr. Speaker. They could perhaps try to contradict me but I believe if they read their history, and they like to go back into history with regard to Social Credit, perhaps they would learn that at least in this instance I'm entirely correct.

One thing that cannot be denied, Mr. Speaker, on this bill, is that there are many home-owners, I would say the majority of home-owners, who will be getting more money because of the fact that they happen to have bigger and better homes. By and large I believe that the majority of people who will get a bigger tax discount will perhaps be in the bracket of having higher incomes than those who have smaller homes and perhaps could not afford to buy a bigger home. This principle is not sound, that of helping those who have a bit more by a bigger tax discount.

Perhaps there are instances, as the hon. Minister of Telephones and Utilities has stated, that some people who have bigger homes do not necessarily have bigger incomes. This is true, I suppose, in many instances. But I would say that by and large where you go into a district where the homes are larger and more expensive you are into a higher income area.

So the principle of providing more for those who have more is not sound and eventually this built-in expense will have to be looked at again because the needy will need more. But there will not be more to give because many who perhaps have settled for the same amount as the lowest will be getting more.

One interesting development of this whole exercise is that the tenants are in fact getting nothing. There are many landlords, if the government is in communication with the landlords particularly of the larger apartment blocks, who withheld raising their rents prior to this announcement by the minister because they expected education taxes to be removed from apartments. Many landlords who held back -- they would be entitled to interpret the remarks about removing property taxes from residential property to mean they will be removing education costs from apartment blocks. Many landlords who held back raising rents in anticipation of removal of this tax from their property, found out they had been very obviously misled by the Conservative government and they are now raising their rents to make up for the increases in costs, et cetera. So the tenant is really getting nothing in many, many cases.

I am sure that all the larger apartment owners have already raised their rents by \$10 a month, at least. So the tenant, in fact, got nothing.

I am sure there will be instances to show that I am not entirely correct, but there are many instances where I can prove that this has happened. Landlords have come to me and said, "Mr. Ludwig, we are raising our rent by \$10 a month to our tenants because the Conservatives did not take the education cost off my property." This is a very simple indication that they believed something they heard and found out perhaps they were not too wise in believing what they heard from politicians during an election.

I would like to urge this government to hold public hearings in committee of the Public Affairs Committee, that is all the members in committee, dealing with this issue in view of the fact there appears to be some indication many changes will have to be made. That is an admission in advance. I suppose the minister is defending his position perhaps before he gets to it, he expects a lot of changes to be made. And that is an admission that perhaps everything isn't thought out as carefully and as satisfactorily as he thinks it could be.

So why not call the municipalities and the council members from throughout the province?

I am sure Edmonton would like to come here and say a few things to the Minister of Municipal Affairs and, perhaps, the hon. Premier, and perhaps see whether the MLAs from Edmonton will stand up and be counted on this issue, because they can't sit too comfortably with what is happening. But they are silent and I believe that perhaps there is some kind of an unwritten, unholy undertaking that they must not criticize.

Any member with the least bit of gumption who doesn't like what is happening ought to stand up and say what he thinks. But the Edmonton MLAs have been silent on many issues -- perhaps they will get up and say something, but I doubt it very much. I get the impression that if the Edmonton MLAs could not stand up and praise the bill, they will perhaps say nothing. It doesn't say very much for the public who expect their views and their problems to be openly and courageously discussed in this House and not to keep quiet lest someone in the front line might not appreciate what is said. This is rather an accusation to the MLAs on the Conservative side because there has been a very noted reluctance to stand up and say what they believe about things that are happening.

This is a controversial bill and certainly much can be said for it. There are sore spots, there are matters in this bill on which I believe some of the MLAs on the other side ought to stand up and express their thoughts. I'll be surprised if it happens, but I would like to see it happen.

[Interjections]

So on the matter of -- the hon. member who is cutting in ought to stand up later on and say what he thinks of it instead of trying to cut into my speech.

AN HON. MEMBER:

Give him time.

MR. LUDWIG:

So, Mr. Speaker, with those few remarks I would like to just press the government to try not to second-guess the municipalities and say that all is well because the hon. Minister of Telephones says it is well. That is rather a sad reference to the problems people have in this province when he says all's well. The municipalities are happy. Local autonomy doesn't mean anything really as long as they get the money. Then he gets back, when he puts his foot in it, that perhaps the other government started all this and the problems are so bad that nobody can unravel them. At least he couldn't. So that is the way he ended his debate, that whatever is wrong with this thing it is because of Social Credit. Whatever is right has to be because of the Conservatives -- whatever is right.

[Applause]

You jumped the gun that time I think.

So, Mr. Speaker, I believe the hon. members in this House ought to stand up and urge the Minister of Municipal Affairs and the hon. Premier to hold public hearings on this issue in Committee of the Whole in this Legislature, because there have been expressions in writing of dissatisfaction, and I'm sure the hon. members opposite must have received some letters, some criticism of this bill. Perhaps not -- perhaps we get the credit. Or perhaps the public in this province feel that there is no point in complaining to the Conservative MLAs because nobody hears about it after the complaint is made.

So that is the main criticism. I believe that the remarks of the hon. Leader of the Opposition with regard to local autonomy and hospitals were well taken. Certainly people in charge of hospitals, local boards and commissions are not happy with the way this bill has turned out and perhaps the minister could listen to them.

The strongest objection I have to some of the remarks made by the Minister of Municipal Affairs is that he stated, first of all, that they were going to remove education costs from residential property. I'm saying that is a contradiction of his previous position and perhaps he should correct that position. If he has changed his mind and backed off his previous commitments, that is fine but let him admit it.

The second statement the hon. Minister of Municipal Affairs made is that the residential taxpayer will be getting as much as two and one-half times what he got previously. I wonder if he could explain when he replies whether all home-owners, all residential taxpayers, will get twice as much or two and one-half times as much as they got in 1971. Or will some not get a cent more? Perhaps those who need more will not be getting much more than previously. I wonder how much more some of those people who were getting \$150 under the previous government will be getting now? Mr. Speaker, will they be getting twice or two and one-half times as much as they were before? I submit not and that the minister's remarks were only partially correct. I believe that when we

deal with a bill of this importance we ought to be accurate and should not make far flung statements which indicate that the people are getting more than they are in fact getting.

So with those remarks, Mr. Speaker, and the challenge to the Conservative MLAs to stand up and be counted -- because they'll have to stand up and be accountable in their constituencies sooner or later. They can hide under all these pronouncements at the present time, but sooner or later the taxpayers will call a meeting and demand, "What did you say with regard to this position that we don't like, the position taken by the government?"

I'd like to deal with one more interesting topic, and that is local autonomy as some of the council members now sitting opposite understood it two or three years ago. I remember that there was such a tremendous furor in Calgary when they organized what was a democratic march on the Legislature here. Some of the top Conservatives were in the forefront. I don't know if the Minister of Telephones and Utilities was in the forefront, but he was there someplace. If he were not, he was kibitzing from the rear somewhere. But I didn't see him. A John Kushner, I believe, was in the lead and they marched on this Legislature and they were going to knock the doors down because we were trampling on local autonomy by putting a freeze on the municipal grant. I agree that I was not too much in favour of that freeze, but I believe that the economic conditions at that time perhaps warranted what was done.

But here was a march on the Legislature aided and abetted by some unknowns and some people who are sitting there -- they know all about it -- and they were rejoicing because the government then in office was getting hell because they tampered with local autonomy. My, how times have changed. They have forgotten. This word "local autonomy" was a sacred word as far as some members opposite were concerned and now they can laugh at the people and say it doesn't matter anymore. Money is irrelevant, as some ministers have been heard to say. Now local autonomy is irrelevant. I suppose civil liberties are irrelevant, Mr. Speaker.

Mr. Speaker, in view of the fact that it is now 5:30, I beg leave to adjourn debate.

MR. SPEAKER:

Has the hon. member leave to adjourn the debate?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 2:30 o'clock.

[The House rose at 5:30 o'clock.]